

Chicago Board of Education Office of the Inspector General

❖ James M. Sullivan, Inspector General

Annual Report for Fiscal Year 2011

- ❖ July 1, 2010 through June 30, 2011
 - ❖ Prepared pursuant to 105 ILCS 5/34-13.1(e)
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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, 105 ILCS 5/34-13.1(e). The School Code authorizes the Office of the Inspector General (“OIG”) 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 for investigating allegations of various categories of employee misconduct. This *Annual Report* is a summary of reports and investigations for Fiscal Year 2011, the period from July 1, 2010 and June 30, 2011.

In FY 11, the OIG continued to follow national best practices and use its highest efforts to achieve its mission; however, the ever-increasing workload pushes the OIG to its effective operational limits and, more than ever, threatens the OIG’s ability to conduct thorough investigations across the spectrum of its jurisdiction. For years, the OIG has attempted to perform its mandated function with insufficient resources and staff, especially when compared to other local oversight offices that have a similar function. Relevant comparisons include Inspector General offices for the City of Chicago, Cook County, the Chicago Transit Authority and the City Colleges of Chicago. The table below illustrates the budget and staffing deficiencies of the Chicago Board of Education OIG as compared to other local agencies.

Agency	Agency Budget	IG Budget	% of Agency Budget for IG	Agency FTEs	IG Staff	Agency FTE to IG Staff Ratio
CPS	5.9 B	1.9M	0.03%	40,057	17	2356:1
Cook County	3.05B	1.72M	0.06%	23,260	20.6	1129:1
City of Chicago	8.2B	5.88M	0.07%	32,284	71	455:1
City Colleges	656M	1.1M	0.17%	6,854 ¹	9	762:1

Granted, each of the IG offices reflected above may have slightly different missions – audit and investigations, compliance, ethics – but each performs an essential oversight function for its agency. As the above table illustrates, the CPS OIG is critically under-funded and under-staffed, especially relative to the size of the Chicago public school system, which employs the largest workforce in local government. Not included in the number of full-time employees listed above are the numbers of miscellaneous and part-time employees or other people performing services for CPS, including coaches, local school council members, substitute teachers and others, who all fall under

¹ Agency FTEs for City Colleges includes agency full time-employees and part-time employees.

the jurisdiction of the CPS OIG. In addition, OIG jurisdiction includes investigating allegations of waste, fraud and financial mismanagement involving the myriad of vendors that receive funds from CPS for services ranging from consulting to construction. CPS is also unique, when compared to the agencies listed above, since each of its 675 schools is, in effect, a separate business, operating with purchasing and contracting authority, hiring abilities and a bank account. Each school, as well as every unit (department) within CPS, houses several administrators and staff with contract management authority, all potentially presenting issues for the OIG to review and investigate.

As the OIG has shown over the years, despite the critical funding and staffing shortages, it has performed its mandate with independence, efficiency and results that have served City of Chicago taxpayers and all stakeholders admirably. This year, the OIG's *Annual Report*, as it has for the past ten years, highlights numerous investigations and reviews that continue to document OIG efforts to increase internal controls, reduce the risk of continued malfeasance and eliminate unscrupulous employees from the CPS workforce. It is essential that funds allocated for education be efficiently utilized to achieve core educational goals, and not swindled away or misappropriated by unmonitored administrators and educators. The challenge facing the OIG is to continue to perform its oversight role despite glaring funding and staffing deficiencies.

In FY 11, the OIG responded to 1,427 complaints of waste, fraud, financial mismanagement and employee misconduct — a decrease of 52 complaints or 1 complaint per week from FY 10. This 3.5% decline is insignificant, especially in light of an average annual 17.2% increase in complaints since FY 06 and the OIG's stagnant budget. Since OIG investigations from previous years still require continued OIG involvement, due to ongoing criminal investigations and prosecutions or pending administrative hearings and arbitrations, the OIG workload has been snowballing and, with no relief in sight, threatens to bury the OIG. In short, without additional funding and staff increases, the OIG's effectiveness as a deterrent to misconduct and mechanism for identifying and eliminating waste and financial mismanagement will be continually impaired.

James M. Sullivan
Inspector General

ANNUAL REPORT

Mission

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

Budget

During Fiscal Year 2011, the OIG continued to perform its statutorily-mandated function, despite continued budget and staffing constraints that severely limit the OIG's ability to effectively serve the taxpayers. In FY 11, the OIG was allocated \$1.9 million and was staffed with 17 full-time employees. Compared to other oversight offices with similar responsibilities, the OIG is extremely under-funded and under-staffed. Despite these shortcomings, the OIG continues to conduct accurate, thorough and meaningful investigations resulting in increased integrity in CPS operations.

Training

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

Investigation Standards

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

Fiscal Year 2011 Complaints Received

In FY 11, the OIG received 1,427 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.

In FY 11 the OIG received 451 anonymous complaints, 31.6% of the total complaints received during the reporting year. Although the OIG responds to anonymous complaints, it is far more challenging to

begin an investigation without being able to question the complainant and evaluate the credibility of the information received.

The below table reflects the type of complaints received by the OIG in FY 11.

Type of Complaint Received FY 11		
Residency	376	26.35%
Mismanagement	108	7.57%
Inattention to Duty	120	8.41%
Misappropriation of Funds	66	4.63%
Criminal Background	16	1.12%
Conduct Unbecoming	11	0.77%
Falsification of Attendance Records	70	4.91%
Falsification of Employment Records	8	0.56%
Falsification of School Records	38	2.66%
Test Cheating	9	0.63%
Tuition Fraud	108	7.57%
Grade Changing	11	0.77%
Violation of Acceptable Use Policy (computer/email)	8	0.56%
Violation of Magnet and Selective Enrollment Policy	20	1.40%
Contractor Violations	51	3.57%
Ethics	41	2.87%
Discourteous Treatment	23	1.61%
Losing one's professional license	75	5.26%
Preferential Treatment	7	0.49%
Fraudulent Leave of Absence	4	0.28%
Retaliation	22	1.54%
Unauthorized Use of Board Property	9	0.63%
Off Duty Criminal Conduct	54	3.78%
On Duty Criminal Conduct	86	6.03%
Miscellaneous	86	6.03%
	1,427	100.00%

Board Rule/Policy Updates

Based on reports and recommendations issued by the OIG and the OIG's exposure to a variety of issues challenging internal controls, the OIG is routinely asked to consult on amendments to policies and rules. In the past few years, the OIG has consulted on and been part of committees to amend and enhance the Code of Ethics, CPS purchasing rules and the CPS Procurement Card Policy. OIG investigations and reviews of conduct and practices attempted to be controlled by CPS policies and Board Rules affords the OIG the best perspective from which to comment on enhancements that would continue to reduce the risk of further malfeasance.

FY 2011 Updates to Previously Reported Investigations

Convictions for Theft

- In FY 10, the OIG reported on a teacher who had misappropriated as much as \$56,486.50 from funds collected from the parents of students participating in an elementary school's tuition-based after school program during the 2007-2008 and 2008-2009 school years. The teacher also misappropriated as much as \$40,030.25 in funds from the elementary school's PTA checking account, which he controlled, during the period of January 2007 through May 2009. The teacher was discharged from CPS employment and the OIG referred the results of the investigation to the Cook County State's Attorney's Office for prosecution.

In FY 11, the teacher was charged with numerous counts of theft, money laundering and official misconduct. The teacher was subsequently convicted of the felony offense of theft and was sentenced to serve a term of two years of felony probation. The teacher also paid \$20,000 in restitution to CPS. (7994)

- In FY 10, an OIG investigation revealed that a high school teacher misappropriated Board funds in that he deposited three checks totaling more than \$9,200.00 into his personal bank account after the checks were provided to the high school from a vendor in exchange for books. The checks were written to the high school in care of the teacher and were to be turned in and deposited into the school's internal account. Prior to the conclusion of the OIG investigation, the teacher resigned from his position with CPS and was subsequently designated ineligible to be rehired. The OIG referred the results of this investigation to the Cook County State's Attorney's Office for review for possible criminal charges and, in FY 11 the teacher was arrested and charged with numerous counts of theft. The teacher plead guilty to the offense of theft, paid \$2250 in restitution and awaits sentencing (8870)

Board Office Officials Designated Ineligible to be Rehired

- In FY 10, CPS designated three former high-ranking members of the Board Office staff ineligible to be rehired based on actions and inactions detailed in the OIG's FY 10 reports regarding the misuse of CPS P-Cards and improper Board expenditures.

FY 2011 Investigations

In FY 2011, the OIG issued 100 reports documenting investigations of alleged waste, fraud, financial mismanagement and employee misconduct. The OIG conducted numerous other investigations of allegations that did not reveal evidence of wrongdoing. Pursuant to the School Code of Illinois, 105 ILCS 5/34-13.1(e), the following are summaries of the OIG investigations for which reports were submitted in FY 11.

\$1.13 Million in Benefits Improperly Paid to Retired Teachers

In FY 11, OIG research revealed that retired teachers, a classification of employees called back to work as teachers following their retirement, were apparently receiving holiday and other benefit days in violation of the collective bargaining agreement between the Board of Education and the Chicago Teachers Union. Based on that discovery, the OIG initiated an investigation which revealed that \$1.13 million of benefits were paid to retired teachers classified under Job Code 15, contrary to the agreement between the Board and the CTU, specifically § 44-39 of the 2007 Agreement which reflects the following, in part:

The BOARD may employ and assign retired teachers to fill vacant teaching positions. The BOARD shall compensate such retired teachers in accordance with Appendix A-1L of the Agreement. Retired teachers shall be employed as retired teachers under Job Code 15 rather than part-time teachers under Job Code 39.

The OIG learned that the 2007 Agreement provided that bargaining unit teachers would receive holiday pay, vacation pay, sick pay, and personal benefit days. Pursuant to Appendix A-1L of the 2007 Agreement, retired teachers were to receive only a per diem rate, currently \$233.97. In contrast, part-time teachers receive prorated salaries and benefits. When all relevant sections of the agreement are read together, the OIG investigation revealed, it is clear that retired teachers were not to receive any of the benefit days that were provided to bargaining unit teachers and instead were to receive only a fixed, per diem rate.

Based on its investigation, the OIG issued the following findings:

- Between March 18, 2007 and January 27, 2011, 185 retired teachers classified under Job Code 15 were paid a total of \$1,134,069.68 in benefit time, including \$909,278.05 in holiday time; \$146,327.36 in vacation time; \$69,519.05 in sick time; and \$8,945.22 in personal benefit time.
- The \$1,134,069.68 in benefit time paid to retired teachers should not have been paid. Pursuant to both the current and previous collective bargaining agreements between the Board and the Chicago Teachers Union, retired CPS teachers who have been rehired as teachers may receive only a fixed per diem rate, and they are expressly ineligible to receive any of the benefits that are provided to bargaining unit members under those agreements. The benefits that retired teachers may not receive include holiday pay, vacation pay, sick pay and pay for personal benefit days.
- The current payroll system does not prevent retired teachers from receiving these prohibited benefits (although, as result of the OIG's investigation, the Payroll Department reported that changes to the payroll system which will prevent such prohibited benefits are scheduled). In addition, no audit is conducted to ensure that retired teachers do not improperly accrue or receive payment for prohibited benefits.

- In addition to the issue of improper benefits, some retired teachers classified under Job Code 15 may have been working on a permanent or annual basis, which would make them ineligible under Illinois law to continue receiving their pensions.

