



*City of Chicago
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*Office of the
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Inspector General*

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This *Annual Report* is being provided to the Chicago Board of Education and the Illinois General Assembly pursuant to the School Code of Illinois, specifically 105 ILCS 5/34-13.1(e).

The School Code authorizes the Office of the Inspector General (“OIG”) for the Chicago Board of Education to conduct investigations into allegations of or incidents of waste, fraud, and financial mismanagement in public education within the jurisdiction of the Board. The OIG has also been charged with the responsibility of investigating allegations of various categories of employee misconduct.

This *Annual Report* is a summary of reports and investigations for Fiscal Year 2007, the period between July 1, 2006 and June 30, 2007. Other significant accomplishments that occurred in FY 2007 are also summarized.

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

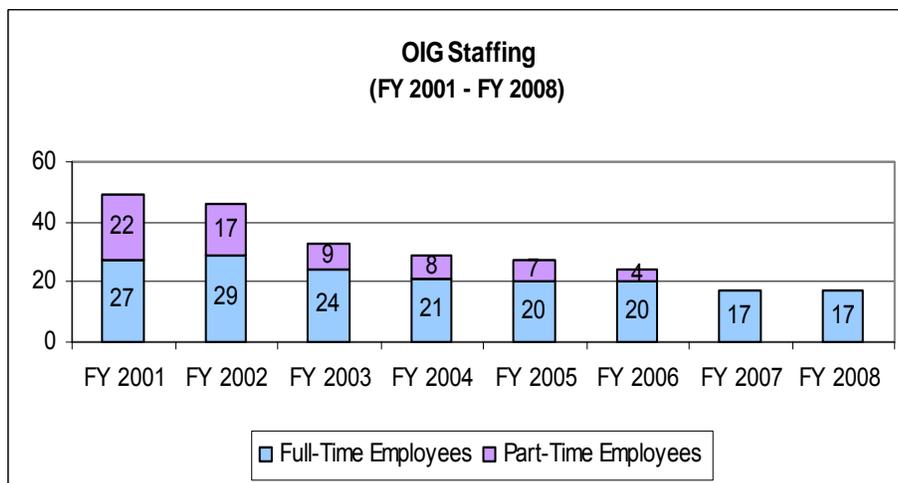
The OIG would like to thank the Chicago Board of Education and CPS administration for continued cooperation and support and its usually rapid response to reports and recommendations issued by the OIG.

James M. Sullivan
Inspector General

ANNUAL REPORT

BUDGET

During Fiscal Year 2007, the Office of the Inspector General continued to perform its statutorily mandated function, despite continued budget and staffing constraints. In FY 2007, the OIG was allocated \$1.7 million, a 64% reduction from the OIG's largest appropriation in FY 2000. Compared to oversight offices with similar responsibilities, the OIG is grossly under-funded and under-staffed. Despite these obstacles, the OIG continues to conduct accurate, thorough and meaningful investigations resulting in increased integrity in CPS operations. In addition, in FY 2007, the OIG was staffed with the lowest number of employees since OIG's roles and responsibilities were expanded from its original configuration. It should also be noted that the OIG previously received funding that allowed it to contract for additional investigative services. In the last few years, those additional resources have been eliminated. OIG staffing levels are illustrated below.



TRAINING

Many employees of the OIG are members of the Association of Inspectors General, a national organization of state, local and federal inspectors general and their staffs. The AIG offers training seminars and certification institutes for members as well as networking opportunities. Currently, five OIG employees have received the designation of Certified Inspector General after undergoing training by the AIG. Participation in the AIG also allows the OIG to be trained in

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best practices in the performance of the Inspector General function. Locally, the OIG collaborates with IG offices from other state and local agencies to train all staff in a variety of investigation and audit related areas.

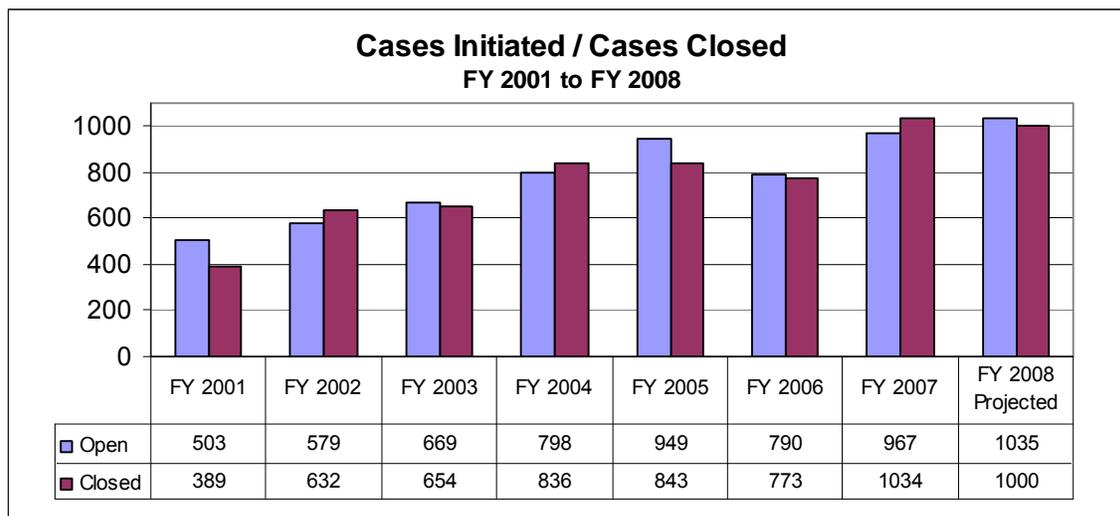
In addition, in May of 2007, a local group of IG's, including CPS OIG staff, helped organize and host a training event for the AIG. This training conference promoted the Inspector General concept and trained approximately 200 IG staff members from state, local and federal IG offices from across the country in the best practices in the field.

INVESTIGATION STANDARDS

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

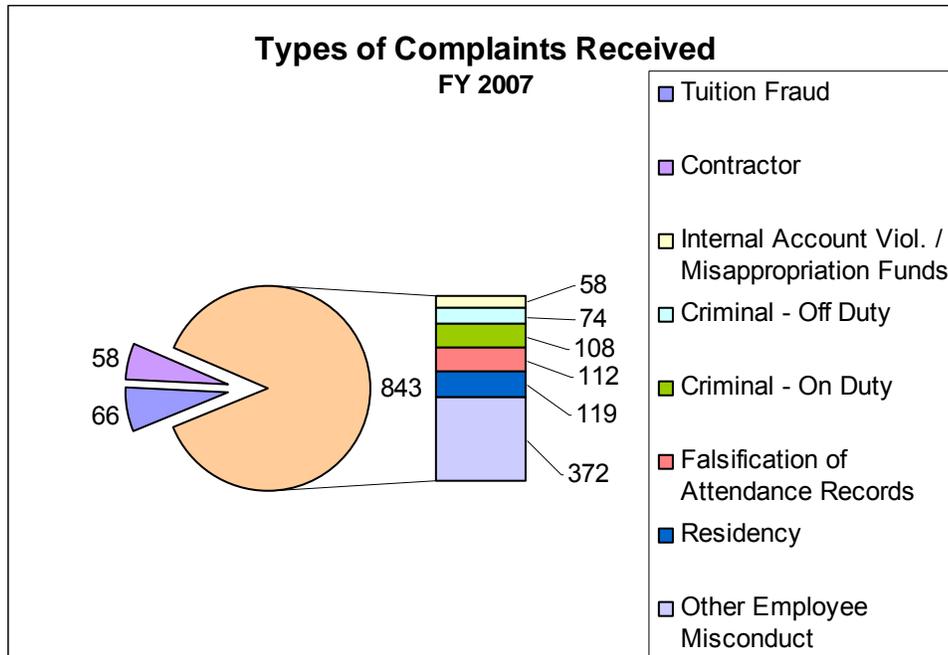
FISCAL YEAR 2007 COMPLAINTS RECEIVED

In FY 2007, the OIG received 967 complaints alleging misconduct, waste, fraud and financial mismanagement within the Chicago Public School system. These complaints included allegations of misconduct by CPS employees or vendors and allegations of students residing outside the City of Chicago and attending CPS. As illustrated below, the OIG receives an increasing number of complaints each year. As of the preparation of this *Annual Report*, based on the number of complaints received so far in FY 2008, the OIG projects it will receive more complaints this year than in any previous reporting year.



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A breakdown of the type of complaints received by the OIG in FY 2007 is illustrated below. In FY 2007, the OIG received 58 complaints alleging contractor misconduct, 66 complaints alleging that CPS students reside outside the City of Chicago and 843 allegations of various types of employee misconduct.



