

CHICAGO PARK DISTRICT OFFICE OF INSPECTOR GENERAL

PETER NEUMER, INSPECTOR GENERAL

OIG Quarterly Report
2024 – Third Quarter



Message from the Inspector General:

To the Chicago Park District Board of Commissioners, Park District employees, and Park District patrons:

The Park District Office of Inspector General (OIG) made an important personnel addition this quarter with Daniel Lopez joining the Office as OIG's new Director of Audit on September 30, 2024. Daniel comes to the OIG from the City of Chicago's Office of Budget and Management, where he served as an Assistant Budget Director. Previously, Daniel worked for the City of Chicago OIG as a Senior Performance Analyst in its Public Safety section. In addition to overseeing the OIG's audits and program reviews, Daniel, in the near-term, will be responsible for updating the Park District's Internal Audit Charter to ensure that the procedural framework under which the OIG's Audit Department operates is aligned with best practices for effective government oversight.

With respect to the OIG's investigative and audit sections, this quarter the OIG:

- Completed 20 investigations of Park District employees that resulted in sustained findings of Paycheck Protection Program loan fraud (see pages 5-7 for further details regarding these investigations).
- Issued an investigative report finding that a Park District employee violated the Park District's Code of Conduct by creating and submitting records that falsely identified the employee's family members as having instructed Park District swim classes when they did not in fact teach the classes and were not even Park District employees at the time the classes were held; the employee resigned prior to the issuance of the OIG's report (see pages 8-9 for further details regarding this investigation); and
- Issued an audit report detailing how the Park District's external auditor has, for twelve consecutive years, found the District to be in noncompliance with federal regulations regarding its Summer Food Service Program for Children, a program wherein the Park District provides a complimentary lunch and snack to children participating in its daytime camp programs; according to the external auditor, this noncompliance could result in the District needing to reimburse questioned and disallowed costs (see pages 10-16 for further details regarding this report).

Finally, with respect to OIG's Hiring Compliance section, the OIG notes that pursuant to the Park District Employment Plan, which requires the Park District's job interviewers to receive training on the Employment Plan rules prior to conducting interviews, the OIG developed an online training for interviewers and worked with the Park District's Human Resources Department to make that training available for Park District staff in the third quarter of FY24. Accordingly, the Park District, possibly for the first time since the Employment Plan was implemented in 2014, is now complying with this important training requirement (see pages 19-20 for further details regarding this update).

Thank you for your interest in the OIG and its important mission.

Sincerely,

Peter Neumer
Inspector General
Chicago Park District Office of Inspector General

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Office Overview

Mission

Pursuant to the Chicago Park District Code, the OIG is responsible for:

- Investigating allegations of fraud, waste, and misconduct by Chicago Park District employees, members of the Board of Commissioners, contractors, agents, and volunteers;
- Conducting District-wide internal audits to assess the integrity of financial reporting systems, the effectiveness of internal controls, and the efficiency of established procedures; and
- Monitoring the Park District's compliance with the Employment Plan's rules governing hiring and other employment actions.

Budget

For the 2024 fiscal year (FY24), the OIG's budget is \$1,008,565.

Personnel

At the end of the third quarter of FY24, the OIG was staffed as follows: an Inspector General, Deputy Inspector General, Director of Audit, two full-time Auditors, two full-time Investigators, one part-time Investigator, one part-time Hiring Compliance contractor, and an Administrative Assistant. The OIG also receives regular support from law enforcement personnel.

Reporting Fraud, Waste, and Abuse

Reports of fraud, waste and abuse can be made to the OIG in multiple ways:

- Online: [Click here to submit online complaint](https://chicagoparkdistrict.i-sight.com/external/case/new) or visit: <https://chicagoparkdistrict.i-sight.com/external/case/new>
- By telephone: (312) 742-3333 (Confidential Hotline)
- In writing:
Chicago Park District Office of Inspector General
740 North Sedgwick Street Suite #300
Chicago, IL 60654
- By fax: (312) 742-9505