Based on the above findings, the OIG made the following recommendations:

- CPS should implement controls in the payroll system to ensure that retired teachers cannot accrue or be paid for prohibited benefits.
- CPS should regularly audit all job classifications, including retired teacher Job Code 15, to ensure that employees are not improperly receiving benefits.
- CPS should make it clear to newly hired retired teachers that the only compensation they will receive for their positions is the flat per diem rate specified in the collective bargaining agreement and that they will receive no additional benefits.
- CPS should explore whether it is legally possible to recover any of the money that was improperly paid to retired teachers. If it is legally possible (and the costs of such a recovery attempt would be low), CPS should attempt to recover as much of the money that was improperly paid as possible.
- CPS should conduct a system-wide audit of retired teachers to determine how many retired teachers are violating Illinois law by working for CPS as teachers on a permanent or annual basis while collecting a Chicago Teacher's Pension. Once the results of the audit are available, they should be shared with the Pension Fund, and CPS should take appropriate corrective actions in individual cases.

CPS administration is reviewing appropriate action to take following the OIG recommendations. (00090)

Improper Purchase of Athletic Shoes for High School Basketball Players

During the course of another investigation, the OIG learned that a \$206,400 purchase order had been opened, without Board authority, by a CPS department for the purchase of 4,800 pairs of gym shoes. Based on the nature of the purchase, an ongoing OIG investigation related to other purchases by the department and a lack of apparent evidence that purchasing rules were followed in this instance, the OIG initiated an investigation. During the course of the investigation, the OIG learned that from the 2005-2006 basketball season to the 2009-2010 basketball season, CPS made five purchases of athletic shoes for high school basketball players without subjecting the purchases to the required competitive bid process. These purchases totaled \$252,327 in 2005-2006; \$318,000 in 2006-2007; \$306,913 in 2007-2008; \$224,022 in 2008-2009; and, \$221,190 in 2009-2010. It was further learned that funds for the shoe purchases were given to CPS by a charity organized to raise money to assist in the purchase of athletic equipment for inner-city students. It was also learned that a CPS department head involved in the purchase had been listed as the treasurer of the charitable corporation and a Board member and a CPS executive had been listed as officers of the corporation. The OIG investigation revealed that funds received by CPS from the charity were deposited into a budget line for a CPS central office department.

Based on the investigation, the OIG made the following findings:

- Since 2005, yearly purchases of hundreds of thousands of dollars of athletic shoes for high school basketball players, with donated funds, have not been subjected to competitive bidding, have not been made pursuant to a contract and have not been approved by the Board, in violation of Illinois law and Board Rules.
- A manager in the department that orchestrated the purchases violated purchasing rules by opening purchase orders for \$4,840 and \$9,950, payable to a vendor, for the \$14,790 purchase of athletic shoes, essentially the same transaction strung over two purchase orders to avoid controls in the Oracle financial system designed to flag purchase orders opened in excess of \$10,000. The manager further avoided internal controls by opening the purchase orders from a budget line designated for professional services, a budget line with internal controls designed to flag only purchase orders opened in excess of \$25,000.

The OIG recommended that:

- All future purchases of athletic shoes for high school basketball players, or any similar purchases, procured with donated funds that are accepted by CPS and become public funds, must be in accordance with Illinois law and Board Rules that require competitive bidding and contracts.
- The manager in the department that orchestrated the purchases be designated as ineligible to be rehired based on his violation of purchasing rules as outlined below. It should be noted that the manager resigned from CPS one day after being interviewed about these purchases and about other, far more egregious acts of misconduct that were investigated by the OIG (and are reported below.)
- If warranted, CPS should take appropriate disciplinary action against two department heads involved in the purchases.

As stated above, the manager involved in the purchases resigned from CPS employment immediately after being interviewed by the OIG during this and another investigation. He was subsequently designated ineligible to be rehired. (10230)

Purchasing Fraud and Theft

The OIG conducted an investigation which revealed that a central office manager (the same manager as noted above) engaged in a scheme through which he stole money from CPS by purportedly purchasing items for programs run by his department from a “big-box” retailer and subsequently converting much of the money used for the purchases to personal use. In the scheme, the manager either returned items that he purchased in exchange for cash or exchanged the items for personal items, including champagne, condoms, flowers, chocolate, a king size mattress, linens, expensive watches, a \$300 coffee maker and clothing. In one part of the scheme, the manager stole at least \$8,729 in cash and merchandise. As stated above, the manager resigned the day after the OIG interviewed him on this investigation and the one mentioned above. Following this investigation, the manager was designated ineligible to be rehired.

It should be noted that shortly after resigning, the manager turned-in thousands of dollars in equipment, including numerous televisions, laptop computers, golf clubs, cameras, and smart phones that he was in possession of at the time he resigned.

The OIG has referred the above-referenced matters to the Cook County State's Attorney for criminal prosecution.

In addition, based on the investigation, the OIG made the following findings:

- Between 2008 and 2010, the manager fabricated five fraudulent invoices for a retail store, which he submitted to CPS. Those invoices claimed to be for \$20,014 worth of equipment and supplies purchased by CPS.
- After the manager submitted the five fraudulent invoices, they were approved in the CPS Oracle financial system. Four of the five were approved by the manager. At the times that the various invoices were approved, the manager knew the invoices were fraudulent and that no items or services had yet been received by CPS.
- CPS subsequently issued four checks to pay for the items listed on the managers five fraudulent invoices. However, instead of allowing the checks to be sent to the retail store in the mail, which would have been the usual practice, the manager personally picked up the four checks (totaling \$20,013.50) from the Accounts Payable office.
- Having picked up the checks, the manager used them at the retail store to purchase items, including cameras, laptop computers, printers, and first aid kits.
- On numerous occasions, the manager exchanged some of the items he purchased with the CPS-issued checks for cash or personal items. In at least one instance, the manager initially purchased merchandise that cost less than the face value of the CPS check he used to make the purchase and he received the difference back in cash.
- The manager eventually stole at least \$8,729 in cash and merchandise through his fraudulent scheme — a figure which represents 43% of the \$20,013.50 in checks that CPS issued to the retail store.
- Personal items that the manager kept after exchanging previously purchased items include champagne, condoms, flowers, chocolate, a king size mattress, linens, expensive watches, a \$300 coffee maker and clothing.
- During his OIG interview about this matter, the manager admitted to fabricating and submitting invoices and subsequently profiting by converting CPS money to his own use through the above-described check and refund scheme.
- The manager subsequently admitted to the OIG that some of the CPS property that he turned-in had been used by his children. Specifically, his son used a CPS Apple laptop computer and a CPS television at college and his adult daughter used a CPS Apple laptop computer and a CPS television while living in New York.

Based on its investigation and findings, the OIG identified several outstanding problems and concerns. Those problems and concerns are identified below, along with the OIG's recommendations for addressing them.

- The manager's scheme succeeded partly because he was allowed to personally pick up checks for the retailer that he caused to be fraudulently issued. In fact, the OIG's investigation revealed that CPS employees occasionally pick-up vendor checks and deliver them to the vendors, presumably as a matter of convenience to the vendors they deal with regularly. However, legitimate vendors with appropriate arms-length business relationships with CPS should have no difficulties with simply having their payments sent to them in the mail or through the even more secure method of

electronic funds transfer. Accordingly, the OIG recommended that CPS immediately stop the practice of allowing CPS employees to pick up vendor checks, and that CPS explore whether vendor payments could be made exclusively by electronic funds transfer.

- The fraudulent behavior detailed in the OIG investigation is just one of numerous procurement problems that the OIG has identified with the manager's department and those problems, and others being investigated by the OIG, raised serious concerns about the overall financial management and financial dealings of the department. When these concerns are combined with the fact that CPS does not regularly conduct audits of central office departments, it is clear that there is a high risk of widespread financial and procurement misconduct within the department in question. Accordingly, the OIG recommended that CPS conduct an in-depth financial audit of the department.
- CPS should consider conducting regular financial audits of all Central Office departments. Without the oversight such audits provide, the risk of financial abuse in Central Office departments remains high, as the issues involving the department in question show.
- As detailed in the OIG's report on the investigation, the director of the department in question claims to have been completely unaware of the manager's scheme involving the retail store and the fact that the manager had been in possession of such a large amount of CPS property that clearly appears to have been obtained through other fraudulent schemes. The fact that the manager was able to divert so much CPS property for his own use — especially when considered alongside the manager's previously-reported serious violations of purchasing rules involving hundreds of thousands of dollars in gym shoes and the numerous other suspect fraudulent invoices that the OIG continues to investigate — raised serious questions about the purchasing, inventory and management practices at the department in question. Accordingly, the OIG recommended that CPS review and evaluate the director's leadership of the department and determine whether he should continue to keep the position.

Following the OIG investigation, the practice of allowing CPS employees to pick up vendor checks at Accounts Payable was stopped. (10287)

Investigations at One High School

In FY 11, following receipt of numerous complaints of serious rule and policy violations involving one CPS high school, the OIG completed 21 investigations with findings of impropriety including residency violations, tuition fraud, falsification of numerous *CPS Household Applications For Free and Reduced Price Meals*, stringing, mismanagement, preferential treatment and lying to the OIG. The OIG found that two of the school's employees improperly resided outside of the City of Chicago, two school employees enrolled their children in the high school despite residing in the suburbs, 11 school employees falsified *Free and Reduced Price Meal Applications* for their children who attended the high school, two CPS employees, who did not work at the school, falsified free lunch applications for their children who attended the school and two other public employees falsified free lunch forms for their children who attended the high school. In addition, four of the investigations found gross mismanagement and serious rule and policy violations by the school's principal.

It is important to note that, based on the cases reported below, past similar cases at other schools, and ongoing investigations, the OIG has reason to believe that falsification of *CPS Household Applications For Free And Reduced Price Meals*, is a serious, and possibly system-wide, problem. There is a strong incentive for the school district to have as many students as possible qualify for free

or reduced price meals since, in addition to that benefit, CPS receives approximately \$710 in federal aid for each student who is approved for free or reduced-price meals. When this strong incentive to enroll students is considered along with the fact that routinely checking all but a few applications is impossible under federal guidelines (see 7 CFR Parts 210 and 245), it is clear that the meal application process is ripe for fraud and abuse. Federal guidelines do allow “for cause” review in cases where the approving official has reason to suspect that an individual application is false. Accordingly, principals may flag applications for review when they know or have strong reason to suspect that an applicant’s household exceeds applicable threshold limits. Thus, when a principal knows that someone like a highly-paid teacher or public official has significantly under-reported income on an application, the principal can have that application sent through the verification process — something which apparently never happened in any of the cases being reported below. Because CPS would face significant, potentially criminal, penalties if it were found to be facilitating fraudulent applications, the OIG, with the cases summarized below, recommended that CPS review its application process to ensure individually suspect applications are sent through “for cause” review. Additionally, training should be conducted for personnel who are involved in accepting and approving applications so that they know how to send an application for verification when they have strong reason to believe it is fraudulent.

Each of the 21 investigations conducted at this one CPS high school are summarized below.