FY 2007 UPDATES TO PREVIOUSLY REPORTED INVESTIGATIONS

Debarment and Federal Mail Fraud Indictment

In its FY 2006 *Annual Report*, the OIG reported that a CPS contractor actually controlled a company that purported to be a certified minority business enterprise. The investigation determined that the majority-owned contractor controlled the MBE company and its work on a CPS sheltered market contract. In essence, the investigation revealed that employees of the majority-owned company prepared the MBE's bid documents, handled invoicing for the MBE company and had excessive control of the MBE company's business bank account, including transferring funds in and out of the MBE company's account. Following the OIG investigation, during FY 2007, CPS debarred the majority-owned company, the MBE company and another company involved in the contracting scam. The matter was referred to law enforcement and the majority-owned company owner was subsequently indicted in the United States District Court for the Northern District of Illinois and charged with mail fraud. The criminal charges against the company owner are pending in federal court. (05-C-294)

Federal Criminal Convictions

As reported in previous *Annual Reports*, the OIG had investigated a CPS fence installation contractor resulting in the owner of the company being indicted in federal court and charged with mail fraud. The OIG investigation revealed that the company owner engaged in a minority contracting scam and over-billed CPS more than \$200,000 for snow-plowing work that was never performed. The president of the company plead guilty to mail fraud and, in FY 2007, was sentenced to three years probation. It was presented at his sentencing hearing that the company owner had cooperated with other investigations conducted by federal authorities.

In addition, a former CPS employee charged in the same indictment with conspiracy to commit bribery and income tax evasion for his role in the minority contracting and over-billing scams plead guilty in FY 2007 to the charges against him and was sentenced to serve a term of twenty months in federal prison. (00-C-089, 01-C-148, 4312)

Convictions for Theft

- In its FY 2006 *Annual Report*, the OIG reported on an investigation which revealed that during a five-year period, a CPS employee wrote 319 school checks to herself. The checks, totaling \$456,554.67, were cashed by the employee or deposited into her personal bank account. The employee resigned during the course of the investigation and the matter was subsequently referred for criminal prosecution. In FY 2007, the employee plead guilty in criminal court, has begun paying some restitution and is awaiting sentencing. (4579)
- In its FY 2006 *Annual Report*, the OIG reported on an investigation which found that an elementary school principal stole more than \$57,000 of money intended for the school's internal account and used the money to gamble at local horse racing tracks. Following that investigation, the principal resigned from CPS employment and was designated ineligible to be rehired. The principal was charged with the offenses of theft and official misconduct and, in FY 2007, plead guilty to the charge of theft and was sentenced to two years of conditional discharge. The principal also repaid CPS the \$57,000 of money stolen. (4289)

OIG Intervention On A Property Transaction Nets CPS More Money

In its FY 2005 *Annual Report*, the OIG reported on an investigation of a property transfer that, in the opinion of the OIG, would have been inconsistent with a provision of the School Code mandating public bidding for public properties valued at more than \$100,000. The OIG investigation revealed that the property

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had a value of \$210,000. CPS represented the value of the property, in its attempted transaction, at \$99,000. The OIG investigation also revealed that, with the authority of a CPS official, the parcel of property had been included in an Institutional Planned Development controlled by the private educational institution. When included in the planned development, the property value decreased by at least 30%. The inclusion of the property in the planned development was done without approval of the Board of Education, since no rule required Board approval for such action. As a result of the OIG investigation, the planned transfer of the property was halted and new terms were negotiated. In FY 2007, the property transfer took place and CPS received a payment of \$210,000. (3970)

BOARD RULE 4-4m

During Fiscal Year 2007, the Office of the Inspector General continued to make great strides in assuring the integrity of CPS employees and operations. As a result of investigations conducted by the OIG and discussions with the CPS Law Department, a Board Rule was proposed and passed by the Chicago Board of Education that codifies current case law and further warns employees of their specific duties regarding administrative investigations conducted by the OIG. Board Rule 4-4m obligates all CPS employees to cooperate with the OIG during its investigations. Specifically, all employees interviewed by the OIG who are given administrative rights may not refuse to answer questions based upon the assertion of that employee's privilege against self-incrimination. Any employee who refuses to answer questions during an interview with the OIG after receiving a notice of administrative rights shall be considered flagrantly insubordinate and to have grossly disrupted the educational process within the meaning of the CPS Employee Discipline and Due Process Policy. Any employee who refuses to answer questions posed by the OIG, after receipt of a notice of administrative rights, shall be subject to dismissal from employment.

FISCAL YEAR 2007 INVESTIGATIONS

In Fiscal Year 2007, the OIG issued 112 reports documenting investigations of alleged waste, fraud, financial mismanagement and employee misconduct. The OIG conducted numerous other investigations of allegations which did not reveal evidence of wrongdoing. Pursuant to the School Code of Illinois, 105 ILCS 5/13.1(e), the following are summaries of the OIG investigations for which reports were submitted in FY 2007.

Lunchroom Revenue Reporting

- The OIG conducted a review of lunchroom revenue reporting and collection procedures at twelve CPS elementary schools. The review was initiated after the OIG, during two separate investigations, encountered irregularities in the reporting and collection of lunchroom funds. In one investigation, the OIG reported on the theft of lunchroom monies by the previous lunchroom manager at an elementary school and the fact that additional monies remained unaccounted for during a short period of time. The lunchroom manager subsequently resigned pending termination. A second OIG investigation, at a different elementary school, determined that lunchroom personnel were allowing students who did not qualify for free or reduced price meals to be served meals without paying. The OIG analysis revealed that during a 17-month period more than \$40,000 was apparently uncollected from students at this elementary school. Following these investigations, the OIG determined that a more extensive review was warranted.

Following this more extensive review, the OIG issued a report to CPS administration which reflected the following and included the specific findings and recommendations noted below.

CPS food services revenue reporting procedures appear to have been designed for a system with only cash sales and, as such, the calculation of the cash receipts total was a control measure to ensure that cash was properly collected and deposited. Absent theft, cash receipts should have matched deposits. However, the CPS practice of providing meals regardless of payment effectively created credit sales – meals provided before payments were received – although credit sales had a very poor collection rate. The reporting system ignored those credit sales and continued requiring that cash receipts be calculated using all meals served. As a result, the effectiveness of the cash receipts total as a control over cash was eliminated; cash receipts no longer even approximated deposits at some schools. Further eroding controls, reporting procedures provided no means of accounting for those credit sales. The decision to provide meals to non-paying students without revising the reporting system eliminated the controls over cash and made it impossible, without other information, to determine whether discrepancies

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between cash receipts and deposits were the result of students not paying for their meals, theft, clerical errors or other causes.

During this review, the OIG learned the following:

- CPS Food Services estimated that it lost approximately \$3.0 to 3.5 million during the 2005-06 school year serving meals to students who did not pay for those meals.
- The meals were served to students who were not eligible for free meals under the federal program.
- The 2005-06 school year was not the first year of this loss of revenue.
- The CPS Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended June 30, 2006 described a lack of controls over food services revenues.
- Based on the reports prepared by the schools and submitted to CPS Food Services:
 - Some schools collected almost none of the money they were supposed to collect; and
 - Some students apparently were provided with meals on a regular basis without paying.
- Collection efforts were left to the discretion of the schools, and some schools made collection efforts while others apparently did not.
- Schools that made significant collection efforts deposited a higher percentage of cash receipts than those that did not.
- CPS did not audit discrepancies between cash receipts and deposits even when discrepancies were substantial and ongoing.
- Some lunchrooms kept records of students who did not pay for their meals while others apparently did.
- Schools that deposited the highest percentages of cash receipts also reported the highest percentages of students eligible for reduced price lunches.
- Eligibility for free lunches increased from October to November 2005.
- Most of the schools in the OIG review handled collection of lunch moneys in the classroom during education time.

Based on its review, the OIG outlined three substantial risks to CPS based on its current lunchroom revenue collecting and reporting procedures.

- 1) Theft – lunchroom staff can steal money and hide the thefts by preparing false reports showing that a lunch was served but money was not collected.
- 2) System integrity – providing free meals to students who claim to have no money, without subsequent collection practices, only encourages parents and students to avoid paying.
- 3) Loss of federal and state funding – requiring payments for meals may encourage timely submission and processing of Free and Reduced Price Meal applications which is essential to CPS because the number of

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eligible students is a key determinant of the amount of federal and state supplemental funding the system receives.