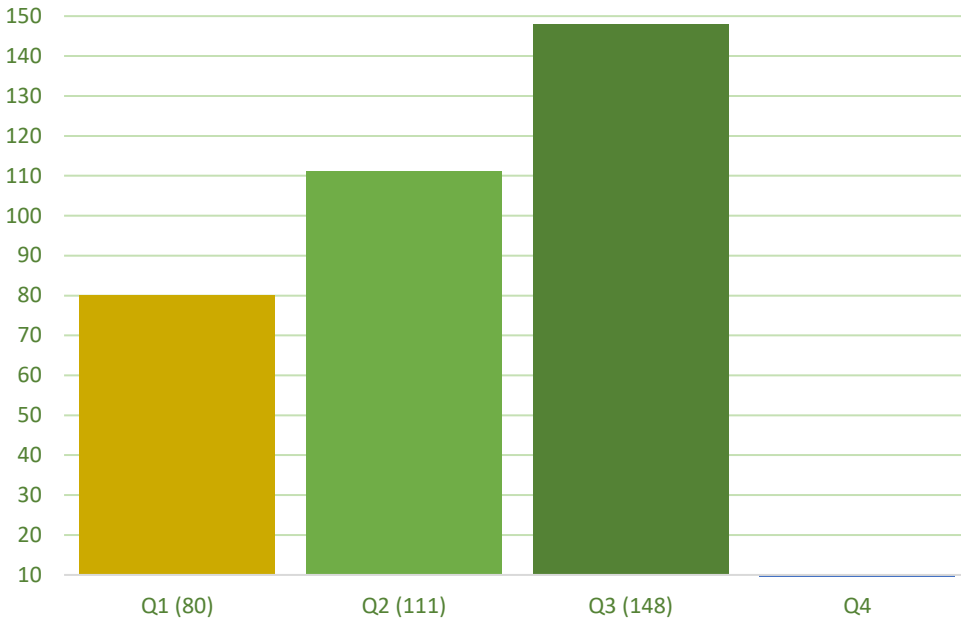
FY24 Third Quarter Investigative Metrics

As the below charts reflect, the OIG opened 12 investigations in the third quarter of FY24 and closed 30 investigations. Of the 12 investigations the OIG opened in the third quarter of FY24, 3 involved potential criminal misconduct or fraud, 6 involved other rule, code or ordinance violations, and 3 involved waste, inefficiency or compliance. With respect to those 12 investigations, 10 concern the conduct of an employee or employees, 1 concerns the conduct of an officer or officers, and 1 concerns “other” parties (i.e., patrons, agents, concessionaires, contractors, partners or unknown parties). The OIG has 58 pending investigations, down from 76 in the second quarter of FY24. The OIG received 148 complaints in the third quarter of FY24.

INVESTIGATIONS



COMPLAINTS RECEIVED*



* "Complaints received" reflect the number of contacts received during the quarter and includes OIG-initiated complaints. Matters not within the scope of the OIG's mission are referred to other Park District departments or to external agencies.

TYPES OF INVESTIGATIONS AND REVIEWS OPENED



INVESTIGATED AND REVIEWED PARTIES



FY24 Third Quarter Investigative Summaries

PPP Investigations

In the third quarter of 2024, the OIG completed 20 investigations that resulted in sustained findings of PPP fraud. More specifically:

- In 23-0055, the OIG recommended that a Laborer be discharged and placed on the ineligible for rehire list for fraudulently obtaining two PPP loans, repeatedly lying to the OIG about their application for and receipt of the loan proceeds during their OIG interviews, and submitting a falsified document to the OIG to conceal their misconduct. Following the issuance of the OIG's report, the employee was discharged and placed on the ineligible for rehire list.
- In 23-0070, the OIG recommended that an Attendant be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan and then lying to the OIG about their application for and receipt of those loan proceeds during their OIG interviews. Following the issuance of the OIG's report, the employee resigned and was placed on the ineligible for rehire list.
- In 23-0193, the OIG recommended that a seasonal Camp Counselor be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan and then lying to the OIG about their application for and receipt of those loan proceeds during their OIG interviews. Management's response to the OIG's report is due on October 16, 2024.
- In 23-0206, the OIG would have recommended discharge for a seasonal Floriculture Worker for fraudulently obtaining a PPP loan and lying to the OIG about their application for and receipt of those loan proceeds during their OIG interview, but the employee's Park District employment ended prior to the conclusion of the OIG's investigation. Accordingly, the OIG recommended that Management include a copy of the OIG's report in the employee's personnel file, so that if they apply for re-employment with the Park District, the report can be considered before any decisions are made with respect to their application. In response, HR stated that it would refer to the OIG's report if the employee applies for Park District re-employment.
- In 23-0208, the OIG would have recommended discharge for a seasonal Recreation Leader for fraudulently obtaining a PPP loan and lying to the OIG about their application for and receipt of those loan proceeds during their OIG interview, but the employee's Park District employment ended prior to the conclusion of the OIG's investigation. Accordingly, the OIG recommended that Management include a copy of the OIG's report in the employee's personnel file, so that if they apply for re-employment with the Park District, the report can be considered before any decisions are made with respect to their application. In response, HR stated that it designated the employee as ineligible for rehire and would refer to the OIG's report if the employee applies for Park District re-employment.