- A bilingual teacher enrolled her daughter in the high school despite residing in Oak Park, Illinois. The bilingual teacher also falsified applications for free and reduced price meals on behalf of the student in two school years despite being paid \$100,000 or more in the years in question. The OIG also found that the teacher was responsible for the payment of \$20,941.08 in non-resident tuition and that CPS should seek to recover those funds from the teacher. In addition, the OIG recommended that CPS take appropriate disciplinary action against the teacher. Dismissal charges are being prepared for the teacher and the CPS Law Department is reviewing the tuition fraud matter. (9243, 9717)
- The OIG found that a CPS reading coach, who did not work at the high school, falsified free and reduced price lunch forms for her daughter who attended the high school in at least four years despite being paid more than \$100,000 in three of those four years. The OIG recommended that CPS take appropriate disciplinary action against the employee and the matter is under review in the CPS Law Department. (9714)
- A teacher at the high school falsified a free and reduced price meal application for her child who attended the high school after being told by a school clerk assistant at the high school to falsify the form so the student would qualify for free lunch. The clerk admitted to the OIG that she falsified the meal applications that the parents of some students submitted because she was trying to “help” students or parents that she considered to be nice and the clerk took such actions to improperly qualify the students for free and reduced price meals. The OIG recommended appropriate disciplinary action against both employees and the matter is under review in the CPS Law Department. (9715)
- A teacher assistant at the high school falsified at least four free and reduced price meal applications submitted to the high school for her child. The teacher assistant told the OIG that the same clerk noted above shredded her original applications and asked her to fill out new

applications because she should not have to pay for lunch and nobody checks the applications anyway. The teacher assistant acquiesced to the clerk's request knowing that it was wrong. The OIG recommended that CPS take appropriate disciplinary action against the teacher assistant and the clerk. The teacher assistant was subsequently laid off from her position and has been designated ineligible to be rehired. As stated above, the disciplinary matter against the school clerk assistant is under review by the CPS Law Department. (00028)

- An OIG investigation revealed that two public employees in the law enforcement profession falsified free and reduced price meal applications for three of their children who attended the high school. The OIG referred its findings to the public agencies where the parents work. (9716)
- The OIG found that a school clerk assistant at the high school falsified free and reduced price meal applications for two of her children who attended other Chicago public schools. The OIG recommended that CPS take appropriate disciplinary action against the employee and the matter is under review in the CPS Law Department. (9718)
- Another OIG investigation found that a school security officer at the high school and the officer's spouse, who worked part-time at the high school and was a full time public employee at another city agency, falsified free and reduced price meal applications for their child who attended the high school. The OIG recommended that CPS take appropriate disciplinary action against the employee and the matter is under review in the CPS Law Department. (9719)
- An elementary school bilingual teacher falsified free and reduced price meal applications for her child who attended the high school. The OIG recommended that CPS take appropriate disciplinary action against the employee and the matter is under review in the CPS Law Department. (9720)
- A school clerk at the high school falsified free and reduced price meal applications for her child who attended the high school and another child who attended a CPS elementary school. The OIG recommended that CPS take appropriate disciplinary action against the employee and the matter is under review in the CPS Law Department. (9721)
- The OIG conducted an investigation which revealed that a special education classroom assistant at the high school violated the CPS residency policy by residing in Melrose Park, Illinois. The classroom assistant also enrolled her four children in CPS schools for a total of 15 years combined while they lived with the assistant in Melrose Park. The OIG found that the employee was responsible for non-resident tuition totaling \$122,227.87. In addition, the OIG investigation revealed that the classroom assistant falsified free and reduced price meal applications for her children. Based on the investigation, the OIG recommended that the classroom assistant be immediately discharged from CPS employment for intentionally providing a false residential address to CPS. The OIG also recommended that CPS seek to recover \$122,227.87 in non-resident tuition from the employee. Both matters are under review in the CPS Law Department. (10225)
- An OIG investigation revealed that an elementary school teacher assistant falsified a free and reduced price meal application for her child who attended the high school. Specifically, the teacher's income was fraudulently excluded from the form and the size of the teacher's household

was overstated. In addition, the family dog was listed as a household member on the free lunch application. The OIG recommended that CPS take appropriate disciplinary action against the employee and the matter is under review in the CPS Law Department. (00029)

- A lunchroom manager at the high school falsified free and reduced price meal applications for her child who attended the high school. The OIG recommended that CPS take appropriate disciplinary action against the employee and the matter is under review in the CPS Law Department. (00032)
- A school clerk assistant falsified numerous free and reduced price meal applications for her child who attended the high school. The OIG recommended that CPS take appropriate disciplinary action against the employee and the matter is under review in the CPS Law Department. (00033)
- An OIG investigation revealed that a teacher at the high school violated the CPS residency policy by living in Munster, Indiana. The teacher also lied to the OIG during the course of the investigation. Because she intentionally provided a false residential address to CPS, the OIG recommended that the employee be immediately discharged from employment. The matter is currently under review in the CPS Law Department. (00119)
- The OIG conducted an investigation of a bilingual teacher at the high school which revealed that the teacher, on numerous occasions, falsified attendance records by fraudulently misrepresenting that he was performing duties on behalf of CPS when in fact he was concurrently performing duties on behalf of another local governmental agency. The OIG also found that the teacher engaged in secondary employment that was in direct conflict with the duties and demands of his CPS employment by being simultaneously scheduled to tutor CPS students and scheduled to teach classes for the sister agency. In addition, like many other employees of the high school, free and reduced price meal applications were submitted on behalf of the teacher's children who attended the high school that grossly under-reported the household income and, in one case, included fictitious household members. One falsified free meal application failed to reflect the teacher's income, which exceeded \$100,000 from his CPS job and other agency job combined. The OIG recommended that CPS take appropriate disciplinary action against the teacher. The teacher was subsequently terminated from CPS employment and designated ineligible to be rehired. (9713)
- The OIG conducted an investigation of a teacher at the high school who retired during the course of the investigation. The investigation revealed that prior to leaving the school, the teacher violated the CPS sick leave policy by using 31.2 hours of sick time when he was not ill. The teacher admitted to the OIG that he used the sick time immediately before his retirement because he did not want to lose his sick time. Based on the OIG's recommendation, the teacher was designated ineligible to be rehired. (9790)
- Another OIG investigation at the high school revealed that the principal of the school, in violation of the CPS Ethics Policy, improperly allowed her child to student teach at the school and allowed her child to work there under her ultimate supervision. In addition, the OIG investigation revealed that during an interview with the OIG, the principal lied to the OIG by asserting that she had received approval from central office administrators to allow the principal's child to student teach at the school. The OIG recommended that CPS take appropriate disciplinary action against

the principal. The principal subsequently retired from CPS and was designated ineligible to be rehired. (9794)

- The OIG conducted an investigation into allegations of misconduct involving the high school principal, assistant principal and the assistant principal's spouse who was a school social worker at the high school. The investigation revealed that a religious organization that the assistant principal and social worker were members of regularly used the gymnasium at the high school but did not pay any rent, and no Board approval or lease agreement were ever obtained for the school usage, as required by CPS rules and policies. The OIG also found that the assistant principal and social worker participated in the meetings held at the school's gymnasium and the principal knew about and approved of the organization's use of the gymnasium. In addition, the OIG found that the assistant principal supervised the social worker despite the fact that they were married and the principal knew of the relationship when the assistant principal was hired. Following the investigation, the OIG recommended that CPS take appropriate disciplinary action against each of the employees. As stated above, the principal retired from CPS and was designated ineligible to be rehired. The assistant principal and school social worker have been moved to different schools and potential disciplinary action is being reviewed by the CPS Law Department. (9795)
- The OIG conducted an investigation at the high school which revealed that two vendors who were actually husband and wife, with the husband being a former employee of the high school, engaged in a multi-year scheme in which they knowingly submitted fraudulent invoices for technology work that made it appear that the wife performed \$44,000 worth of technology consulting work at the school during a four year period, when in fact all of the relevant technology consulting work was done by the husband. The husband and wife submitted the invoices in a fraudulent attempt to circumvent the process that applies to consulting contracts over \$25,000 by making it appear that two separate vendors - each of which on paper performed less than \$25,000 a year worth of consulting work - were doing the technology consulting work at the high school. The investigation further revealed that the wife was not a legitimate technology consultant and she performed no technology consulting work at the school. Her claim to be a vendor was nothing more than a front to hide the fact that her husband was receiving more than \$25,000 a year in consulting business from the school. In addition, the investigation revealed that the principal and school business manager knew of and participated in the vendors' scheme to avoid the CPS procurement rules. As stated above, the principal retired from CPS and was designated ineligible to be rehired. The OIG recommended appropriate disciplinary action against the business manager and the Law Department is reviewing that recommendation as well as the recommendation to take appropriate disciplinary action against the vendors. (00120)
- An investigation of the principal, a programmer, a counselor and a teacher revealed that the principal violated Board Rules by allowing the programmer to accumulate compensatory time in lieu of overtime and allowed the programmer to use that compensatory time to take a vacation. In addition, the teacher (who is the same teacher mentioned in the first bullet in this section) violated the CPS sick leave policy by using sick time to take a Caribbean cruise. Finally, the investigation revealed that the counselor violated the CPS sick leave policy by using sick time to take almost two weeks of vacation in Puerto Rico. As stated above, the principal retired from CPS and was designated ineligible to be rehired. The Law Department recommended school-based discipline against the programmer and disciplinary action against the teacher and counselor is being reviewed by the Law Department. (00201)

Failure to Cooperate with the OIG

In FY 07, a Board Rule was enacted 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 4-4(m) obligates all CPS employees to cooperate with the OIG during its investigations. Specifically, all employees interviewed by the OIG who are advised of “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. FY 11 investigations in which employees failed to cooperate with the OIG are detailed below.

- The OIG conducted an investigation of an elementary school bilingual teacher which revealed that the teacher was arrested and charged with delivery of between 1 and 15 grams of cocaine after police observed the teacher engaging in a hand-to-hand transaction with another man. After encountering the teacher, the police found him in possession of 2 knotted plastic bags of cocaine and \$369 in U.S. currency. When interviewed by the OIG, the teacher failed to answer questions regarding his arrest after having received a notice of administrative rights in violation of Board Rule 4-4(m). Based on his failure to cooperate, the OIG recommended that the teacher be immediately discharged from CPS employment. The criminal case is still pending in criminal court, the teacher has been suspended without pay and a disciplinary hearing is being scheduled. (00407)
- A cook was arrested and charged with possession of between 1 and 15 grams of cocaine that was recovered from a bag attached to her waist which was comingled with \$917 in U.S. currency. The OIG investigation revealed that the cook plead guilty to the offense of possession of a controlled substance and was sentenced to serve a term of two years of probation, a conviction that precludes the cook’s employment with CPS. In addition, the cook violated Board Rule 4.4(m) by failing to answer questions asked of her by the OIG regarding her arrest for possession of cocaine after having received a notice of administrative rights from the OIG. The OIG recommended that CPS immediately terminate the cook. The cook was terminated from CPS employment and was designated ineligible to be rehired. (10107)

Violations of the CPS Acceptable Use Policy

The CPS *Acceptable Use of the CPS Network and Computer Resources* policy demands that CPS employees must use the CPS network and computer resources in a professional, ethical and lawful manner in compliance with all Board Rules and policies. The policy explains that computer resources are intended for Board business, with limited personal use permitted. Such personal use must, in all circumstances, comply with the unacceptable use and conduct provisions in this policy, and must not result in costs to the Board, cause legal action against or cause embarrassment to the Board. Such use must also be appropriate as to duration and not interfere with the user’s duties and the Board’s business demands. The policy further declares that users shall not use the CPS network or computer resources including access to the Internet, Intranet, Collaboration Systems or E-mail to use, upload,

post, mail, display, store, or otherwise transmit in any manner any content, communication or information that constitutes use for, or in support of, any obscene or pornographic purpose including, but not limited to, the transmitting, retrieving or viewing of any profane, obscene, or sexually explicit material. In FY 11, the OIG investigated the following violations of the Acceptable Use Policy.