In its report, the OIG made the following recommendations to CPS:

- Write meaningful, realistically enforceable policies about when and how to provide lunches to students without money and how to collect moneys due.
- Evaluate the adequacy of controls over the entire system from establishing eligibility to categorizing lunches served as well as looking at reducing the discrepancy between cash receipts and deposits.
- Acquire a new management system that is effective and efficient, incorporates adequate internal controls, produces meaningful data, does not waste education time, and accounts for students who do not pay.
- Conduct a thorough needs assessment looking at a variety of schools since schools manage their lunch programs differently. The CPS should define those areas of the lunch programs over which the schools will have discretion and those areas over which they will not have discretion; internal controls should not be discretionary.
- Develop a plan to collect the free-lunch applications before school starts to eliminate the need to account for students whose eligibility is determined after-the-fact. (5254)

Altering Student Records

- The OIG conducted an investigation that consisted of reviews of available records of twenty-four students of a CPS high school and interviews of at least forty CPS employees, most of whom are or were members of the faculty at the high school. The investigation supported the following findings:
 - Grade changes - The OIG investigation revealed numerous instances of unsupported grade changes. The grade changes were problematic for the following reasons: (1) The radical grade changes were not indicative of additional work or completed outstanding assignments. For example, in many instances grades were changed from F to A; (2) In many cases the grade changes were made semesters after the classes were taken; (3) In most cases, paperwork supporting and/or documenting the reason for the change could not be located; and (4) In a great number of these instances, teachers were not aware that the grades had been changed.
 - Added Classes - The OIG investigation revealed that in several instances, classes were added to students' transcripts a significant time after the class was purportedly taken and in most situations without documentation explaining the reason for the addition. Moreover, in at least three instances, classes were added to students' transcripts after they had left CPS. In two other instances, classes were added after the students had graduated from the high school.
 - Foreign Transcripts - The OIG investigation revealed that in several instances, students received credits for classes taken in school systems outside CPS despite the fact that the students' transcripts from the non-

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CPS schools, i.e., foreign transcripts, did not reflect the classes credited. Additionally, in at least two instances, students were given high school credit for several classes taken in foreign countries when in fact these classes were the equivalent of seventh grade classes in the United States.

- Lack of minimum requirements to graduate - The OIG investigation revealed that in several instances, students not meeting graduation requirements were added to the high school's graduation list and were allowed to graduate. In some of these instances, the students were allowed to graduate despite the fact that their counselors determined that the students were ineligible to graduate. Additionally, the grade changes from failure to passing and the addition of classes cast doubt on the legitimacy of the graduation of as many as twelve (50%) of the students whose records were reviewed during the OIG investigation.
- Academic ineligibility for sports - The OIG investigation revealed that in at least two instances, prior to their grades being changed, members of a sports team at the high school would have been ineligible to play due to their grade point averages. However, after the grade changes, these students were certified as eligible on documents signed by the team's coach, the athletic director, the faculty representative and the principal.

Prior to the completion of the OIG investigation, the principal of the high school resigned from CPS employment. After the OIG distributed the results of its investigation to CPS administration, the Principal was designated as ineligible to be rehired.

The OIG investigation also revealed that a school clerk made virtually every questionable grade change, class addition or deletion uncovered by the OIG. Additionally, the clerk was unable to provide the OIG with any documentation justifying the grade changes. Further, virtually every teacher questioned by the OIG about one of their grades being changed did not know that the clerk performed that task or what the clerk's role was at the high school. Based on his role in the improper grade changes and class additions and deletions, the OIG recommended that the clerk be discharged from CPS employment.

The results of the investigation were also forwarded to the Illinois State Board of Education for whatever action ISBE deemed appropriate and to the Cook County State's Attorney's Office for review for potential criminal prosecution.
(3602)

Other Misconduct At The Same School

- In a related investigation to the one noted above, the OIG investigated the same high school clerk as mentioned above for allegedly engaging in student teaching while on CPS time. The OIG investigation revealed that the clerk was swiped-in as working at the high school when in fact he was performing student teaching at a local elementary school. Following the two

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investigations implicating the clerk in significant wrongdoing, the clerk resigned from CPS employment and has been designated ineligible to be rehired. (5155)

- The OIG conducted an investigation which revealed that numerous construction projects took place at the high school, prior to and during the time that the school's principal has been in charge of the school. The investigation revealed that the projects were not authorized by the CPS Department of Operations. Further, the school had not obtained permits for the construction projects and licensed electricians and plumbers were not utilized. Following the OIG investigation, the Law Department recommended that the current principal at the high school be issued a written reprimand. (5686)
- The OIG conducted an investigation which revealed the same high school had purchased two soda pop vending machines and sold soda pop and other beverages to students and staff in violation of federal and municipal laws and CPS rules, regulations, and contractual agreements. During the course of the investigation, the school was directed to remove the machines from operation. The OIG confirmed the removal of the vending machines. (5270)
- The OIG received a complaint of unauthorized food sales at this high school. The OIG investigation determined that a high school teacher sold soda pop and snacks from her classroom in a manner inconsistent with the *CPS Insider's Guide to School Business and Internal Accounts* and potentially in violation of the National School Lunch Act. In addition, the OIG investigation revealed that the teacher had engaged in secondary employment with a decorating company without notifying the CPS Ethics Officer. Following the OIG investigation, the teacher was issued a warning resolution. (5273)

Breach Of Data Security

- The OIG investigated an incident which revealed that a list containing the names, addresses and social security numbers of 1,739 CPS COBRA benefits participants was mistakenly included in an open enrollment mailing sent to all of these COBRA participants. Based on the investigation, the OIG made the following findings:
 - An employee of a central office department was inattentive to duty in that she forwarded e-mails to the general manager of a printing contractor which on their face reflected that the list containing the names, addresses, and social security numbers of the 1,739 COBRA benefits participants should be sent to each participant.
 - The employee and another contractor working with the central office department were inattentive to duty in that they included the social security numbers on the list of COBRA participants, which was sent to the

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printing company to serve as a mailing list, simply because it was a matter of convenience to not eliminate the social security numbers on the list.

- The inclusion of the list of names, addresses and social security numbers of all of the COBRA participants in the COBRA packet could have been prevented by minimal attention to detail by the printing contractor.

The OIG recommended that when CPS utilizes a vendor to print and distribute multi-document packets, especially those of an important and sensitive nature like employee benefits, CPS should require, both by contract and in practice, that proofs of the packets be reviewed and approved by the CPS employee in charge of the project prior to distribution. Following the OIG investigation, the Law Department recommended that the central office employee be issued a written reprimand. (5482)

- The OIG learned that confidential student test data contained on the website of a central office department was accessed by an unauthorized individual who is not a CPS employee. The OIG conducted an investigation which confirmed that a former employee accessed confidential student test data contained on the website. Further, the former employee notified the central office department of the ability to access the confidential information. Following the investigation, the OIG made the following recommendations:
 - The former employee be issued a cease and desist letter from the CPS Law Department demanding that he cease using personalized student data for research and analysis, even if only for the purposes of assisting CPS personnel enrolled in a leadership class he instructed at a local university, since the dissemination of the personalized student data for research purposes is prohibited by the Illinois Student Records Act.
 - Area Instructional Officers, Principals and other CPS administrators or other personnel with access to student data and records which contain information by which a student may be individually identified must be constantly warned and trained that such data is prohibited from dissemination by the Illinois School Student Records Act. The OIG further recommended that a warning reflecting that dissemination of student records is prohibited should be displayed on all web pages or internal network sites that contain personalized student records.
 - The Department of Information Technology Services should host all web accessible data sites and monitor sites for security breaches. Further, the OIG recommended that ITS ensure that all such sites routinely require that passwords be changed periodically and that passwords not be easily discernible.
 - Any CPS contractors given access to confidential student records be required to sign a confidentiality agreement acknowledging the confidentiality of such records.

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As of the writing of this report, the CPS Department of Information Technology Services and the CPS Law Department are working to ensure the website in question is properly maintained and secured. (5650)

- The OIG received an allegation that high school staff members allowed students to access school attendance and disciplinary records in violation of the Illinois School Students Records Act. The investigation determined that a teacher at the high school utilized a student to process student disciplinary records which improperly disclosed these records in violation of the Illinois School Students Records Act. Three other teachers, the investigation revealed, utilized students to process student attendance records which also improperly disclosed the records.

Based on the facts uncovered during the course of this investigation, the OIG made the following recommendations:

- That CPS enact a program to provide training to all schools, particularly high schools, regarding the Illinois School Student Records Act. This seems especially necessary since this was the second investigation reported on by the OIG since May 2007 where high school staff apparently unintentionally violated the Illinois School Student Records Act in carrying out routine administrative school functions.
- That CPS enact guidelines for high schools which utilize students to perform administrative functions to ensure the tasks performed by the students conform to the Illinois School Student Records Act as well as all other CPS and state regulations.
- That CPS initiate disciplinary proceedings against the teachers and /or the school principal for the various violations of the Illinois School Student Records Act should any such disciplinary action be warranted. (5899)

Rigging Magnet School Admissions

- The OIG received a complaint that an instructor assistant at a CPS magnet elementary school altered numerous applications for admission to the school in order to give each applicant a preference in the school's admissions lottery. The investigation determined that the assistant altered the application of a student to reflect that he was a sibling of the assistant's niece when in fact the students were not related in order to give the applying student a preference in the school's admissions lottery. The investigation further revealed that the assistant encouraged the parent of an applicant to represent on a school application that the applying student was the sibling of a student already enrolled at the school in order to give them a preference in the school's admission lottery. Following the OIG investigation, the instructor assistant resigned from CPS employment and has been designated as ineligible to be rehired. (5748)