- In 23-0270, the OIG recommended that a Recreation Leader be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan. Following the issuance of the OIG's report, the employee was discharged and placed on the ineligible for rehire list.
- In 23-0315, the OIG would have recommended discharge for a Physical Instructor for fraudulently obtaining a PPP loan, but the employee resigned prior to the conclusion of the OIG's investigation. Accordingly, the OIG recommended that Management (1) designate the employee as Resigned under Inquiry; and (2) include a copy of the OIG's report in the employee's personnel file, so that if the employee applies for re-employment with the Park District, the report can be considered before any decisions are made with respect to employee's application. In response, HR stated that it designated the employee as ineligible for rehire and would refer to the OIG's report if the employee applies for Park District re-employment.
- In 23-0316, the OIG recommended that a Recreation Leader be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan. Following the issuance of the OIG's report, the employee resigned and was placed on the ineligible for rehire list.
- In 23-0341, the OIG recommended that a Labor Foreman be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan and then lying to the OIG about their application for and receipt of those loan proceeds during their OIG interviews. Following the issuance of the OIG's report, the employee was discharged and placed on the ineligible for rehire list.
- In 23-0345, the OIG recommended that an Attendant be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan and then lying to the OIG about their application for and receipt of those loan proceeds during their OIG interviews. Following the issuance of the OIG's report, the employee was discharged and placed on the ineligible for rehire list.
- In 23-0346, the OIG recommended that a Physical Instructor be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan and then lying to the OIG about their application for and receipt of those loan proceeds during their OIG interviews. Following the issuance of the OIG's report, the employee was discharged and placed on the ineligible for rehire list.
- In 23-0359, the OIG recommended that an Attendant be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan and then lying to the OIG about their application for and receipt of those loan proceeds during their OIG interviews. Management's response to the OIG's report was due on October 10, 2024.
- In 23-0467, the OIG recommended that a Physical Instructor be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan and then lying to the OIG about their purported business. Management's response to the OIG's report is due on October 28, 2024.

- In 23-0510, the OIG recommended that an Attendant be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan. Following the issuance of the OIG's report, the employee was discharged and placed on the ineligible for rehire list.
- In 23-0517, the OIG would have recommended discharge for a Laborer for fraudulently obtaining a PPP loan, but the employee resigned prior to the conclusion of the OIG's investigation. Accordingly, the OIG recommended that Management (1) designate the employee as Resigned under Inquiry; and (2) include a copy of the OIG's report in the employee's personnel file, so that if the employee applies for re-employment with the Park District, the report can be considered before any decisions are made with respect to employee's application. In response, HR stated that it designated the employee as ineligible for rehire and would refer to the OIG's report if the employee applies for Park District re-employment.
- In 23-0525, the OIG recommended that a Natatorium Instructor be discharged and placed on the ineligible for rehire list for fraudulently obtaining two PPP loans. Management's response to the OIG's report is due on October 30, 2024.
- In 23-0526, the OIG recommended that an Activities Instructor be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan. Following the issuance of the OIG's report, the employee was discharged and placed on the ineligible for rehire list.
- In 23-0527, the OIG recommended that an Attendant be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan. Following the issuance of the OIG's report, the employee was discharged and placed on the ineligible for rehire list.
- In 23-0538, the OIG would have recommended discharge for an Attendant for fraudulently obtaining a PPP loan, but the employee resigned prior to the conclusion of the OIG's investigation. Accordingly, the OIG recommended that Management (1) designate the employee as Resigned under Inquiry; and (2) include a copy of the OIG's report in the employee's personnel file, so that if the employee applies for re-employment with the Park District, the report can be considered before any decisions are made with respect to employee's application. In response, HR stated that it designated the employee as ineligible for rehire and would refer to the OIG's report if the employee applies for Park District re-employment.
- In 23-0544, the OIG would have recommended discharge for Physical Instructor for fraudulently obtaining a PPP loan, but the employee resigned prior to the conclusion of the OIG's investigation. Accordingly, the OIG recommended that Management (1) designate the employee as Resigned under Inquiry; and (2) include a copy of the OIG's report in the employee's personnel file, so that if the employee applies for re-employment with the Park District, the report can be considered before any decisions are made with respect to employee's application. In response, HR stated that it designated the employee as ineligible for rehire and would refer to the OIG's report if the employee applies for Park District re-employment.