- The OIG conducted an investigation of an elementary school teacher after CPS screening software and filters flagged the teacher's CPS email account for suspect pornography. The OIG reviewed the teacher's CPS e-mail account and discovered several e-mail chains between the teacher and individuals on a social networking site. Those e-mail chains reflected that the teacher was engaging in solicitations for sexual partners on Craigslist. In those e-mail chains, the teacher and the other individuals generally discussed the possibility of those individuals having sex with the teacher and his girlfriend. The OIG also discovered at least one pornographic photograph in an email exchange. In an interview with the OIG, the teacher admitted to using the social networking site to solicit for sexual partners. The OIG concluded that the teacher violated the *Acceptable Use of the CPS Network and Computer Resources* policy by sending and receiving e-mails soliciting sex through his CPS e-mail account and by receiving a pornographic picture. The OIG recommended that the teacher receive appropriate disciplinary action. The teacher received a six-day suspension and a warning resolution. (9632)
- An OIG investigation of a resource technician determined that the technician downloaded and stored files, including correspondence and brochures, related to outside employment on her CPS-issued laptop computer. In addition, the investigation revealed that the technician downloaded and stored seven photos depicting non-frontal male nudity, including five photos that show a male's buttocks, on her CPS-issued laptop computer in violation of the *Acceptable Use of The CPS Network and Computer Resources* policy. The technician was laid-off from CPS employment during the course of the investigation and the OIG recommended that the technician be designated ineligible for rehire. Based on that recommendation, the technician was designated ineligible to be rehired. (9638)

Code of Ethics

- The OIG conducted a proactive investigation of a high school assistant principal after learning that the assistant principal was also a corporate officer of a travel agency that received money from the high school. The OIG found that the assistant principal had a direct economic interest in the travel agency, a CPS vendor that had received more than \$32,000 in purchase orders and more than \$22,800 in payments from the high school at which the assistant principal worked. In fact, the OIG found that the assistant principal exercised contract management authority on contracts with the travel agency by requesting that the company be paid more than \$5,000.00 for services provided to her school. The assistant principal also failed to disclose her relationship to the company on *Statements of Business and Financial Interests* filed with CPS. As a result, the OIG recommended that CPS take appropriate disciplinary action against the assistant principal. The Law Department recommended that the assistant principal be issued a short suspension and the OIG is attempting to confirm the disciplinary action. (10153)
- The OIG conducted an investigation of an elementary school Local School Council member which revealed that the LSC member served on two school LSC's while a business owned by his wife sold gym clothes to both of those schools. Specifically, in 2010 the company sold 60 pairs

of sweatpants totaling \$675.96 to one school, and it sold \$3,348.91 worth of sweatpants and t-shirts to the other school. Although the sales by his wife's company to the schools violated the Board's ethics policy, the LSC member reported an economic interest in his wife's business on his 2010 Statement of Economic Interests, which was dated September 9, 2010. That form was initialed by one of the school's principals. Despite the fact that he reported an interest in an entity prohibited from doing business with the Board (due to his position as an LSC member), one of the schools executed a School Expenditure Requisition Order for the company on September 20, 2010, and the other school executed a School Expenditure Requisition Order for the company on September 17, 2010. The OIG recommended that CPS should take action to disqualify the LSC member from serving as an LSC member. In addition, the OIG recommended that CPS should implement a process that ensures that Statements of Economic Interests that have been submitted are reviewed and that appropriate follow up action is taken regarding information contained on those disclosures that are either obvious or potential violations of the Board's ethics policy. The Law Department is reviewing the OIG investigation for appropriate action. (9666)

Lack of Internal Controls

- In FY 10, the OIG reported on an investigation into the disappearance of over \$27,000 in CTA fare cards purchased by a central office department and the obvious lack of controls regarding access to the area where the fare cards were stored which made it impossible to maintain security and personal accountability for the fare cards. As a result of that previous investigation, CPS made some changes regarding the storage and inventory of fare cards purchased. However, the changes that were made as a result of the OIG's investigation did not eliminate many of the security and accountability problems. Following its FY 10 report, the OIG investigated several occurrences in which collectively more than \$2,900 in CTA fare cards were either lost or stolen while being shipped from central office to individual schools through CPS interdepartmental mail. Even more recent attempts to eliminate the theft risk by attempting to increase accountability during the mail delivery process also failed to eliminate thefts and losses of CTA fare cards as the OIG continued to receive notifications of additional thefts.

In one of the four investigations conducted by the OIG into missing fare cards, the OIG found that a CPS employee failed to secure a package of CTA fare cards that he was charged with delivering to a school. The investigation revealed that the package containing the valuable CTA fare cards were left on the dashboard of his delivery truck, which he parked and left unlocked and unattended on a city street. When he returned to his delivery truck, the package containing the fare cards was missing. In addition, the employee did not report the loss of the package and he violated the CPS sick leave policy when he phoned in sick the day after the theft so that he could stay home in order to cut his grass. The OIG recommended that CPS take appropriate disciplinary action against the employee. The Law Department recommended that the employee's department issue the employee minor discipline.

In addition, after investigating other circumstances where fare cards were missing, the OIG made the following findings:

- The control measures in place were not sufficient to prevent thefts and other losses of CTA fare cards that are shipped from central office to individual schools. Even the tightened control measures that were implemented in the wake of several thefts in late 2009 were

inadequate because they still fail to create an auditable documentary record that would enable CPS to verify that CTA fare cards are being issued only to eligible recipients and not diverted for improper private uses. Significantly, apparent thefts and other losses of CTA fare cards have occurred after the tightened control measures were implemented.

- CTA fare cards have serial numbers that enable the CTA to 1) track exactly where and when fare cards are used in the CTA transit system, and 2) deactivate individual cards. The ability to track the usage of individual cards is critical for monitoring whether CTA fare cards are being issued only to eligible recipients and for identifying those in possession of stolen cards. The ability to deactivate individual cards is also critical for preventing stolen or lost cards from being used. CPS currently does not record fare card serial numbers. As a result, CPS cannot quickly and easily audit whether cards are being used as intended, and it has no easy way to locate and identify those who use stolen fare cards. CPS also currently has no way to deactivate cards that have been stolen or lost.

As a result of those findings, the OIG issued the following recommendations:

- The OIG recommended that CPS record and track the serial numbers of the individual CTA fare cards purchased from the time that they are received by CPS until the time that they are issued to eligible recipients. Such tracking and recording of serial numbers will allow CPS to ensure that cards are being appropriately issued, and enable CPS to have the information necessary to request that CTA deactivate lost or stolen cards.
- CPS should develop and implement an auditable documentary record that would enable CPS to verify that CTA fare cards are being delivered only to eligible recipients and not converted for improper private uses. (8574, 9197, 9602, 00001)

Falsification of Attendance Records

- The OIG conducted an investigation of an elementary school engineer which revealed that the engineer falsified his attendance records by leaving his worksite during the day to go to local bars where he drank beer while on duty and to go shopping with his girlfriend. In addition, the investigation revealed that the engineer sold CPS scrap furniture, including metal cabinets and desks, to a scrap yard and kept the money from the sale and did not return the money to the school. The OIG recommended that CPS take appropriate disciplinary action against the engineer. The engineer subsequently resigned from CPS employment. (8495)
- An investigation by the OIG revealed that an elementary school engineer submitted timesheets reflecting that he worked more than 90 hours of overtime related to the installation of a cell tower at the school. The investigation revealed that the engineer did not actually work all of those hours and, in fact, he had custodians work the overtime hours for which the engineer paid the custodians. The OIG recommended that CPS take appropriate disciplinary action against the engineer. Potential disciplinary action against the engineer is pending. (8585)

- The OIG conducted an investigation of a high school clerk which revealed that the clerk repeatedly falsified her attendance and other employment records. Specifically, the OIG found that:
- during a six-month period, the clerk falsified her payroll history by improperly crediting herself with over 400 hours of extended-day pay, effectively misappropriating over \$12,000 from CPS.
 - the clerk deliberately and repeatedly used “historical edits” — a Kronos (timekeeping) software editing tool — to hide the overwhelming majority of the fraudulent additions that she made to her payroll record.
 - the clerk credited herself with 127 hours of unauthorized pensionable summer-time hours representing over \$3,500 in unauthorized pay received by the clerk. In addition to being unauthorized, there was no proof that the clerk actually worked those 127 hours, as they are unsupported by Kronos swipes or school time sheets.
 - the clerk used CPS benefit time (sick days and personal benefit days) to be absent from work on no less than ten separate occasions and later fraudulently edited her Kronos work record to reflect that she had worked regular time on those occasions. Some of these fraudulent edits were performed using “historical edits,” which effectively hid the fact that she had made those changes.
 - the clerk regularly edited her time without proper written authorization.
 - the clerk was able to frequently and regularly falsify her time record and make unauthorized edits because the CPS Kronos system lacks fundamental control mechanisms. Specifically, the CPS Kronos system does not include features that (1) flatly prevent personnel from editing their own time; (2) require high-level authorization for historical edits; and (3) alert proper supervisory personnel to an abnormal amount of historical edits.
 - the ease with which self-edits and historical edits can currently be made to the Kronos system poses a very significant risk that others may be abusing the payroll system in the same way that the clerk abused the system.

Based on the its investigation of the clerk’s improper activity, the OIG made the following recommendations.

- CPS should take appropriate disciplinary action against the clerk.
- CPS should immediately implement control features to the CPS Kronos system that (1) make it impossible for an employee to edit his or her own time; (2) require high-level written authorization for all historical edits; and (3) alert proper supervisory payroll personnel when an unusual number of historical edits have been made to any individual’s work history.
- CPS should immediately conduct an audit of all CPS employees who have Kronos access in order to determine which of those employees have a statistically abnormal amount of edits to their own work record. CPS should take remedial action as necessary based on the results of the audit.
- CPS should immediately conduct an audit of all historical edits made to any CPS employee’s work record in the last two years in order to determine whether other CPS personnel have had a statistically abnormal amount of historical edits made to their work histories. This audit should specifically include a review of the number of “off-cycle” checks an employee has received, as pay added by historical edits is frequently paid through “off-cycle” checks. Additionally, CPS should take remedial action as necessary based on the results of the audit.