Falsification Of Attendance Records

- An OIG investigation revealed that an employee assigned to a citywide department was falsifying attendance records by not working a full day. The investigation also revealed that the employee conducted personal business while on CPS time. Following the OIG investigation, the employee resigned and was designated ineligible to be rehired. The employee also agreed to pay CPS restitution for pay received for time the employee did not work. (4477)
- An OIG investigation of a CPS high school teacher found that the teacher violated numerous CPS policies and rules. The teacher was paid for time working an extra-curricular program when in fact the teacher did not work. The teacher also misused sick time by taking sick days for time the teacher was actually on vacation in Florida. In addition, the teacher inappropriately credited students for time in the after school program when in fact the students did not complete the minimum requirements for the program. Finally, the teacher awarded work at the high school to a company owned by his son in violation of the Code of Ethics of the Chicago Board of Education. During the course of the OIG investigation, the teacher was separated from his employment with CPS and was designated ineligible to be rehired. (4794)
- A high school teacher was investigated for allegedly falsifying her attendance records. The OIG investigation revealed that the teacher represented that she was working when in fact she was attending classes at a local university. The investigation further revealed that the teacher had a co-worker sign a principal's name to a form, without the principal's knowledge or authorization, which represented that the teacher had performed some college class work at a local elementary school when in fact the teacher had not. The Law Department is reviewing the investigation for potential disciplinary action against the teacher. (4332)
- A parent worker at an elementary school was investigated for allegedly falsifying attendance records. The investigation revealed that the worker falsified his attendance records by having his wife swipe him in as working when in fact he was not at work. The OIG also found that the worker had a recent conviction for the offense of disorderly conduct for which he was sentenced to a one-year term of conditional discharge and ordered to perform 100 hours of public service. Following the OIG investigation, the worker was terminated from CPS employment. (5387)
- An OIG investigation revealed that a teacher who was on loan to a local university received full pay from CPS despite the fact that she was working only 60% of full time. The investigation revealed that the teacher also received full pay from CPS despite being on maternity leave for at least 30 of those days. Following the OIG investigation, the teacher received a three

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day suspension and agreed to repay CPS \$20,000 for wages she should not have received. In addition, 30 days of sick time were deducted from the teacher's accumulated bank of benefit time. (5013)

- An OIG investigation revealed that a speech pathologist with assigned duties at numerous schools falsified attendance records. The OIG investigation determined that on at least sixty occasions the speech pathologist swiped-in at schools to which she was not assigned in order to be reflected as being on time on CPS time records when in fact she was late arriving at the school to which she was assigned. Following the OIG investigation, the speech pathologist resigned from CPS employment and has been designated as ineligible to be rehired. (5003)
- An OIG investigation revealed that a school clerk assistant received seventy-two hours of pay totaling \$1,494.34 for extra-curricular activities for days in which he did not in fact work. The investigation determined that the school clerk assistant was paid in advance to work hours in the summer and then did not work the time. The Law Department recommended that the school clerk assistant receive school-based discipline and repay the salary he did not earn. (5443)
- The OIG conducted an investigation which determined that an elementary school engineer falsified his attendance records by having someone else swipe-in for him when he was not in fact at the school. The investigation also revealed that the engineer used his office to conduct a secondary business in violation of the CPS Employee Discipline and Due Process Policy. In addition, when interviewed, the engineer made a false statement to the OIG also in violation of the CPS Employee Discipline and Due Process Policy. The engineer has been terminated from CPS employment and has been designated ineligible to be rehired. (4678)
- An OIG investigation revealed that an elementary school clerk edited-in time for hours that she did not in fact work. The investigation also revealed that the clerk edited-in time for a co-worker, also a clerk, for hours that the co-worker did not in fact work. In addition, the investigation revealed that the former principal of the elementary school authorized the clerks to utilize compensatory time in violation of Board Rule 4-9(e). Further, when interviewed by the OIG, both clerks made false statements in violation of the CPS Employee Discipline and Due Process Policy. Following the OIG investigation, the principal was issued a warning resolution, one clerk retired from CPS and the other was terminated. Both clerks were designated as ineligible to be rehired. (5314)
- An OIG investigation revealed that a school clerk at an elementary school was falsifying her attendance records and actually received pay for hours that she was attending classes at a local college. The investigation also revealed

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that the principal of the school authorized the clerk to attend the college classes while on CPS time. Following the OIG investigation, the principal was issued a warning resolution and the clerk was issued school-based discipline. (5414)

Failure To Cooperate With The OIG

- The OIG received notification that a high school teacher was arrested off-duty and charged with the offenses of aggravated criminal sexual assault and kidnapping. When interviewed by the OIG about the circumstances of the arrest, the teacher refused to answer questions put forth by the OIG in violation of the School Code of Illinois and the CPS Employee Discipline and Due Process Policy. Following the OIG investigation, the teacher was issued a warning resolution and was ordered to answer questions posed by the OIG.

In a follow-up investigation, the OIG again attempted to interview the teacher who again refused to cooperate with the OIG investigation. Disciplinary action pursuant to newly enacted Board Rule 4-4m is pending against the teacher. As mentioned above, Board Rule 4-4m specifically mandates that CPS employees cooperate with the OIG during an administrative interview. (5132, 5597)

Criminal Acts By Employees

- A central office employee was arrested for the federal offense of conspiracy to distribute and possess with intent to distribute controlled substances. The OIG conducted a follow-up investigation. The criminal charges are still pending against the employee. The employee was discharged from CPS employment and has been designated ineligible to be rehired. (5133)
- An OIG investigation revealed that a teacher assigned to a CPS alternative high school was indicted for the offense of mail fraud. The charges reflected that in 1967, the teacher applied to the Social Security Administration for a social security number under a fictitious name and a social security number was issued. As such, the teacher possessed two social security numbers. The charges further reflected that beginning in 2000 and continuing until December 2005, the teacher defrauded the Social Security Administration by applying for and receiving Old Age and Survivors Insurance under the fictitious name and social security number. For the entire time the teacher collected Social Security benefits under the fictitious name he was employed and earning income as a CPS teacher.

The OIG also learned that the teacher attended federal court for a hearing and also a meeting with a probation officer in anticipation of sentencing, while on CPS time. Shortly after the OIG issued reports on its investigations, the teacher resigned from CPS employment and was designated ineligible to be

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rehired. The teacher was subsequently sentenced to three years of probation and ordered to serve one year of home confinement. (4742, 5354)

- An elementary school teacher was arrested for the felony offense of threatening a public official after she placed a telephone call to the administrative offices of the Circuit Court of Cook County and threatened two judges. After a trial, the teacher was sentenced to serve a one-year term of probation. The OIG investigation also revealed that the teacher falsified her attendance records by appearing in court while on CPS time and improperly used sick time by taking sick days on days that she appeared in criminal court. The teacher also failed to notify CPS that she was convicted of a felony offense in violation of Board Rule 4-4c. CPS issued the teacher a warning resolution. (4503)
- The OIG conducted an investigation which revealed that an elementary school teacher was arrested for the offenses of trafficking in drugs, possession of drugs, and possessing criminal tools in another state. The OIG investigation further revealed that the teacher utilized sick days to attend court in Ohio in violation of the CPS Employees' Sick, Personal and Vacation Benefit Days Policy. It should be noted that the teacher was subsequently found guilty of the offense of possession of controlled substance in Ohio and is awaiting sentencing. The teacher has been terminated from CPS employment and has been designated ineligible to be rehired. (5268)

Pornography

- The OIG received an allegation that a Professional IV in a central office department utilized the CPS computer network to access pornographic images. This investigation revealed that the employee misused the CPS computer network to access websites, web pages and photographs which contained obscene, pornographic and sexually explicit images. Following the OIG investigation, the employee resigned and has been designated ineligible to be rehired. (5676)

Misappropriation Of Funds

- The OIG investigated an elementary school guidance counselor aide for improperly issuing reimbursements to himself and others. The investigation revealed that the guidance counselor aide improperly processed reimbursements to himself, his wife and other school employees without authorization and without proper supporting documentation. The OIG was unable to locate supporting documentation for any of the questionable reimbursements that were issued during a six-year period and totaled more than \$22,000 which would have allowed the OIG to determine the legitimacy of the reimbursements. During the course of the investigation, the guidance counselor aide resigned from CPS employment. He was also designated as

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ineligible to be rehired. The Law Department is reviewing the matter for a possible civil action to recover the funds in question. (5574)

- The OIG was asked to review the expenditure of funds by an elementary school principal. The investigation focused on the expenditure of \$22,441 for a trip to a three-day convention to be held in Texas. The OIG learned that the trip was subsequently cancelled, which resulted in non-refundable expenses and a loss to the elementary school of more than \$14,000. The OIG investigation determined that the principal mismanaged and wasted school funds, in violation of the CPS Employee Discipline and Due Process Policy, Group 4-20. Following the OIG investigation, the principal retired from CPS employment. (5386)

Misuse of CPS Property

- A central office manager was involved in a motor vehicle accident while driving a CPS leased vehicle while his driver's license was revoked. The OIG then conducted an investigation which revealed that during at least two separate periods, the manager drove a CPS leased vehicle while his driver's license was either suspended or revoked in violation of the CPS Fleet Management Policy. The fact that the manager drove a CPS leased vehicle without a valid driver's license also placed CPS in breach of its contract with the car leasing company. In addition, the OIG investigation determined that the manager failed to notify CPS that he was cited for driving-related offenses in violation of the CPS Fleet Management Policy. Further, it was learned that the manager improperly submitted a letter to the court accompanying his request for a judicial driving permit on CPS letterhead that, pursuant to the accompanying motion in court, purported to be from his employer, when in fact it was not and actually bore the manager's own signature. In addition, the manager made a false statement to the OIG during an interview. As a result of the OIG investigation, the manager was issued a three-day suspension. (5804)
- A high school teacher was found to be using school property to store multiple operable and inoperable vehicles without authorization and in violation of the Municipal Code of Chicago. The OIG also determined that storing the vehicles on CPS property caused safety and environmental concerns. As a result of the OIG investigation, the teacher was directed to remove the vehicles from CPS property. (5809)

Stealing Money

- An elementary school lunchroom manager failed to make regular bank deposits of lunchroom fees collected. The OIG investigation revealed that for a nine-month period more than \$800 recorded as collected by the lunchroom manager was never deposited in the bank and was missing from the school.