In addition, in 23-0512, a Security Guard ended their Park District employment before the OIG materially started its investigation. In that matter, the OIG issued a report recommending that Management flag the former employee for review so that if they applied for re-employment, HR could notify the OIG. Upon notification, the OIG would re-open its investigation and make a final determination as to whether the former employee engaged in PPP fraud. In response, Management placed the former employee in “review” status.

Other Investigations

The OIG also made a sustained finding in the following non-PPP related investigation that it closed in the third quarter:

23-0282 – Creation and Submission of False Records related to Instructor Certification

In 23-0282, the OIG established that a Park District Aquatics Department employee violated the Park District’s Code of Conduct by creating and submitting records that falsely identified the employee’s family members as having instructed Park District swim classes when they did not in fact teach the classes and were not even Park District employees at the time the classes were held. At the time the employee created the false records, the American Red Cross required instructors to have taught or co-taught one class in the previous two years to retain their certification. Accordingly, the employee’s actions allowed their relatives to meet one of the conditions for instructor re-certification under false pretenses. The OIG would have recommended discharge for the employee, but they resigned prior to the conclusion of the OIG’s investigation. Accordingly, the OIG recommended that the Park District designate the employee as resigned under inquiry and include a copy of this report in their personnel file.

The OIG further recommended that the Aquatics Department review its instructor certification process to ensure that only appropriate staff are receiving certifications and that current staff are appropriately maintaining their certifications. As the OIG noted in its report, that a Park District employee, was able, for a period of several years, to list people as instructors for Park District classes, even though they were not Park District employees, suggests that the Department’s certification processes have not been functioning at an optimal level. Accordingly, the OIG recommended that the Department take steps sufficient to ensure that there is appropriate oversight of the certification process to prevent intentional or unintentional errors. The OIG added that it would include the Aquatics Department’s instructor certification process to its list of potential projects in its 2025 audit plan.

Finally, the OIG recommended that the Aquatics Department contact the American Red Cross in relation to this matter to ensure that the Red Cross had accurate certification records with respect to the individuals referenced in the OIG’s report. The OIG noted that it was possible that some or all of the former Park District employees who the Aquatics Department employee incorrectly listed as teaching Park District classes received certifications based on that inaccurate information.

In response, the Aquatics Department stated that it began implementing the following changes in the Fall of 2023 to ensure accurate reporting related to the process of submitting records for American Red Cross certifications as well as crediting Chicago Park District Instructors for teaching American Red Cross courses.

- Instructors that teach a course will submit a CSV File (Course Record) to the Assistant Manager who is solely responsible for submissions through the American Red Cross Partner Portal. This portal gives the Assistant Manager the ability to view all instructors, classes being offered, and close out any class that is open.
- A review is conducted of all participants entered into a class, verification the appropriate instructors are credited for the course, then finalizing the course by submitting the report to the Red Cross.

According to the Aquatics Department, these process changes ensure that the Aquatics Management Team member has reviewed all participants and instructors prior to closing the course. Aquatic Training Specialists are no longer approved to perform this task.

The Aquatics Department further noted that it contacted the American Red Cross to open an investigation into the ex-employees identified in the OIG's report. However, the Red Cross was unable to provide Aquatics with a date of the last time these ex-employees were given credit as Lifeguard Instructors or Water Safety Instructors for teaching a class with the Chicago Park District. Accordingly, the Red Cross was unable to determine if they were given credit under false pretenses.

Finally, HR stated that the employee was placed on the ineligible for rehire list and that a copy of the OIG's report had been put in their personnel file.

Park District Responses to Previously Issued Investigative Reports

In the third quarter of FY24, the Park District responded to three investigative reports that the OIG issued in the second quarter of FY24: 23-0030, 23-0338, and 23-0347.