The clerk has been terminated from CPS employment and designated ineligible to be rehired. It should be noted that the clerk was again investigated by the OIG in FY 11 and that matter is reported on below in the section titled *Theft*. (9248)

- An OIG investigation of an elementary school custodial worker found that the custodial worker falsified his attendance records by representing on numerous dates he was at work and working when in fact he was not. In essence, on numerous days while under investigation by the OIG, the custodial worker left the worksite for long periods of time while he was on duty. The OIG also learned that the custodial worker had previously engaged in the acts of misconduct noted above and had received progressive discipline for similar violations in the past. Based on its investigation and his extensive disciplinary history, the OIG recommended that the custodial worker be immediately discharged from CPS employment. The custodian subsequently retired from CPS employment and was designated ineligible to be rehired. (9722)
- The OIG conducted an investigation of two brothers who worked together as engineers at a high school. The investigation revealed that the brothers, as well as a third engineer at the school, routinely falsified their attendance records. Specifically, the investigation revealed that one brother arrived at work in the morning and swiped himself and his brother in for work even though the other brother did not arrive at work until later in the morning. The early-arriving brother then left work early and was swiped out by his brother. One of the brothers also falsified his attendance records by editing his own time, and the time records of his brother and the third engineer to reflect that they each were working when in fact they were not. The OIG investigation also revealed that the brothers, on numerous occasions, left their worksite to go to a restaurant to drink alcohol while on duty. Also, the fact that one brother supervised the other violated the Code of Ethics for the Chicago Board of Education. The OIG recommended that the brother engineers be immediately discharged from CPS employment and that CPS take appropriate disciplinary action against the third engineer. Also, based on this investigation and others the OIG has conducted in the past, it is obvious that allowing an employee to edit his or her own time records on the Kronos timekeeping system creates an unacceptable and significant risk that employees will abuse the system and falsify attendance records. As such, the OIG recommended that CPS ensure that employees with access to the Kronos timekeeping system be prohibited from editing their own time records. All three engineers retired from CPS and each was designated ineligible to be rehired. (00027)
- An OIG investigation of a high school teacher revealed that the teacher falsified a Homebound Time Sheet by fraudulently asserting that she gave 20 hours of homebound instruction to a CPS student over the course of 10 days in a two-month period when in fact she did not provide the instruction. The evidence showed that the teacher never went to the student's house on eight of the ten occasions that she claimed to have instructed the student. The evidence further showed that on the two occasions that the teacher actually went the student's home, she provided no actual instruction, and instead merely dropped off assignments and left. In addition, the teacher admitted that she repeatedly forged the signature of the student's mother on the timesheet. The OIG recommended that CPS take appropriate disciplinary action against the teacher. The teacher resigned from CPS employment and was designated ineligible to be rehired. (00314)

Theft

- The OIG conducted an investigation of an elementary school associate lunchroom manager which revealed that the manager documented that she collected and deposited more money than actually deposited. The investigation further revealed that the deposit was made after the manager was no longer assigned to the school. The OIG recommended that CPS take appropriate disciplinary action against the associate lunchroom manager. The lunchroom manager was terminated from CPS employment and designated ineligible to be rehired. (8728)
- An OIG investigation of a school clerk assigned to a high school (the same clerk mentioned above in the *Falsification of Attendance Records* section) yielded additional findings of misconduct on the part of the clerk. The OIG investigation revealed that the school clerk engaged in a criminal scheme in which she embezzled \$1,807 of CPS funds by fraudulently diverting money from the high school's student work program into her personal bank account. The OIG found that in order to accomplish her scheme, the clerk falsified student work records and caused eight CPS checks totaling \$1,807 to be written to six students. When the fraudulently-issued checks arrived at the school, the clerk took possession of them and forged the respective student's signature on each of the checks. The clerk then subsequently countersigned each of the eight checks and deposited them into her personal bank account. The day after the OIG attempted to interview the clerk regarding this case, she resigned. The OIG noted that the clerk's scheme succeeded because she appears to have been the sole person responsible for causing checks to be issued and for subsequently receiving and distributing the checks once they arrived at the school. Accordingly, the OIG recommended that future audits at all schools check that sufficient controls are in place to ensure segregation of ordering and receiving duties for all school financial matters. The OIG referred this matter to the Office of the Cook County State's Attorney for criminal prosecution. Following that referral, the clerk was arrested and charged with the felony offense of theft and her case is pending in criminal court. The clerk has also been designated ineligible to be rehired. (00195)

Selective Enrollment and Magnet Schools

After the Office of Academic Enhancement ("OAE") conducted an audit of the student assignment (enrollment) process for the 2010-2011 school year, the OIG conducted five investigations to follow-up on audit exceptions. The goal of the audit was to ensure that students enrolled in magnet entry grades were selected through the lottery process and that students enrolled in selective enrollment elementary and high schools were enrolled through the selection process. After reconciling the audit findings, OAE identified five schools with unresolved audit exceptions, three elementary schools and two high schools.

- In its investigations, the OIG determined that three of the unresolved audit exceptions, at two high schools and one at an elementary school, were minor procedural violations attributable to a lack of communication between the schools involved and OAE. However, in two investigations the OIG found that:
 - an elementary school principal violated CPS policies and guidelines governing enrollment into selective enrollment schools by admitting 9 students into a selective program who had not submitted applications for enrollment.

- another elementary school principal violated CPS policies and guidelines governing enrollment into selective enrollment schools by admitting 8 students into a magnet school in violation of CPS policies and guidelines.

Following all of the investigations, the OIG recommended that:

- those schools that have engaged in procedural violations be again advised of the policies and guidelines related to proper enrollment practices and be flagged for future audits to ensure compliance with procedures.
- CPS should take appropriate disciplinary action against the elementary school principal for intentional circumvention of CPS policies and guidelines governing enrollment into selective enrollment schools.
- CPS should designate the other elementary school principal, who had retired during the course of the investigation, as ineligible to be rehired for intentional circumvention of CPS policies and guidelines governing enrollment into magnet schools.

The Law Department is reviewing the OIG investigation for appropriate action. (9945, 9946, 00053, 00092, 00093)

- The OIG conducted an investigation of a central office professional which was initiated after the OIG received a complaint that a student was allowed to re-enroll in a Regional Gifted Center after a year of absence from the school (and CPS) without testing, as required by CPS policy. Based on its investigation, the OIG issued the following findings and recommendations.
 - the professional violated the *Policy on Magnet and Selective Enrollment Schools and Programs for the 2010-2011 School Year* by advising the administration at the gifted center that the student could return to the school after a one-year absence and be enrolled in the school without reapplying through the standard application procedures.
 - the professional violated that *Policy on Magnet and Selective Enrollment Schools and Programs for the 2010-2011 School Year* and internal guidelines by altering student application data maintained on a database of selective enrollment and magnet school applicants.

Based on the its investigation, the OIG recommended that CPS take the appropriate disciplinary action against the professional. The professional subsequently retired from CPS. (00586)

Vendor Misconduct

- The OIG conducted an investigation of a vendor hired to provide a mentoring program at a high school. The OIG found that:
 - The vendor was paid \$20,000 by CPS to perform exactly the same mentoring work that he was already being paid to perform through a subcontract with an entity that had contracted with another public agency to provide mentoring to CPS students.
 - The vendor failed to adequately document the mentoring work claimed to have been performed at the high school.
 - The vendor failed to disclose that he was being paid by another public agency for the same mentoring services that CPS paid him to provide at the high school.

Following the investigation, the OIG recommended that CPS debar the vendor from doing any future work for CPS as a contractor, subcontractor or as an employee of a vendor. The CPS Law Department is reviewing the OIG investigation and preparing to debar the vendor. (8660)

- An OIG investigation revealed that a CPS vendor and its owner were permanently debarred by the City of Chicago after the company owner admitted to defrauding the City of Chicago during the performance of contracts with the City. Specifically, the OIG investigation revealed that the company owner became aware in 2004 that materials ordered by the City were to be delivered to a certain City employee's home and that the same City employee had directed such delivery. Despite having knowledge that the City employee was directing the improper diversion of the materials, the company owner still delivered the materials to the City employee's home causing the vendor to fraudulently invoice the City for the materials. Based on the City of Chicago's debarment of the vendor and its owner, the OIG recommend that CPS also debar the company and its owner. The company and its owner were subsequently debarred by CPS. (00031)
- The OIG conducted an investigation of a company and its owner and learned that the company owner had recently pled guilty to two counts of Fraudulently Obtaining Public Moneys Reserved for Disadvantaged Business Enterprises. The OIG also learned that the company owner admitted that for a one-year period, he and the company falsely represented to a sister agency that the company had entered into a multi-million dollar subcontract with a minority business enterprise when, in fact, the amount of the actual subcontract was \$555,000. In addition, the OIG learned that the owner also admitted that the company falsely represented to another sister agency that the company had entered into a subcontract with a minority business enterprise when, in fact, the company had actually entered into a subcontract with a different subcontractor, which was not a minority business enterprise. The company also provided the sister agency with sworn statements in which they misrepresented the amount of work the purported minority subcontractor had performed on the project. The company owner was sentenced to 2 years probation and he and the company were each ordered to pay \$20,000 fines. Based on the its investigation, the OIG recommended that CPS take appropriate debarment action against the owner and his company. The CPS Law Department is preparing to debar the owner and his company. (00272)

Miscellaneous Investigations

- The OIG conducted an investigation of an elementary school teacher which revealed that the teacher violated the prohibition against working secondary employment during a period of medical leave in that the teacher, for a three month period while on a medical leave of absence from his teaching position, worked in the extended-day driver's education program at a CPS high school on 58 days. In addition, the OIG found that the teacher violated the CPS sick leave policy by using sick days on 54 days in a two and one-half year period in order to be excused from and paid by his regular teaching assignment at the elementary school while still working in the extended-day driver's education program on those same 54 days. The teacher also used bereavement leave for three days in order to be excused from and paid by his regular teaching assignment at the elementary school while still working in the extended-day driver's education program on those same three days. Finally, the OIG investigation found that the teacher supervised his wife and son in the driver's education program at the high school for the past several years, including signing-off on their timesheets which caused them to receive pay. The

OIG recommended that CPS take appropriate disciplinary action against the teacher. The CPS Law Department did not take any disciplinary action against the teacher and instructed the elementary school principal where the teacher worked to review CPS policies with the teacher. (7690)

- After receiving an allegation that a technical specialist in the central office engaged in secondary employment during his CPS work hours, the OIG conducted an investigation which revealed that the specialist engaged in secondary employment with a private company without first notifying the CPS Ethics Officer of the secondary employment, the nature and duties of the secondary employment, and the salary and hours to be worked at the secondary employment. The OIG recommended that CPS take appropriate disciplinary action against the specialist. The specialist subsequently resigned from CPS employment and was designated ineligible to be rehired. (7799)
- The OIG conducted an investigation of a high school teacher after receiving an allegation that the teacher was allowed to perform student teaching during the hours the teacher, then a security officer at a high school, was paid to work as a security officer. At the onset of the investigation, the OIG learned that during the period of time in question, the teacher was actually a day-to-day substitute teacher for CPS. The OIG investigation revealed that the teacher did not follow CPS guidelines concerning student teachers when he did not apply with CPS to be a student teacher in the semester in question and was therefore never approved by CPS to be a student teacher. The teacher also worked at least 51 days as a substitute teacher when he was to be student teaching, critically limiting the amount of days he could have student taught under the guidance of a cooperating teacher. As such, the teacher may not have fulfilled the student teaching requirements necessary for the degrees he was subsequently issued. In addition, the OIG investigation revealed that an assistant principal and a teacher at the school the teacher student taught at did not adhere to the student teaching guidelines in their roles as a student teaching supervisor and cooperating teacher for the student teacher's student teaching. Based on the investigation, the OIG recommended that CPS take appropriate disciplinary action against the teacher, assistant principal and supervising teacher. In addition, since the teacher may not have fulfilled the requirements necessary to obtain the degrees he was issued, the OIG referred the results of the investigation to the university that conferred the teacher's degrees and the Illinois State Board of Education for their review. The Law Department is reviewing the OIG investigation for appropriate disciplinary action. It should be noted that the assistant principal was investigated for a residency violation and that case is mentioned in that section of this report. (9009)
- An OIG investigation of an elementary school clerk revealed that the clerk failed to appropriately receipt, safeguard and deposit approximately \$2,639 in graduation fees that she collected from students at the school. After inquiries were made, the OIG learned that the clerk paid back \$2,493. The OIG recommended appropriate disciplinary action against the clerk who was subsequently terminated and designated ineligible to be rehired. (9480)

- The OIG conducted an investigation of a central office administrator which revealed that:
 - in 2006, the administrator hired a person to perform administrative tasks and to fund the position, the administrator improperly reclassified the person as a teacher and funded his otherwise administrative position through the Reassigned Teacher Pool, a pool of funds designated to compensate teachers displaced for specific reasons.
 - the administrator re-hired the person in 2009 to perform additional administrative tasks and again disregarded routine hiring practices by improperly classifying the person's position as a teaching position and funded it through the Reassigned Teacher Pool.
 - the administrator also improperly hired another person as a part-time clerical worker on her staff by misclassifying him as a substitute teacher. Although this person met the qualifications of a substitute teacher, the person never actually taught any students while employed as a substitute teacher, and performed only routine clerical work.