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As a result of the OIG investigation, the lunchroom manager was terminated from CPS employment and has been designated as ineligible to be rehired. (5910)

- An OIG investigation determined that a school security officer assigned to an elementary school, on at least three occasions, stole money from the desk of the school clerk. Following the OIG investigation, the school security officer was terminated from CPS employment and has been designated ineligible to be rehired. (5869)
- An OIG investigation determined that a custodial worker assigned to a special education high school stole at least \$315 from the school safe. After being caught, the custodial worker resigned and has been designated ineligible to be rehired. (6011)

Social Security Disability Insurance Benefit Fraud

- In cooperation with the Social Security Administration, the OIG conducted investigations which revealed that three CPS employees committed social security disability benefit fraud. These investigations revealed the following:
 - A program option teacher at a CPS high school obtained more than \$28,000 in Social Security Administration Disability Insurance Benefits which were issued to her aunt after her aunt's death and to which the teacher was not entitled. The teacher was issued a warning resolution. (5483)
 - A student special services advocate at a CPS high school obtained Social Security Administration benefits which were issued to his mother after her death and to which he was not entitled. The investigation revealed that the employee obtained more than \$21,000 for three years after his mother's death. The investigation further revealed that when confronted with the fraudulent activity, the employee repaid the Social Security Administration more than \$26,000 for the benefits he fraudulently received. The Law Department recommended that the employee be issued a written reprimand. (5447)
 - A teacher at a CPS alternative high school obtained more than \$11,000 in Social Security Administration benefits which were issued to her husband after his death and to which she was not entitled. The investigation further revealed that when confronted with the fraudulent activity, the teacher repaid the Social Security Administration more than \$11,000. The Law Department recommended that the teacher be issued a written reprimand. (5450)

Misuse of CPS tax-exempt status

- The OIG was notified that a high school lunchroom attendant attempted to utilize a CPS tax-exempt letter to avoid paying sales tax on a purchase of items for her personal use. The investigation revealed that the lunchroom attendant attempted to use a CPS tax-exempt letter to avoid paying sales tax at a furniture store for a purchase of a dinette set for her own personal use. In addition, the lunchroom attendant made a false or inaccurate statement during an interview with the OIG in violation of the CPS Employee Discipline and Due Process Policy. Following the OIG investigation, the lunchroom attendant was terminated from CPS employment. (5599)
- The OIG conducted investigations which revealed that three employees of a CPS high school were using the CPS tax-exempt letter to avoid paying sales tax on personal purchases.
 - A teacher utilized CPS' tax-exempt status to purchase personal items from Sam's Club without paying sales tax. The teacher was issued a written reprimand. (4467)
 - A school security aide at the high school used the CPS tax-exempt letter to purchase personal items without paying sales tax. The security aide informed the OIG that his brother, who is not a CPS employee, also used the CPS tax-exempt letter to make personal purchases without paying sales tax. (4465)
 - A school clerk also used the CPS tax-exempt letter to purchase personal items without paying sales tax. The school clerk left CPS employment before the initiation of the investigation. (4464)

The results of these investigations were referred to the Illinois Department of Revenue.

Based on these investigations, as well as other similar investigations conducted by the OIG in recent years, the OIG made recommendations concerning the use of the CPS tax-exempt letter. Specifically, to minimize the risk of violating the Illinois Compiled Statutes, the OIG recommended that the following recommendations be included in the CPS Internal Accounts Manual:

- All account cards necessary to make school-related purchases at a warehouse-type store or any other establishment must be in the name of the school.
- No credit accounts should be initiated in the name of a school.
- The principal should designate who is to be listed as the primary account user, who may be included as a user on the account, and who may utilize the account for making tax-exempt school-related purchases. The number of accounts, cards and users should be limited to a reasonable number of employees.
- Only CPS employees who are assigned to the school for which the account is opened and who are authorized by the principal may be

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included on the account. No non-CPS employees, family members or friends should be listed on the school account.

- The account should only be utilized to make school-related purchases. If individuals wish to make personal purchases, the individual should open their own private account to do so and should not utilize the school's account even if the purchaser pays for all purchases and pays all required taxes. Using the account only for school-related purchases ensures that the account will not be used, intentionally or not, for any inappropriate purchases or in violation of federal, state or local tax laws.
- All individuals authorized to utilize the school account should be made aware of the Illinois Compiled Statutes regarding the payment of use ("sales") tax under 35 ILCS 105/3, and the recommendations of this specific policy.
- All cards issued pursuant to the account should be inventoried and maintained by the school.
- If an employee who is listed on the account leaves employment with CPS or with the school, the employee's card should be obtained and the account should be modified to remove the employee from the account.
- The account records should be requested and reviewed on a quarterly basis to ensure that the account is being used in a manner consistent with this policy.

As of the writing of this report, the OIG has not received feedback from CPS administration concerning these recommendations.

Criminal Background Issues

- The OIG conducted an investigation which revealed that a vendor presented a workshop at an elementary school despite the fact that he had four prior convictions for felony drug offenses which would bar him from CPS employment under the School Code of Illinois, 105 ILCS 5/34-18.5(c). Further, the OIG investigation revealed that the vendor was allowed to work in a school without having a criminal background investigation conducted. The School Code of Illinois, 105 ILCS 34-18.5(f), requires background checks of employees of persons or firms holding contracts who have direct, daily contact with the pupils of any school. The OIG recommended that the vendor be debarred from doing business with CPS. The OIG also recommended that CPS revise its background check policy to include those CPS vendors similarly situated to the one in this case to ensure that all people allowed to have contact with CPS school children or otherwise perform services at a school are subject to a background check.

Additionally, the OIG learned that the vice-president of the Local School Council at the elementary school, who was also the chairperson of the Parent Advisory Council at the school, was the niece of the vendor and had advocated for the vendor. The subsequent use of the vendor at that school

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violated the Code of Ethics for the Chicago Board of Education. The OIG investigation further revealed that the Code of Ethics for the Chicago Board of Education does not include Parent Advisory Council members as among the individuals bound by the Code of Ethics. As such, the OIG recommended that the Code of Ethics for the Chicago Board of Education be revised to include, in pertinent parts, Parent Advisory Council members as among the individuals bound by the Code of Ethics. The Department of Procurement and Contracts has deactivated the vendor's authorization to work for CPS and is also working to formalize a procedure to assure that vendors similarly situated are subjected to criminal background checks before interacting with school children. (06-C-332)

- A school security officer at a high school was arrested and subsequently charged with the offenses of unlawful use of weapons by a felon and aggravated unlawful use of weapons. The OIG investigation also determined that the security officer was charged as an armed habitual criminal. The security officer subsequently plead guilty to the charge of unlawful use of weapons by a felon and was sentenced to serve three years in the Illinois Department of Corrections. Upon learning of this most recent arrest, the OIG informed the CPS Law Department of the circumstances of the security officer's arrest as well as his extensive criminal history and the Law Department facilitated the security officer's immediate discharge from CPS employment.

The OIG investigation also questioned why the security officer was hired by CPS despite the fact that he had been twice convicted of the felony offense of aggravated unlawful use of a weapon, once convicted of a misdemeanor unlawful use of weapons charge and despite the fact that he submitted paperwork during the hiring process on which he represented that he had never been convicted of any crime. It should be noted that, pursuant to the School Code, specifically 105 ILCS 5/34-18.5(c), the security officer's convictions did not preclude his employment with CPS. However, Section IX of the Department of Human Resources Guidelines for Criminal Background Checks, titled *Convictions for a Felony within Seven (7) Years of Submitting an Application, or Other Convictions* reflects that applicants may be denied employment if they have been convicted of a felony within the past seven years based on factors that include the nature of the crime, whether the applicant lied on the application questionnaire and the relationship of the conviction to the type of job applied for.