- In 23-0030, the OIG recommended that an Activities Instructor be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan and then lying to the OIG about their receipt of those loan proceeds during their OIG interviews. Following the issuance of the OIG's report, the employee was discharged and placed on the ineligible for rehire list.
- In 23-0338, the OIG recommended that a Park Supervisor be discharged and placed on the ineligible for rehire list for fraudulently obtaining two PPP loans. Following the issuance of the OIG's report, the employee resigned and was placed on the ineligible for rehire list.

- In 23-0347, the OIG recommended that a Physical Instructor be discharged and placed on the ineligible for rehire list for fraudulently obtaining a PPP loan and then lying to the OIG about their application for and receipt of those loan proceeds during their OIG interviews. Following the issuance of the OIG’s report, the employee was discharged and placed on the ineligible for rehire list.

Audit and Review Summaries

The OIG’s Audit Department issued 1 audit report in the third quarter of FY24 (24-0118), and opened 2 audits (24-0280 and 24-0344) for a total of seven pending audits. The OIG has no pending reviews.

24-0118 – External Auditor Findings Related to the Park District’s Operation of the Summer Food Service Program for Children

In 24-0118, the OIG detailed how in each of the last 12 years, the Park District’s external auditor has identified deficiencies in internal controls regarding compliance with federal regulations related to the Park District’s operation of the Summer Food Service Program for Children (SFSPC).

As background regarding the SFSPC, every summer, the Park District coordinates day camps for children throughout Chicago. As part of this coordination, the Park District is to ensure that all children receive meals while in the Park District’s care. The Park District provides a complimentary lunch and snack to children participating in its daytime camp programs. By offering nutritious meals to children during the summer months, the Park District qualifies for federal funding through the SFSPC reimbursement program. This program is funded by the United States Department of Agriculture and administered by the Illinois State Board of Education (ISBE). Sponsors are reimbursed for administrative and operational costs to provide meals for children 18 years of age and younger during periods when they are out of school for fifteen or more consecutive school days. According to records provided by the Park District’s Office of the Comptroller, in 2023, the Chicago Park District received a total of \$2,145,233.36 in reimbursements from ISBE in relation to the SFSPC.

With respect to the deficiencies identified by the external auditor, a sampling of the most recent external auditor’s reports, issued in 2021, 2022, and 2023, reflects that those reports contain the same determination: “During the current audit period, the District was unable to fully implement its corrective action plan, which included maintaining adequate controls over required . . . forms to ensure forms were properly completed and approved by authorized personnel.”

Similarly, the reports issued in 2021, 2022, and 2023 identify the same “Effect”: “Failure to maintain supporting documentation of the required monitoring and meal count forms and to

ensure the forms are properly completed and approved by authorized personnel is a violation of the program's requirements and impairs the District's ability to adequately monitor the Federally funded program. This could also result in questioned and disallowed costs which the District may need to reimburse to its grantor agency."

The recurring root cause identified in the external auditor's reports is as follows: inadequate resources have been identified as a key obstacle to the Park District's ability to maintain robust internal controls over monitoring and meal count forms. Specifically, (1) seasonal employees are tasked with overseeing program activities, and (2) there is a limited number of staff responsible for supervising an average of 200 sites participating in the food program. Additionally, the report issued in 2023 noted that an upgrade of the SharePoint server in 2022 resulted in challenges encountered related to staff training, system unfamiliarity, and reporting errors, thereby escalating monitoring challenges for SFSPC sites.

The OIG's report concluded that over the past decade the Park District has identified numerous corrective actions to enhance program oversight and ensure compliance with program regulations, including the recruitment of new full-time staff members and enhancement of training materials for both full-time and seasonal staff regarding the SFSPC requirements. For example, in response to the external auditor's 2023 report, the Park District stated that it would, among other actions:

- "Recruit and train two full-time year around administration staff, create more oversight of program requirements while providing proactive support to park sites."
- "Hire and train seasonal staff to ensure compliance, adhering to site visits and monitoring within the required timelines."
- "Utilize the Area Managers to assist with quality assurance and compliance with state/federal regulations."