Based on its investigation, the OIG recommended that CPS take appropriate disciplinary action against the administrator. The OIG also recommended that, based on the misuse of the Reassigned Teacher Pool by the administrator and allegations of further misuse of the Reassigned Teacher Pool by others (which were made by the administrator), CPS should conduct an audit of the Reassigned Teacher Pool to ensure that appropriate controls are in place to prevent misuse of the Reassigned Teacher Pool. Following the OIG investigation, the administrator retired from CPS. An audit of the Reassigned Teacher Pool was conducted with specific recommendations to enhance controls. (10065)

- An OIG investigation of two elementary school teachers found that one teacher intentionally and fraudulently fabricated a letter to a university which purported to be from the office of the CEO and further purported to grant the authorization of the office of the CEO for a school-based research project. The OIG further found that the teacher sent that letter to the university in furtherance of a fraudulent attempt to win approval of a research project that would involve confidential student information and be used to fulfill a doctoral dissertation requirement. The other teacher, the OIG found, knowingly participated in the fraudulent scheme to win approval for the other teacher's doctoral research project by signing the letter fraudulently misrepresenting herself as the supervisor who had given the teacher permission to conduct research at the elementary school. The other teacher also represented that she held a doctoral degree when she signed the letter when in fact she did not hold a doctoral degree. The OIG recommended that CPS take appropriate disciplinary action against the teachers. The Law Department is currently reviewing the OIG investigation. (10073)
- The OIG investigated a school security officer at a high school. The investigation revealed that the security officer used CPS sick time on five occasions in a three and one-half month period to be absent from, and paid for, his security officer position while he was simultaneously being paid for working for a sister agency. The OIG investigation also revealed that the security officer contributed to the criminal delinquency of a CPS student and other minors, including a recent CPS graduate, by providing alcohol to them and allowing them to drink alcohol at a sister agency facility that employed the security officer. The security officer was also a coach for at least one of the high school students he provided alcohol to while at this facility. In conjunction with an investigation by the sister agency, the OIG also learned that the security officer falsified time sheets which resulted in the security officer being paid by the sister agency for hours he did not

work. Finally, the investigation revealed that the security officer was simultaneously signed in for work at both CPS and the sister agency at the same time on at least two occasions. The OIG recommended that CPS take appropriate disciplinary action against the security officer. The security officer was terminated and designated ineligible to be rehired. (10090)

- An OIG investigation of an elementary school lunchroom manager revealed that the lunchroom manager accepted cash payments from some teachers and students for meals that she never deposited in CPS's food services account. The OIG recommended that CPS take appropriate disciplinary action against the lunchroom manager. The lunchroom manager was terminated from CPS employment and designated ineligible to be rehired. (10136)
- The OIG conducted an investigation of an elementary school principal which revealed that the principal disguised a \$31,093.35 purchase of computer parts as two smaller purchases in order to avoid the procurement rules applicable to purchases of \$25,000 or more. In violation of Board Rules, the principal failed to submit a Chief Purchasing Officer Request (CPOR) for the purchase of the \$31,093.35 in computer parts. The OIG recommended that CPS take appropriate disciplinary action against the principal. The principal subsequently retired from CPS employment and was designated ineligible to be rehired. (10235)
- An OIG investigation of an elementary school teacher assistant and a teacher revealed that the teacher submitted fraudulent free and reduced-price meal applications to CPS for two school years. Specifically, the teacher filled out the applications to make it appear as if her daughter lived with the girl's father, who is the teacher's assistant, when her daughter actually lived with her. The teacher also forged the teacher assistant's name on the forms and made it appear as if the teacher assistant had completed the forms. The teacher, the investigation revealed, falsified the applications to make it appear that her daughter lived in a household that (1) had more people than the one in which her daughter actually lived and (2) had a significantly smaller gross income than the one in which her daughter actually lived. In so doing, the teacher also fraudulently failed to report any of her income. The teacher took these efforts to fraudulently qualify her daughter for the federally-funded free and reduced-price lunch program. The OIG recommended that CPS take appropriate disciplinary action against the teacher. The CPS Law Department is reviewing the OIG investigation. (10303)
- The OIG conducted an investigation of a special school teacher which revealed that:
 - the teacher, while in a classroom, inappropriately touched the genital area of a male student by running his fingers down the zipper of the student's pants. The investigation revealed that the teacher subsequently gave the male student bags of Snickers candy bars to buy the student's silence.
 - the teacher showed students how to use proxy servers to circumvent CPS computer filters and access pornography in class using CPS classroom computers.
 - the teacher violated the CPS reasonable personal use computer policy by registering for a computer dating service with his CPS e-mail address. By so registering, the teacher foreseeably received over 200 e-mails regarding potential dates from the website. At least one of those e-mails contained a photo of a naked man.

- the teacher lied during his OIG interview when he said that he never opened any of the e-mails (totaling over 200) that he received from “meninlove.com.” CPS computer records reflect that all those e-mails had been “read.”
- in violation of CPS policies, the teacher transported students in his personal vehicle to a football game without receiving prior written permission from the principal and parent/legal guardian of the students.

In addition to the teacher’s misconduct, the OIG determined that the current measures that CPS deploys to block access to hard-core pornographic and other web sites are completely ineffective if a computer user first accesses a proxy server. The result is that inappropriate web sites, including hard-core pornographic websites, can easily be accessed from CPS computers using CPS servers. The ease with which the current measures to prevent access to inappropriate websites can be defeated means that students can access pornography from classroom computers by simply typing the name of an unblocked proxy server into a search engine. Because the current measures CPS employs against inappropriate website access appear to be useless against proxy servers, there is a very high risk that CPS students and staff are regularly accessing pornographic websites via the CPS server system.

The OIG recommended that CPS should take appropriate disciplinary action against the teacher. The OIG also recommended that CPS should review (1) the measures it uses to block access to pornographic and other unauthorized websites to determine if more effective safeguards can be employed to prevent access to such websites through proxy servers, and (2) evaluate the policies governing student internet access in the classroom in light of the threat posed by proxy servers.

Following the OIG investigation, the teacher resigned from CPS employment and was designated ineligible to be rehired. (00051)

- The OIG conducted an investigation at a high school following reports of a theft of thousands of dollars in sports equipment from a facility occupied by both the school and an outside entity allowed to use the school facilities. The investigation revealed a contentious relationship between school administration and the outside entity allowed to use the facilities. After the reported theft, a dispute arose concerning which entity, the school or the outside group, had responsibility to replace the missing equipment. One phase of the OIG investigation focused on the report of theft made by school administration and whether the report contained falsehoods. During the course of the investigation, the OIG was exposed to numerous other allegations stemming from the childish bickering back-and-forth between the school and outside entity. The result of those disputes, the OIG learned, was a complete waste of public funds since, ultimately, the school or CPS would have to pay for the replacement equipment. The OIG also learned that it was apparent that the current iteration of the agreement between the high school and outside entity cannot be allowed to continue unless a responsible adult is put in supervision of the childish parties involved.

Based on the investigation, the OIG made the following findings and recommendations:

- Despite knowing that equipment taken from the facility on school property belonged to the school, the school principal failed to inform CPS Risk Management of this fact and as a result, has wastefully purchased \$9398.60 of new equipment when new equipment had already been purchased from a vendor to replace the missing equipment. Although the OIG did not find

sufficient evidence to show that the principal lied when she initially spoke to Risk Management, her conduct since, in not reporting that the contents of the facility was in fact high school equipment, was conduct unbecoming a CPS employee. The OIG found that the principal's conduct clearly reflected an attitude of obstruction and obstinance as opposed to one of compatibility.

- An employee of the entity that shared the high school facility, who engaged in numerous acts of misconduct as a CPS employee causing him to twice resign while under investigation, receive a written reprimand, be banned from coaching and be DNH'd at least two times, should be banned from the high school campus, regardless of whether he is acting as a volunteer high school coach or an employee of the entity. This recommendation was consistent with a similar recommendation made by the OIG in the past.
- A local elected official should be advised that his participation as a volunteer coach intensifies the contentious relationship between the high school principal, other high school staff and personnel from the entity and his involvement in both high school and entity programs creates an unnecessary conflict.
- Since the evidence strongly suggests that most of the items stolen from the school facility were high school property, any pending insurance claims should be settled accordingly.
- Since the evidence clearly shows that a school team used replacement equipment, that outstanding invoice should also be paid by the school. As such, the entity should be ordered to give the school all the items purchased from the equipment vendor.
- CPS should take appropriate disciplinary action against the high school principal, if warranted.
- CPS should seek to revise, amend, or possibly even cancel the 50 year license agreement between CPS and the entity.
- In the alternative, CPS should appoint a mediator/arbitrator to resolve the avalanche of ongoing childish disputes and conduct engaged in by high school personnel and the entity relative to use of and access to the campus facilities.

The Law Department is reviewing the OIG investigation to determine appropriate action. (00062)

- The OIG conducted an investigation of an elementary school teacher assistant which revealed that the teacher assistant engaged in conduct unbecoming a CPS employee by posting inappropriate photographs of himself on Flickr. The OIG investigation revealed that the pictures were taken in the school's men's faculty bathroom. Students at the elementary school also viewed the photographs online. The OIG recommended that CPS take appropriate disciplinary action against the teacher assistant. The teacher assistant was terminated and designated ineligible to be rehired. (00167)
- An OIG investigation of a central office employee with field duties revealed that the employee engaged in the unauthorized use of a CPS vehicle by continuously and repeatedly transporting her 10-year-old son to school in a CPS leased vehicle, in violation of the CPS Fleet Management Policy and the Employee Discipline Code. In addition, the employee engaged in the unauthorized use of a CPS vehicle by using the vehicle for non-CPS business and activities unrelated to the direct benefit of CPS when she used the CPS vehicle to travel to a meeting with contractors working on a rental property she owned. The OIG recommended that CPS take appropriate disciplinary action against the employee. The employee was issued a written reprimand. (00306)

- An OIG investigation of a school social worker was initiated after the OIG received information that a checking account had been opened at a local bank in the name of “Chicago School District 299 Board” without authorization from any CPS officials. Based on the its investigation, the OIG found that the social worker and other staff from an elementary school violated numerous provisions of the CPS *Insider’s Guide to School Business and Internal Accounts* by not timely depositing money collected during a school committee’s fundraiser and by opening a bank account separate from the school’s internal account. This conduct caused the school to lose an undetermined amount of money that was not properly safeguarded. Since it was not clear if school administration condoned the violations of internal accounts procedures and since there was only a small amount of money involved, the OIG treated its findings as audit exceptions. The OIG recommended that CPS take appropriate disciplinary action against the social worker and that CPS conduct an audit at the elementary school to determine if all internal account procedures are being followed and to determine if the school has any other bank accounts that should be included within the school’s internal account, consistent with CPS policy, and if so, ensure that all monies are transferred into the school’s account. The Law Department recommended that the social worker receive a one-day suspension. (00448)

- An elementary school teacher was investigated after the OIG received information that the teacher had misused a CPS tax-exempt letter. The OIG investigation revealed that the teacher misused a CPS tax-exempt letter by presenting it at the Chicago Chop House in order to avoid sales tax on a \$151.70 steak dinner for two that included an alcoholic beverage. The teacher admitted to the OIG that he regularly uses the CPS tax-exempt letter to avoid sales tax on the purchase of personal items. In addition to the Chop House purchase, the teacher stated that he has used a CPS tax exempt letter (1) at Gibson’s Bar & Steakhouse to purchase dinner for himself and members of his family; (2) at a Dominick’s Food Store to purchase groceries; (3) at a thrift store to purchase personal items; (4) to purchase a personal television; and (5) to purchase other personal items. The Law Department recommended that CPS take appropriate disciplinary action against the teacher. The Law Department is reviewing the OIG investigation to determine appropriate discipline. (00489)

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 11, the 376 complaints of alleged residency violations received by the OIG totaled more than 26% of all the complaints received by the OIG. 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 productivity; and, to set the tone that CPS rules and policies must be adhered to, the OIG delegates resources to investigate alleged violations of the Residency Policy.