Based on the OIG findings in this investigation, the OIG made the following recommendations:

- That CPS request that the Illinois General Assembly amend the Illinois School Code, 105 ILCS 5/34-18.5(c), which prohibits the board of education from hiring individuals convicted of specific, enumerated crimes, to include among those enumerated crimes all felony gun-related

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offenses, including unlawful use of weapons, aggravated unlawful use of a weapon, unlawful use of weapons by felons, aggravated discharge of a firearm, reckless discharge of a firearm, unlawful use of firearm projectiles, unlawful sale of firearms, gunrunning, unlawful purchase of a firearm and any other felony gun-related offenses.

- That CPS request that the Illinois General Assembly amend the Illinois School Code, 105 ILCS 5/34-18.5(c), to prohibit the board of education from hiring any person convicted of two separate felony offenses regardless of the nature of the crimes.
 - That CPS amend the Employee Discipline and Due Process Policy, specifically Group 5 Acts of Misconduct, Paragraph 5-6, which mandates the discharge of those employees convicted of an enumerated crime as defined in the Illinois School Code, to include any conviction for the offenses mentioned in paragraph one above as well as a conviction for a second felony regardless of the nature of the crimes until the amendment to Section 105 ILCS 5/34-18.5(c) of the Illinois School Code is enacted.
 - That CPS Amend Section IX of the Department of Human Resources Guidelines for Criminal Background Checks, titled *Convictions for a Felony within Seven (7) Years of Submitting an Application, or Other Convictions*, to specifically mandate that CPS shall deny employment to any applicant convicted of any of the felony gun-related offenses mentioned in paragraph one above and any applicant who has two felony convictions regardless of the nature of the offenses.
 - That CPS amend the CPS Fingerprinting Background Investigation Authorization & Release Form and other similar employment applications that ask if the applicant has ever been convicted of a crime to include language that defines conviction as criminal dispositions which resulted in sentences of prison time, probation, conditional discharge, and time served in jail. (5873)
- An OIG investigation determined that a contract custodial worker assigned to an elementary school was assigned to the school without a fingerprint-based criminal background investigation being initiated, in violation of the School Code of Illinois. A fingerprint-based criminal background investigation would have disclosed that the custodial worker had been sentenced to serve a thirteen-year term of imprisonment following a conviction for first-degree reckless homicide in Wisconsin.

A similar OIG investigation revealed that another contract custodial worker from the same CPS contractor, which was a sub-contractor on a CPS custodial contract, was also assigned to an elementary school without a fingerprint-based criminal background investigation being initiated. A fingerprint-based criminal background investigation would have disclosed that this custodial worker was convicted of the offense of domestic battery and served a one-year term of conditional discharge.

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The OIG investigation further revealed that a CPS general contractor providing custodial services violated its contract with CPS by allowing its sub-contractor to utilize custodians in CPS schools for whom fingerprint-based criminal background investigations had not been initiated.

Based on these investigations, the OIG made the following recommendations:

- As recommended previously by the OIG, that CPS request that the Illinois General Assembly amend the Illinois School Code, 105 ILCS 5/34-18.5(c), which prohibits the board of education from hiring individuals convicted of specific, enumerated crimes, to include among those enumerated crimes all felony gun-related offenses, including unlawful use of weapons, aggravated unlawful use of a weapon, unlawful use of weapons by felons, aggravated discharge of a firearm, reckless discharge of a firearm, unlawful use of firearm projectiles, unlawful sale of firearms, gunrunning, unlawful purchase of a firearm and any other felony gun-related offenses.
- As recommended previously by the OIG, that CPS amend the Employee Discipline and Due Process Policy, specifically Group 5 Acts of Misconduct, Paragraph 5-6, which mandates the discharge of those employees convicted of an enumerated crime as defined in the Illinois School Code, to include any conviction for any gun-related offenses.
- As recommended previously, that CPS Amend Section IX of the Department of Human Resources Guidelines for Criminal Background Checks, titled *Convictions for a Felony within Seven (7) Years of Submitting an Application, or Other Convictions*, to specifically mandate that CPS shall deny employment to any applicant convicted of any of the felony gun-related offenses.
- That CPS adopt a policy that requires the Department of Human Resources, in its review of the results of any criminal background investigation, to inquire into the underlying nature of any non-enumerated felony offense to determine whether it is a gun-related offense and if so, prohibits the employment of that individual.
- That CPS prohibit the first mentioned custodian from being assigned to a CPS facility due to the gun-related nature of his reckless homicide conviction and due to the potential risk to CPS and its employees and students.
- That CPS require that CPS contractors certify on a quarterly basis that all employees of the CPS contractor and any sub-contractor who may have direct, daily contact with pupils in any school were subject to a fingerprint-based criminal background investigation as required under the provisions of the Illinois School Code, 105 ILCS 5/34-18.5 and that CPS conduct routine audits to determine that such certifications have been provided and are indeed accurate.
- That CPS take the appropriate disciplinary action against the general contractor and sub-contractor based on the findings from these investigations.

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As a result of the OIG investigation, CPS enacted sanctions against the general contractor and sub-contractor totaling \$40,000. Further, the custodians investigated were removed from the elementary schools. (5840, 5867)

Miscellaneous Investigations

- The OIG had previously investigated a high school teacher for attempting to enroll her son in two CPS schools by submitting an altered birth certificate. The previous investigation additionally revealed that the teacher had filed documentation with CPS reflecting that she obtained a master's degree from a university in Europe when in fact she never earned such degree and that university does not confer master's degrees. Following the previous OIG investigation, the teacher resigned her position with CPS. Upon leaving CPS employment, CPS withdrew its sponsorship of the teacher in a program with the U.S. Citizenship and Immigration Service that allowed the teacher, an immigrant, to legally work in the United States. More recently, the OIG learned that the teacher had returned to CPS employment and was teaching at another CPS high school. The OIG investigation revealed that the teacher was not eligible to work in the United States. Following the OIG investigation, the teacher was terminated from CPS employment. (4991)
- The OIG conducted an investigation of an allegation that letters regarding a romantic relationship between a principal and a teacher were sent to staff at the principal's elementary school purportedly from the CPS Ethics Office. The OIG investigation revealed that the ex-husband of the teacher sent the letters. The OIG investigation further revealed that the principal failed to notify his supervisor of his romantic relationship with the teacher in violation of the CPS Policy Manual, Section 509.1, *Sexual Harassment and Procedures for Employee and Student Complaints*. During the course of the OIG investigation, the principal retired from his position with CPS. The principal was subsequently designated as ineligible to be rehired. (5272)
- The OIG conducted an investigation which revealed that a high school clerk assisted a student's claim to be homeless in order to obtain CTA transit cards when in fact the student was not homeless. After the completion of the OIG investigation, the clerk retired from CPS employment. (5282)
- An OIG investigation revealed that a high school principal acted inappropriately by driving a student to an Illinois Secretary of State's Office facility to obtain a state identification card for the student which incorrectly listed the principal's address as the student's home address. Following the OIG investigation, the principal was issued a five-day suspension. (5120)

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- A high school porter cashed a CPS payroll check after claiming that he had not received the check and after receiving and cashing a replacement payroll check. The porter was issued school-based discipline. (5457)
- The OIG conducted an investigation of an allegation that a school clerk at a CPS high school used the identity of another CPS employee to obtain and use various credit cards. The OIG substantiated the allegation, finding that the clerk used the identity of another school clerk to obtain and use at least three credit card accounts without the permission of the other school clerk. It should be noted that this employee was previously investigated for her role in the theft of more than \$456,000 from a CPS high school. The prior investigation revealed that the school clerk failed to perform her duties in the past, which enabled another CPS employee to steal \$456,000, and based on the facts mentioned above, the OIG recommended that the school clerk be discharged. After a hearing before the CPS Department of Labor and Employee Relations, insufficient evidence was presented to discipline the school clerk. However, unrelated to the OIG investigations, the school clerk has been laid off from CPS. (4621)
- The OIG received an allegation that a publishing company solicited businesses to pay for advertisements in its publication concerning Chicago high school basketball. The OIG investigation revealed that the company fraudulently misrepresented that the book promoted Chicago high school athletics and would benefit CPS schools. To protect local businesses, the OIG referred the results of its investigation to the Office of the Illinois Attorney General, Consumer Protection Division. (05-C-324)
- The OIG investigated an allegation that a vendor violated the Code of Ethics for the Chicago Board of Education by sending a wallet containing \$500 to a school clerk and by distributing various gifts via raffles at training conferences. The OIG investigation revealed that the activities of the vendor, although posing a substantial risk of violating the Code of Ethics for the Chicago Board of Education and presenting the appearance of impropriety, did not violate the Code of Ethics. Specifically, the OIG was unable to uncover any direct evidence that CPS employees whose decisions or actions could substantially affect transactions with the vendor received gifts worth more than \$50 from the vendor. (06-C-339)
- An OIG investigation revealed that a Local School Council chairperson, who was also the chairperson of the No Child Left Behind (“NCLB”) Parent Advisory Council (“PAC”), solicited and received a financial commission from an NCLB PAC contractor after promoting that contractor’s services to the NCLB and after the contractor was awarded the work. The OIG investigation revealed that the chairperson received a financial commission, totaling \$500, from a vendor, after the vendor received contracts to perform services for the school which was funded by the NCLB PAC. The OIG investigation also

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revealed that the chairperson violated various sections of the Code of Ethics for the Chicago Board of Education when he accepted money from a vendor doing business at the school and the chairperson also provided false information on a *Statement of Economic Interest* filed with CPS.