In response to the external auditor's 2022 report, the Park District stated that it would, among other actions:

- "[M]aintain appropriate staffing levels to adequately support programming staff and ensure that required monitor site visits are completed. This will include seasonal staff, region clerks and site monitors."
- "[U]tilize full-time CPD grant staff to facilitate the daily operations of SFSP[C] (previously conducted by seasonal positions). Staff will monitor daily and weekly meal orders and verify that meals served are consistent with program attendance as reported in Share Point."
- "[Have the] Wellness Department and Workforce Development . . . collaborate to improve and redesign online training and support for all staff who work with the SFSP[C] program."

Nevertheless, the continued findings from the external auditor in relation to the program demonstrate that challenges persist. Accordingly, the OIG stated that the Park District should,

in relation to the SFSPC, explore how best to further strengthen internal controls, improve monitoring procedures, and delve into the root causes of these findings to identify additional measures that can be taken to address them.

The OIG therefore recommended that the Park District, in coordination with the Community Recreation Department and the Office of the Comptroller:

1. Review the external auditor’s findings and develop a comprehensive plan to systematically identify and address the root causes identified that is designed to effectively resolve these root causes while remaining realistic and achievable within the Park District’s existing capacity;
2. Consider establishing a monitoring mechanism as part of this plan to track the progress and effectiveness of these actions;
3. Conduct a financial accounting related to the program for the 2022, 2023 and 2024 fiscal years, sufficient to determine: (a) the Park District’s annual expenditures for the program; (b) the amount of reimbursements the Park District received related to the SFSPC, and (c) the amount of unreimbursed costs the Park District had due to lack of compliance with federal regulations.

The table below outlines the Park District’s responses to the OIG’s recommendations:

<p>Recommendation 1: Review the external auditor’s findings and develop a comprehensive plan to systematically identify and address the root causes identified that is designed to effectively resolve these root causes while remaining realistic and achievable within the Park District’s existing capacity.</p>
<p>Response to Recommendation 1</p> <p>Generally, the Park District’s Community Recreation Department agreed with OIG’s recommendation and provided additional context regarding OIG’s findings. In relevant part, the Community Recreation Department stated as follows:</p> <p>“The Chicago Park District runs a six (6) week day camp program for youth aged 6-12. In addition, there are a few other programs such as Sports Camp or Play Camp that have the same five (5) days/week, six (6) weeks, six (6) hours/day structure. This program is the largest program offering for the entire District. In addition, the program is led by a Day Camp Director (year-round staff) and supported by seasonal and other year-round staff. The seasonal staff hired as Recreation Leaders (Day Camp) lead recreation and leisure activities for participants throughout the day. These employees are hired exclusively for the day camp program. Many of these employees are often youth aged 16-24, for some this is their first job opportunity.</p> <p>The Community Recreation Department, in coordination with the Wellness Unit, provide meal service through the Federal Food Program. Meal service occurs for the full six weeks of day camp, with the option for parks offering additional weeks of camp to have meals for the</p>

extended time. Day camp programs receive a lunch and a snack for the registered participants, the intention of the meal ordering is to have one (1) meal per child to reduce the amount of food waste.

Although the Wellness Unit manages the districtwide Federal Food Program administration, funding, and vendor contract, they do not oversee or manage the staff who deliver the program/serve meals in parks in the Summer.

Action Steps

Based on previous audit findings, Community Recreation and the Wellness Unit have already implemented the following actions:

- Each year, the Chicago Park District creates plans for improvement from audit findings from the previous year. Annually, the Wellness Unit has taken steps to make improvements in training materials, program accessibility, increase the understanding of the regulations and procedures of the program established by Illinois State Board of Education, as well as the United States Department of Agriculture. For example, in 2019 the required training for park programming staff was provided online, to work with the varying schedules of staff. In 2024, audio voiceovers were added to videos to help the various learning styles of staff. Workforce Development works with the Wellness Unit on the maintenance and improvement of the virtual training. Records of trained staff are also kept within the learning management system, SuccessCenter.
- The Wellness Unit has worked alongside the IT Department to navigate and address issues with migration electronic documentation and reporting from the older version of SharePoint to the new one.
- The Unit also aids and troubleshoots with the programming staff daily, when there are issues submitting data. The use of SharePoint platform was selected as the electronic recordkeeping system, as other management software have high price tags. The Wellness Unit is identifying and discussing additional technology options that would support better recordkeeping, processes, and reporting. Such efforts include reaching out to Chicago Public Schools and Greater Chicago Food Depository to see what methods they use for data collection, exploring the opportunity to use a specific software, amending the practices of data collection in the parks (need approval for ISBE before implementation), or the idea of a pilot program using a tablet for recordkeeping. Having real-time records would allow for quicker notification of meal distribution and allow for alerts to reduce. Even these solutions considered come with additional challenges such as the cost, additional equipment required, or access to Wi-Fi.
- The Wellness Unit knows the value of a knowledgeable workforce. They have been training, educating and increasing the awareness of food insecurity in Chicago and the importance of the parks for creating food access for youth, especially during out of school time. There have been multiple trainings conducted by the Wellness Unit to