The Residency Policy reflects that employees who intentionally submit a false residential address to avoid the requirements of the policy have engaged in irremediable conduct punishable by discharge.

In FY 11, the OIG issued the following reports on employees who intentionally submitted false residential addresses reflecting that they lived in the City of Chicago when in fact they did not.

- An OIG investigation revealed that an elementary school teacher resided in La Grange, Illinois. The OIG recommended that the teacher be terminated from CPS for providing a false residential address to CPS. The teacher has been suspended without pay, dismissal charges have been filed and a hearing on the charges is pending. (8531)
- The OIG determined that a central office employee resided in Matteson, Illinois and intentionally provided a false residential address in order to avoid the requirements of the Residency Policy. The OIG recommended that the employee be discharged from CPS employment. Following the OIG investigation and recommendation, the employee was discharged from employment and has been designated ineligible to be rehired. (8970)
- An investigation of another central office employee revealed that the employee provided a false residential address and resided in Calumet Park, Illinois. The OIG recommended that the employee be immediately discharged from CPS employment. Following the OIG investigation and recommendation, the employee was discharged from employment and has been designated ineligible to be rehired. (9002)
- A high school teacher resided in Munster, Indiana and intentionally provided a false residential address to reflect compliance with the Residency Policy. The OIG recommended that the teacher be immediately discharged. The CPS Law Department is preparing dismissal charges against the teacher. (9259)
- The OIG found that an elementary school teacher resided in Lynwood, Illinois and intentionally provided a false residential address to avoid the requirements of the Residency Policy. The OIG also found that the teacher also made false and inaccurate statements on a *Residency Affidavit*. Based on those findings, the OIG recommended that the teacher be immediately discharged. The teacher has been terminated from CPS employment and designated ineligible to be rehired. (9272)
- The OIG conducted an investigation of a classroom assistant which revealed that the classroom assistant resided in Richton Park, Illinois and provided a false residential address to reflect compliance with the Residency Policy. The classroom assistant subsequently resigned from CPS employment and has been designated ineligible to be rehired. (9841)
- An elementary school teacher was found to be residing in Alsip, Illinois in violation of the CPS Residency Policy and intentionally provided a false residential address in order to avoid the requirements of the Residency Policy. The teacher also made false and inaccurate statements on a *Residency Affidavit* and at a Pre-Suspension Hearing. The OIG recommended that the teacher be immediately discharged. The teacher resigned from CPS employment and was designated ineligible to be rehired. (10041)
- The OIG conducted an investigation of an elementary school classroom assistant which revealed that the classroom assistant resided in Schaumburg, Illinois and provided a false residential

address to reflect compliance with the Residency Policy. The OIG's recommendation for immediate discharge was followed and the classroom assistant was terminated. (00108)

- An OIG investigation revealed that a high school assistant principal resided in Harvey, Illinois after intentionally providing a false residential address to avoid the residency requirement. The OIG recommended that the assistant principal be immediately discharged. Dismissal charges against the assistant principal are being prepared. (00490)
- In addition to the above investigations of residency violators, in FY 11 the OIG also objected to a proposed residency waiver for a high ranking CPS administrator. In June 2011, the OIG learned of a proposal before the Board that would grant an exemption from the requirements of the residency policy for the official. The OIG strongly advised the Board that the exemption not be granted for the official's benefit. In a memorandum to the Board, the OIG advised that granting an exemption or modification to the residency policy for such a high-ranking and publicly-visible officer would create a materially unfair situation that would fundamentally challenge whether the Board's policy was consistent, equitable and enforceable. In addition, the OIG advised the Board that the proposed residency exemption for the official imperiled the viability of the residency policy as a legally enforceable requirement and created an inconsistent "tone at the top" regarding Board rules and policies. The OIG, in its June 2011 memorandum to the Board, strongly urged the Board to not grant the proposed residency exemption. In its June meeting the Board granted a residency waiver to the high ranking official. In FY 12, the OIG continued to research the issue and filed an additional report concerning the residency waiver. That research and the results of further OIG recommendations will be discussed in the OIG's FY 12 *Annual Report*. (00785)

Residency / Tuition Fraud

The OIG also has the responsibility of conducting investigations into allegations that CPS students reside outside the City of Chicago, a violation of the Illinois School Code. In FY 11, seven investigations conducted by the OIG found that CPS employees falsified their children's residential address, and, in most cases, their own residential address on employment records with CPS, and enrolled their children in CPS despite residing in the suburbs. In addition to most of the employees being subject to discipline for residing in the suburbs, the employees are also liable for the payment of non-resident tuition for enrolling their children in CPS while residing in the suburbs. Based on all seven investigations, the OIG has recommended that CPS seek to recover \$467,249.90 from CPS employees who have enrolled their children in Chicago public schools. Five of those investigations are noted below; two investigations are mentioned earlier in this report.

- The OIG conducted an investigation which revealed that an elementary school teacher resided in Lyons, Illinois with her son who attended a CPS selective enrollment high school. The OIG found that the teacher and her husband were liable for non-resident tuition in the amount of at least \$8,752.67. Based on the OIG investigation, and the fact that the teacher intentionally provided a false residential address in order to avoid the residency requirement, the OIG recommended that the teacher be terminated and that CPS use all legal remedies to recoup non-resident tuition from the teacher and her husband in the amount of at least \$8,752.67. The teacher was terminated and designated ineligible to be rehired. CPS will not pursue payment for non-resident tuition since the teacher has since claimed that she is homeless. (7566)

- An OIG investigation of a high school teacher and his wife, an elementary school teacher, revealed that the high school teacher lived in South Holland, Illinois in violation of the CPS Residency Policy. The elementary school teacher was not prohibited from living in the suburbs, however the couple's two children attended a CPS high school and a classical elementary school while living in the suburbs with their parents. The high school teacher never renewed a previous residency waiver and the OIG recommended appropriate disciplinary action against he and his wife. The OIG also found that the parents were responsible for the payment of \$125,385.70 in non-resident tuition. Following the OIG investigation, the teachers were suspended without pay and dismissal charges have been filed against both. The CPS Law Department is reviewing the tuition fraud matter. (8052)
- The OIG conducted an investigation of an elementary school teacher who resided in the suburbs and enrolled her two children in CPS. The investigation revealed that the teacher resided in Justice, Illinois in violation of the CPS Residency Policy and her children each attended CPS for a number of years causing her and her husband to be liable for \$62,823.24 in non-resident tuition. Because she intentionally provided a false residential address in order to avoid the requirements of the CPS Residency Policy, the OIG recommended that the teacher be immediately discharged. Dismissal charges have been filed against the teacher and the CPS Law Department is reviewing the tuition fraud matter. (8689)
- An elementary school teacher's assistant was found to be residing in Joliet, Illinois with her husband and two sons who attended separate CPS elementary schools. The teacher's assistant provided a false residential address to avoid the CPS residency requirement and the OIG recommended that she be immediately terminated from CPS employment. The OIG also recommended that CPS pursue all legal remedies to obtain non-resident tuition in the amount of \$41,882.16 from the teacher's assistant and her husband. Following a hearing on the non-resident tuition matter, CPS found that the students resided outside the school district and it will continue to pursue the payment of non-resident tuition. The teacher's assistant was terminated from CPS employment and has been designated ineligible to be rehired. (8967)
- The OIG conducted an investigation of an elementary school assistant principal; his wife, an elementary school teacher; and their two children who attended the same school at which their father was the assistant principal. Following that investigation, the OIG found that:
 - While being employed as a CPS Teacher, the mother, who had resigned from CPS before the conclusion of the investigation, violated the CPS residency policy by living in Crestwood, Illinois.
 - For five years, the parents improperly enrolled their daughter in CPS schools while she was a resident of Crestwood, Illinois. Accordingly, the parents owe CPS \$46,733.74 in non-resident tuition for their daughter.
 - For four years, the parents improperly enrolled their other daughter in CPS schools while she was a resident of Crestwood, Illinois. Accordingly, the parents owe CPS \$38,503.44 in non-resident tuition for this child.
 - In total, the parents owe CPS a total of \$85,237.18 in non-resident tuition for their children.
 - In violation of CPS policies, the father (the assistant principal), who was hired before 1996, falsely reported a city address.

- Also in violation of CPS policies, the principal of the elementary school where the assistant principal worked facilitated the enrollment violations by allowing the children to be enrolled at and attend the elementary school despite knowing that they lived in Crestwood, Illinois with the assistant principal.

Based on the above findings, the OIG recommended that:

- The teacher (mother) be permanently listed as ineligible for rehire by CPS.
- CPS take appropriate disciplinary action against the assistant principal (father).
- CPS pursue all legal remedies to obtain non-resident tuition in the amount of \$85,237.18 from the assistant principal and teacher (parents).
- CPS take appropriate disciplinary action against the principal.

Following the OIG investigation, the mother was designated ineligible to be rehired, dismissal charges were filed against the husband and the tuition fraud matter is under review by the CPS Law Department. Disciplinary action against the principal is also under review by the Law CPS Department. (9105)

Criminal Conduct

During FY 2011, the OIG conducted investigations of employees who had engaged in criminal conduct. The following are the investigations that resulted in recommendations for disciplinary action.