Following the OIG investigation, a hearing was held before an independent hearing officer who found that the chairperson violated CPS Board Rule 6-29 and the CPS Code of Ethics. Further, the hearing officer found that the chairperson was not eligible to serve as a member of a Local School Council. CPS accepted the hearing officer's report and removed the chairperson from the Local School Council. (4436)

- An OIG investigation determined that an elementary school principal failed to follow the CPS Internal Accounts Manual regarding checking account signatories. The investigation revealed that for at least seven months after the death of the assistant principal, who was an authorized signatory on the school's checking account, the principal continued to issue school checks bearing the assistant principal's signature. The principal indicated to the OIG that the assistant principal was not often present at the school because of a lingering illness and to avoid having to constantly travel to the assistant principal's home, the principal had the assistant principal sign more than forty checks in advance of the checks being written. After the assistant principal died, the principal continued to use the pre-signed checks. Following the OIG investigation, the principal was issued a written reprimand. (5644)
- A teacher and band director at a high school was alleged to have solicited and received money for his personal use from a local corporation to allow the school band to perform in the corporation's parade. The OIG investigation determined that during a four-year period, the band director solicited and accepted a total of \$900 from the corporation. The money accepted was for the personal use of the band director and was in addition to the money that the corporation donated to the high school in order to allow the band to perform in the corporation's parade. After the OIG forwarded its report, the band director was issued a warning resolution. (5433)
- An OIG investigation determined that a manager assigned to a central office department taught at a local university while on a medical leave of absence with CPS. The manager, the investigation revealed, also obtained and accepted secondary employment at the university without first notifying the CPS Ethics Officer. The Law Department recommended that the manager be issued a suspension. The manager was subsequently laid off from CPS employment. (5396)
- An OIG investigation revealed that a high school principal posted the names and pictures of students who were suspended from school in a common area

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of the school. The OIG investigation determined that the posting violated the Illinois School Student Records Act. (5451)

- An OIG investigation determined that a school nurse, who had previously received a special needs waiver from the CPS residency requirement, enrolled her daughter in a CPS pre-school despite residing in Park Ridge, Illinois. The OIG investigation further revealed that the school nurse intentionally provided a false residential address to the elementary school in order to enable her daughter to attend despite residing in the suburbs. The school nurse was subsequently terminated from CPS employment and has been designated ineligible to be rehired. (4722)
- An OIG investigation revealed that a high school teacher attended criminal court while on CPS time and utilized sick time on days that he attended court. Specifically, the teacher was convicted of a gun-related offense and on six occasions between May 2005 and January 2007, attended court while on CPS time. On three occasions between May 2005 and January 2007, the teacher utilized sick time on days he attended court. The OIG investigation further determined that the teacher's certificate, his license to teach, had expired. Following the OIG investigation, the teacher was terminated from CPS employment and has been designated ineligible to be rehired. (5788)
- A CPS computer services vendor was investigated by the OIG in an investigation that determined that the vendor was pre-paid for more than 270 hours of computer configuration and network support services but still owed more than 180 hours of such services to an elementary school.

Based on the facts uncovered during the course of the investigation, the OIG made the following recommendations:

- That CPS enact a Board Rule or policy prohibiting the pre-payment by CPS for services under any contract for services and requiring that payment not be made until services are actually rendered and an invoice, specifically documenting the services rendered and the time spent rendering the services, is submitted by the vendor.
- That CPS enact a Board Rule or policy establishing uniformed documentation and procedures for schools and other CPS units to track the number of hours of service performed and the nature of the services performed under any contract for services. Such procedures are especially necessary should CPS not enact the OIG's previous recommendation to enact a policy prohibiting pre-payment for services to be rendered in the future. (07-C-368)

Residency

To comply with the CPS *Residency Policy*, employees hired after November 20, 1996 must reside within the City of Chicago. The CPS *Residency Policy* mandates that employees, unless granted a waiver because they teach in an identified “special needs” area, must maintain a City of Chicago domicile defined as the one true, permanent home to which whenever they are absent they have an intention of returning. The OIG has been delegated the responsibility of investigating allegations of non-residency and in fact, the OIG receives more complaints of employees violating the *Residency Policy* than any other rule violation. In FY 2007, the OIG received 119 complaints of alleged residency violations. To help ensure that all employees are treated fairly, consistently and equitably; to reduce animosity between those employees who abide by the residency requirement and those who do not, thereby enhancing employee production; and, to set the tone that CPS rules and policies must be adhered to, the OIG delegates resources to investigate alleged violations of the Residency Policy.

The *Residency Policy* reflects that employees who intentionally submit a false residential address to avoid the requirements of the policy have engaged in irremediable conduct punishable by discharge. In FY 2007, the OIG issued the following reports on employees who intentionally submitted false residential addresses reflecting that they lived in the City of Chicago when in fact they did not. Based on an OIG recommendation, in each case the employees resigned or were terminated from CPS employment and were designated as ineligible to be rehired.

- An elementary school teacher resided in Evanston, Illinois. (3702)
- A high school principal resided in Gary, Indiana. (4886)
- An elementary school teacher resided in Evanston, Illinois. (3703)
- A professional IV assigned to a central office department was found to be residing in Darien, Illinois. (4432)
- A manager assigned to a central office department resided in Park Ridge, Illinois. (4573)
- A school clerk assistant assigned to an elementary school resided in Lansing, Illinois. (3699)
- An elementary school teacher was found to be residing in Mokena, Illinois. (4361)

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- An elementary school teacher resided in Blue Island, Illinois. (5234)
- A high school clerk resided in Hazel Crest, Illinois. (5026)
- An elementary school teacher resided in Hoffman Estates, Illinois. (5148)
- A professional IV assigned to a central office department resided in Glenview, Illinois. The OIG investigation also revealed that the employee falsified attendance records and used benefit time inconsistent with CPS policies. (3584)
- A high school teacher resided in Skokie, Illinois. (4887)
- An elementary school teacher resided in Alsip, Illinois. (5180)
- A shop teacher assigned to a high school resided in Berwyn, Illinois. (5407)
- A senior manager assigned to a central office department was given 60 days to establish a residence in the City of Chicago. After failing to do so, the senior manager was terminated. (5281)
- A high school teacher resided in Posen, Illinois. (5591)

Pursuant to the CPS Residency Policy, employees who do not intentionally provide a false residential address to avoid the residency requirement are allowed to remediate their misconduct. The following OIG investigation dealt with employees who did not provide a false residential address.

- An elementary school teacher was found to be residing in Glenwood, Illinois. Following the investigation, the teacher was issued a warning resolution. (5498)
- A high school teacher was found to be residing in Evanston, Illinois. The teacher resigned from CPS employment. (4668)
- A high school teacher was found to be residing in Richton Park, Illinois. The teacher was given time to come into compliance with the requirements of the Residency Policy. (4036)
- An elementary school teacher resided in Stickney, Illinois. The teacher subsequently provided proof of a city residence. (4908)
- A high school teacher resided in Lynwood, Illinois. The teacher subsequently provided proof of a city residence. (4784)

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- A professional IV assigned to a citywide department resided in South Holland, Illinois. The employee was warned and came into compliance with the residency requirements. (5296)
- A high school teacher resided in Oak Lawn, Illinois. The teacher was issued a written reprimand and came into compliance with the residency requirements. (5236)
- A high school teacher resided in Countryside, Illinois. When it was determined that the teacher taught in a special needs area, the teacher was granted a special needs waiver from the requirements of the Residency Policy. (5021)
- A high school teacher resided in Woodridge, Illinois. Following the investigation, the teacher was issued a warning resolution and was subsequently granted a special needs waiver from the residency requirement. (5173)
- An elementary school teacher resided in Oak Forest. The teacher subsequently came into compliance with the residency requirements. (5170)

Tuition Fraud

The OIG has been delegated the responsibility of conducting investigations into allegations that various CPS students reside outside the City of Chicago. Pursuant to the Illinois School Code, if students are found to be residing outside the school district, their guardians are liable for the payment of non-resident tuition. During the course of FY 2007, the OIG reported on investigations that yielded the following results:

- Three siblings, a first grade student, a third grade student and a fifth grade student, were found to be residing in Griffith, Indiana. As a result of the investigation, the students' mother is responsible for the payment of non-resident tuition in the amount of \$22,051.35. CPS has filed a lawsuit to recover the tuition payment from the family. (4735)
- An OIG investigation revealed that two siblings, a fourth grade elementary school student and a recent high school graduate, resided in Country Club Hills, Illinois and their parents were responsible for the payment of non-resident tuition in the amount of \$105,732.99. After the OIG investigation, CPS accepted a settlement of \$60,000 for payment of non-resident tuition. (4728)
- Two students, an OIG investigation found, resided in Lansing, Illinois and attended a CPS elementary school. Following the OIG investigation, the

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students transferred out of CPS and CPS has filed a lawsuit to recover \$14,700 in payment for non-resident tuition. (4366)

- Two siblings, a sixth grade student and a third grade student, attended a CPS elementary school despite residing in Maywood, Illinois. The OIG investigation revealed that the students' parents were responsible for non-resident tuition and CPS is attempting to recover \$67,423.96 in payment for non-resident tuition. (3697)

CPS employees responsible for payment of non-resident tuition

Additionally, three OIG tuition fraud investigations revealed that CPS employees, who could live outside the City of Chicago because they were hired before November 20, 1996, falsified their children's residential address and enrolled their children in CPS despite residing in the suburbs.