- An investigation of an elementary school cook revealed that the cook knowingly possessed cocaine when a search warrant was executed at the cook's residence. The cook was convicted of the offense of possession of a controlled substance and sentenced to serve a term of two years of probation. In addition, in violation of CPS's sick-leave policy, the cook improperly used sick days in order to attend court in connection with her prosecution. The OIG recommended that, based on her conviction, the cook be immediately discharged. The cook was terminated and designated ineligible to be rehired. (7404)
- The OIG conducted an investigation of an elementary school teacher which revealed that the teacher fraudulently overstated her monthly income and submitted fraudulent CPS check stubs and W-2 forms to support three Uniform Residential Loan Applications regarding two separate properties in the City of Chicago. In addition, on two of the forms the teacher declared that she intended to occupy each of those properties as her primary residence and not, as she told the OIG, that each was a rental property. The OIG investigation also revealed that the teacher entered into an agreement with other people and that the other people would buy the properties back from her after six months. Following the investigation, the OIG recommended that CPS take appropriate disciplinary action against the teacher. The OIG also referred the matter to local enforcement authorities for further investigation and potential criminal prosecution. The teacher subsequently resigned from CPS employment. (9012)
- The OIG determined that a high school special education teacher was arrested by the Chicago Police and charged with possession of between 30 and 500 grams of cannabis, a Class 4 felony. The Chicago Police reported that the cannabis was recovered from the front seat of the teacher's

car at the time of her arrest. A total of 45 grams of cannabis was found in the teacher's possession. The teacher attended the Cook County State's Attorney's Drug Abuse Program and the criminal charges were dismissed. The OIG investigation further revealed that the teacher improperly used sick leave to attend court as the defendant in the criminal case. After the OIG recommended that appropriate disciplinary action be taken against the teacher, dismissal charges were filed. The teacher has been suspended without pay and a disciplinary hearing is pending. (9198)

- An OIG investigation revealed that a substitute teacher had been arrested for shoplifting six times in a two year period stealing more than \$2,700.00 in the incidents. In an interview with the OIG, the substitute teacher described in detail how she committed those six shoplifting offenses. The OIG investigation further revealed that two of the substitute teacher's six arrests resulted in misdemeanor retail theft convictions; one resulting in a sentence of five months of supervision and the other resulted in a sentence of three months of conditional discharge. Two felony retail theft cases against the substitute teacher were pending at the time of the OIG report. In her interview with the OIG, the substitute teacher admitted that she successfully shoplifts between 50 and 150 times for every time she has been caught and she regularly steals retail goods ranging from gasoline to clothing. The OIG determined that the substitute teacher was a habitual shoplifter and recommended that CPS take appropriate disciplinary action against the substitute teacher. Following the OIG investigation, the substitute teacher was terminated and designated ineligible to be rehired. (9576)
- The OIG conducted two investigations of a school security officer assigned to an elementary school which revealed that the security officer was arrested once for the offense of possession of cannabis and once for the offense of unlawful use of weapon after police found the security officer in possession of an unregistered semi-automatic handgun. According to police, when the security officer was arrested in possession of the semi-automatic handgun, the security officer informed the police officers that he bought the gun because he worked for the Board of Education and had been getting threats from parents. In addition, the investigation revealed that the security officer used sick days when he was in fact not sick and attending court. The criminal charges against the security officer were subsequently dismissed. Following the OIG investigation, the security officer was terminated and designated ineligible to be rehired. (9659, 9672)
- An OIG investigation following the arrest of an elementary school teacher revealed that the teacher was arrested and charged with the offense of unlawful video recording after the teacher was observed in the men's changing room at a water park video recording various males dressing and undressing. The teacher was subsequently convicted of the criminal offense of unlawful video recording and was sentenced to serve a term of 24 months of probation, ordered to perform 100 hours of public service and ordered to undergo sex offender treatment. In addition, as a condition of his probation, the teacher was prohibited from having contact with anyone under 18 years of age. The OIG investigation also revealed that the teacher engaged in conduct prohibited by the Illinois Compiled Statutes, in that he committed child pornography by video recording prepubescent and adolescent males in various stages of undressing. The video recordings depicted nude young males and their genitalia. The videos also depicted a variety of males, including adult males, urinating into a toilet. In addition, the teacher engaged in conduct prohibited by the Illinois Compiled Statutes, in that he possessed child pornography at his residence. The OIG recommended that the teacher be immediately discharged from CPS

employment. The teacher was terminated from CPS employment and was designated ineligible to be rehired. (9689)

- The OIG conducted an investigation of a high school military instructor following the instructor's arrest for possession of a controlled substance and driving under the influence. During the course of the investigation, the OIG learned that the instructor admitted to possessing a controlled substance and subsequently plead guilty to the criminal charge of possession of a controlled substance. In addition, the OIG investigation revealed that the instructor falsified his attendance records when he was recorded as working when in fact he was incarcerated in a local jail and when his time was recorded as ½ bereavement day to compensate him for his time in court. The instructor was terminated from CPS employment and was designated ineligible to be rehired. (9711)
- Following the arrest of a substitute teacher, the OIG conducted an investigation which revealed that the teacher was found in possession of cocaine. The substitute teacher also admitted to the OIG that when he was arrested he was in possession of cocaine. The substitute teacher was terminated from CPS employment and was designated ineligible to be rehired. (9932)
- The OIG conducted an investigation of an elementary school porter that was initiated after the OIG received a notification from another elementary school that the porter had sexually assaulted his granddaughter. During the course of the investigation, the OIG interviewed a number of outcry witnesses to support the abused girl's story. The OIG also discovered a previous sexual assault charge against the porter involving another young girl. In that case, the porter served a term of one-year of supervision after being found guilty of attempt domestic battery. A contemporaneous police investigation of the sexual assault of the porter's granddaughter resulted in the porter being charged with predatory criminal sexual assault. That case is still pending in criminal court. The OIG recommended that the porter be immediately discharged from CPS employment. The porter was terminated from CPS employment and was designated ineligible to be rehired. (10131)
- The OIG conducted an investigation of lunchroom staff at an elementary school which revealed that each staff member, a porter and two lunchroom attendants, intentionally and without authorization took food items, including hundreds of cartons of milk, from the lunchroom for private use. Each admitted taking food items, but each maintained that the food would have spoiled if it had been left at the school over the impending school break. In addition, the OIG investigation revealed that the attendants were both absent from work without permission in that they both left the school with stolen food items and drove to their respective residences. Further, the porter gave CPS food items, including milk, to a friend of hers, who loaded the food items into his vehicle and subsequently lied to the OIG about her absence from school. All three employees were terminated from CPS employment and designated ineligible to be rehired. (10146)
- The OIG learned that an elementary school security officer was arrested for exposing, fondling and sucking the breasts of a 13-year-old girl near the girl's residence. Following the arrest, the security officer was released without immediately being charged with a crime. The police then obtained DNA samples from the young girl and awaited test results. The OIG conducted an investigation and conducted numerous interviews, including interviews of the young girl, her

parents and the security officer. The OIG also learned of a similar incident involving the security officer which had occurred two years earlier at a CPS high school. The security officer was not charged in that incident. Based on its investigation, the OIG recommended that CPS take appropriate disciplinary action against the security officer. Following the conclusion of the OIG investigation, the police obtained the results of the DNA test which revealed that the security officer had in fact licked the breast of the young girl and the security officer was arrested and charged with the offense of aggravated criminal sexual abuse. Following the OIG investigation, the security officer was terminated from CPS employment and designated ineligible to be rehired. The security officer plead guilty to the charge of aggravated criminal sexual abuse and was sentenced to serve a term of two years in the Illinois Department of Corrections. (10227)

- A professional II in a central office department was arrested after police found the employee in possession of 208 grams of cannabis. The professional II was then charged with felony possession of cannabis. The OIG investigation revealed that the professional II accepted the Cook County State's Attorney's Office drug school program in lieu of prosecution. The OIG recommended that CPS take appropriate disciplinary action against the professional II. The employee was subsequently terminated from CPS employment and designated ineligible to be rehired. (00160)
- The OIG conducted an investigation of an elementary school porter which revealed that the porter was arrested and charged with the offenses of possession of a controlled substance and possession of cannabis. In an OIG interview, the porter admitted possessing cannabis and smoking cannabis socially. The OIG investigation revealed that the porter accepted the Cook County State's Attorney's Office drug school program in lieu of prosecution. The porter was subsequently terminated from CPS employment and designated ineligible to be rehired. (00300)
- A central office employee was arrested after she was observed purchasing cannabis from a street drug dealer. Police charged the employee with misdemeanor possession of cannabis after she was found to be in possession of 2.8 grams cannabis. In an OIG interview, the employee admitted smoking marijuana occasionally but that the marijuana was usually delivered to her. The criminal charges against the employee were dismissed. The investigation also revealed that the employee also improperly used sick time to attend criminal court. Subsequent to the OIG investigation, the employee resigned from CPS employment. (00349)
- The OIG conducted an investigation of a special education classroom assistant assigned to a high school which revealed that the classroom assistant was arrested in a downstate county after local police found the assistant in possession of a large amount of cannabis. When apprehended by police, the classroom assistant informed the police that he buys pounds of cannabis for \$1,150 per pound and sells them downstate for \$1,300 per pound. The classroom assistant was convicted of the felony offense of possession of between 2000 to 5000 grams of cannabis with the intent to deliver and was sentenced to serve a term of four years of probation and 180 days in jail. This conviction, pursuant to the School Code, precludes the classroom assistant's employment with CPS. Following the OIG investigation, the classroom assistant was terminated from CPS employment and designated ineligible to be rehired. (00575)

Criminal Background

- The OIG initiated an investigation of an elementary school bus aide after receiving notification that the bus aide had a criminal history that precluded his employment with CPS. The OIG investigation revealed that the bus aide had been convicted of the offense of burglary following which the bus aide failed to notify the Chief Executive Officer of his conviction for a felony, in violation of Board Rule 4-4 (c). In addition, during the course of the investigation, the bus aide made false, inaccurate and deliberately incomplete statements to the OIG, during an official investigation. Based on the investigation, the OIG recommended that the bus aide be immediately discharged from CPS employment. The bus aide was terminated from CPS employment and designated ineligible to be rehired. (9578)
- An OIG investigation of a child welfare attendant revealed that the attendant falsified employment records in that he failed to disclose on a *Fingerprinting Background Investigation & Release Form* and an *Employee Data Form* that he had been convicted for numerous crimes, including two convictions for the offense of possession of cannabis and a conviction for the offense of unlawful contact with street gang members while on bond. Based on the investigation, the OIG recommended that the bus aide be immediately discharged from CPS employment. The bus aide was terminated and designated ineligible to be rehired. (9879)
- The OIG conducted an investigation of a volunteer assistant basketball coach at a high school which revealed that the coach was convicted in 2006 in Wisconsin for the felony offense of possession of over 100 grams of cocaine with intent to deliver and was sentenced to 15 years in Wisconsin prison. The OIG also learned that the name-based background check of the coach performed by the Illinois State Police failed to disclose the Wisconsin conviction. The OIG recommended that the coach be immediately banned from all CPS volunteer and contracting work and listed as a “Do Not Hire” by CPS. In addition, the OIG recommended that CPS expand the same fingerprint-based background check system that is currently used for all CPS employees (which in addition to Illinois convictions also returns both federal and other-state convictions) to include all CPS volunteers and contractors. By conducting such fingerprint-based background checks, CPS will be able to ensure that individuals who have a conviction for an enumerated offense, whether inside or outside Illinois, are identified before they are allowed to volunteer or work at CPS. To defray the cost of expanding the current system to volunteers and contractors, the OIG suggested that CPS consider requiring that volunteers and contractors pay the fees associated with their own fingerprint-based background check. Following the investigation, the coach’s volunteer status was revoked. (10125)
- An OIG investigation of a high school teacher revealed that the teacher had numerous criminal convictions including convictions for the felony offense of driving on a revoked or suspended license, eight convictions for retail theft and a conviction for criminal damage to property. Based on its findings, the OIG recommended that CPS take appropriate disciplinary action against the teacher. Dismissal charges have been filed against the teacher who is currently suspended without pay and a disciplinary hearing is pending. (00251)