- Two children of an elementary school assistant principal attended the same school that employed their parent despite residing in Park Ridge, Illinois. Both students, an eighth grade student and a fifth grade student, attended the school for their entire elementary school education and the assistant principal had falsified each students' residential address on official school records. The OIG investigation revealed that the assistant principal was responsible for the payment of non-resident tuition in the amount of \$78,819.19. Following the OIG investigation, the assistant principal resigned from CPS employment and has been designated as ineligible to be rehired. CPS is attempting to recover the payment of non-resident tuition from the assistant principal. (4348)
- An OIG investigation revealed that a CPS teacher assigned to a central office department enrolled her two children at a CPS high school despite residing in Evergreen Park, Illinois and is responsible for the payment of more than \$25,000 in non-resident tuition. Following the OIG investigation, the teacher was terminated from CPS employment and has been designated ineligible to be rehired. The teacher subsequently paid CPS \$28,643 in non-resident tuition for her children. (4846)
- An OIG investigation revealed that a CPS teacher who resided in Evergreen Park, Illinois enrolled her daughter at a CPS magnet high school, which the student attended for two years. The OIG investigation revealed that the student had also attended the same CPS elementary school where her mother taught while residing in the southwestern suburb. The OIG investigation found that the student's parents were responsible for payment of non-resident tuition in the amount of at least \$29,401.80. CPS is attempting to recover the non-resident tuition from the employee. Disciplinary action against the teacher is also pending. (5421)

Court Watch

Throughout the year, the OIG receives notification that CPS employees have been arrested for various crimes, either on-duty or off-duty. The OIG is charged with the responsibility of monitoring the outcome of those criminal cases and reporting the outcome to CPS administration so that a determination can be made if disciplinary action is warranted. During FY 2007, the OIG monitored and reported on the following:

- An elementary school aide was arrested and charged with the offense of criminal trespass to land after he violated an eviction notice. The case against the school aide was dismissed. During the course of the investigation, the OIG discovered that the school aide had been arrested on at least three other occasions: (1) In 2004, the school aide was arrested and charged with the offenses of theft and resisting a peace officer. The theft charge was dismissed and the school aide plead guilty to the charge of resisting a peace officer and was sentenced to six months of supervision. (2) In 2005, the school aide was arrested and charged with the offense of battery. The school aide plead guilty to the battery charge and was sentenced to one month of conditional discharge. (3) Also in 2005, the school aide was arrested and charged with the offenses of criminal damage to property, criminal trespass to land and violation of bail bond. The school aide plead guilty to the charge of criminal damage to property and was sentenced to six months of supervision. Following the OIG investigation, the school aide was issued school-based discipline. (5111)
- An elementary school teacher was arrested and charged with the offense of aggravated assault after he threatened the victim with a small pocket knife. The teacher plead guilty to the charge of aggravated assault and was sentenced to six months of court supervision which was completed satisfactorily. The teacher was issued school-based discipline. (4975)
- A social worker was arrested and charged with the offense of public indecency after police officers observed the social worker engaging in a sex act in public. The charge was subsequently dismissed. The social worker was issued school-based discipline. (5259)
- A custodial worker was arrested and charged with the offense of soliciting for a prostitute after he allegedly solicited an undercover police officer to engage in a sex act. The charge was dismissed. The custodial worker was issued school-based discipline. (5378)
- An elementary school cook was arrested and charged with the offense of possession of cannabis after Chicago police officers executed a search warrant at a residence and found the cook in possession of three zip-lock

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bags of cannabis. The criminal charges against the cook were dismissed, however, during an interview with the OIG, the cook admitted that she was at the residence where the search warrant was executed for the purpose of smoking cannabis and she further admitted that she smokes cannabis on occasion, including the day before her interview with the OIG. Further investigation by the OIG revealed that the cook misused sick time in that she took a sick day to attend court in violation of CPS policies. The cook was issued school-based discipline. (5658)

- A substitute teacher was arrested and charged with theft and the felony offense of resisting arrest after the substitute teacher punched a Chicago police officer who was attempting to arrest the substitute teacher for the theft of a license plate. The felony charge of resisting arrest was reduced to a misdemeanor and the substitute teacher plead guilty and was sentenced to serve a two-year term of probation. The substitute teacher was terminated from CPS employment and has been designated ineligible to be rehired. (5043)
- A high school lunchroom attendant was arrested and charged with the offense of battery to a police officer after she pushed, hit, scratched and punched a Chicago police officer who was present at the high school in response to a fight between students and adults. The lunchroom attendant was found guilty of the offense of resisting arrest and was sentenced to three months of supervision. The lunchroom attendant was issued school-based discipline. (5332)
- A high school teacher was arrested and charged with the offense of possession of cannabis after Chicago police officers searched her and found her to be in possession of a plastic bag of cannabis. The teacher was allowed to attend drug school, an alternative to prosecution. Following the OIG investigation, the teacher was terminated from CPS employment. (5826)
- A school social service assistant was arrested and charged with the offense of possession of cannabis after Chicago police officers searched him and found him to be in possession of a plastic bag containing 30 grams of cannabis. The criminal charges against social service assistant were dismissed after he successfully completed drug school, an alternative to prosecution. The social service assistant was terminated from CPS employment and has been designated ineligible to be rehired. (5154)
- A porter at a CPS high school was arrested and charged with the offense of domestic battery after he punched his girlfriend several times with his fist causing injuries and bleeding. The porter plead guilty to the charge of domestic battery and was sentenced to serve a term of two years of probation. The porter was also ordered to perform fourteen days of community service. The porter was issued school-based discipline. (5801)

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- A high school security aide was arrested and charged with the offense of domestic battery after engaging in an altercation with his wife at their residence. At the time of the altercation, the security aide was on duty at the high school since he had gone home for lunch when the altercation with his wife occurred. The security aide plead guilty to the charge of domestic battery and was sentenced to one year of court supervision. The security aide was issued school-based discipline. (5426)
- A child welfare attendant assigned to a high school was arrested and charged with the offense of predatory criminal sexual assault. The child welfare attendant plead guilty to the charge of predatory criminal sexual assault and was sentenced to eight years in the Illinois Department of Corrections. The child welfare attendant resigned from CPS employment after his arrest and has been designated ineligible to be rehired. (4874)
- A school aide at an elementary school was arrested pursuant to a warrant for her failure to appear in criminal court on the charge of retail theft. The school aide plead guilty to the charge of retail theft and was sentenced to one year of court supervision. It should be noted that the OIG investigation revealed that the school aide had a criminal history which included a 1994 charge of cruelty to children to which she plead guilty and was sentenced to one year of supervision. Further, the school aide had also plead guilty to the charge of retail theft and was sentenced to supervision. The school aide was issued school-based discipline. (5333)
- An elementary school lunchroom attendant was arrested and charged with the offense of possession of cannabis after police officers observed her smoking a hand rolled “blunt” containing cannabis. The criminal charges against the lunchroom attendant were dismissed. During an interview with the OIG, the lunchroom attendant admitted that she smokes marijuana. Following the OIG investigation, the lunchroom attendant resigned from CPS employment. (5623)
- An elementary school bus aide was arrested and charged with numerous traffic offenses. The bus aide was found guilty of the offenses of driving on a suspended or revoked license and driving under the influence of alcohol and was sentenced to two years of conditional discharge. The bus aide was again arrested and charged with the felony offenses of aggravated driving under the influence and driving on a suspended or revoked license. The bus aide plead guilty to the felony charge of driving on a suspended or revoked license and was sentenced to serve a term of two years of probation. Following the OIG investigation, the bus aide was issued a five-day suspension. (4981)

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- A school security officer was arrested and charged with the offense of endangering the life of a child and the felony offense of forgery for two unrelated incidents. The OIG was unable to determine, from court records, the disposition of the child endangerment charges. In an interview with the OIG, the security officer stated that those charges were dismissed. When he was arrested on that charge he was also charged with forgery after he cashed a bogus check at a currency exchange. The school security aide plead guilty to a reduced charge of misdemeanor theft and was sentenced to one year of probation. The school security officer resigned from CPS employment.
(5127)