teach staff the importance of summer meals in the parks and also breaking down the stigma of federal meal programs, in order to create a park system that elevates health and wellness.

- As recommended by a previous audit, in fall 2023 the Chicago Park District hire[d] a Registered Dietician to work on the nutrition programs. The Dietician has been able to work with the vendor and make improvements in the menus for SFSP[C]. Also, they have worked closely with the field to provide alerts of meal substitutions and is a resource for the parks when they have youth with food allergies.
- The district used to operate the SFSP[C] program with paper and pen, documentation was collected via interoffice mail system and faxes. Electronic documentation has been used for the past 6 years. Electronic communication is also encouraged for recordkeeping purposes.
- Each Park receives a binder yearly. In the binder all program documentation is kept (rosters, attendance, meal order calendar, daily meal counts, menus, certificate from online SFSP[C] training, site responsibility form). These are original documents, and they are to be kept on site for four years for audit purposes. The Wellness Unit also maintains the original monitor forms of the CPD seasonal monitors.

Based on the root causes identified by independent auditors: software failures (2022), a global pandemic (COVID-19) (2020 & 2021) and seasonality of staff, staff turnover and shortages (2012-2019). The Wellness Unit has identified the following causes and remedies.

- Software failures occurred as a one-time event, due to the migration of the data entry and recordkeeping system used, SharePoint, from an older version to a newer one.
- The global pandemic caused the complete shutdown in-person programs, operations and loss of funding. Due to these challenges, as the world attempted to recover from these challenges, the District also struggled to re-establish program offerings and meal service delivery with additional social distancing protocols, sanitation requirements and a lack of seasonal staff to support the programs. This was also a one-time event.
- Challenges attracting and retaining seasonal staff have occurred to a changing job market post-COVID, inflation and the rate of pay not keeping up with the cost of living. Community Recreation will be working with Office of Budget & Management to determine a competitive hourly rate for the industry and ensure that it is in alignment with our current funding. This should increase interest in the job postings and the pool of qualified candidates.
- Seasonal Staff: Annually, CPD onboards three (3) clerks (one in each region) who manage the ordering of meals for the sites and is a reviewer of the SharePoint Weekly Summaries, clerks help with pre-operational setup up and the closeout of summer food to prepare for upcoming audits. May 2024 was the earliest the district has been able to start the clerks allowing for adequate preparation to occur. Every year in June, the District onboards monitors to support park sites and ensure the parks are

adhering to the regulations established by ISBE and USDA. In 2024, there were 13 positions budgeted but the District was unable to fill all of the positions and some of the monitoring responsibilities fell on year-round staff. Changes in the rates of pay (Budget) and an earlier hiring timeline (HR) would ensure these positions could be filled in a timely fashion, in the future. Staff turnover and shortages that occur at the park level are often detrimental to meal service delivery, especially when they occur during the summer season. This affects the required documentation and recordkeeping. Often times, positions will not be filled for months due to the steps in hiring process or inability to fill a vacancy when an employee is out on FMLA. Community Recreation will make Human Resources and leadership aware of the challenges faced and will work to address staffing shortages and challenges, in coordination with them.

- Additional operating procedures under consideration such as having families report when they have scheduled vacations and know their child(ren) will not be in camp. When attendance varies and there is an increase of second meals on a regular basis, sites are required to reduce meals (as the goal is not to have more than five (5) second meals served). This is especially likely around the Independence Day holiday. Park staff want to ensure there is a meal for every child in their camp, but when there are attendance variations, this creates an opportunity for waste.
- Increase Training requirements to improve health and wellness environment with focus on Nutrition Services.
 - o Starting 2025, quarterly, the Wellness Unit will offer two trainings[:] one on program regulations (CACFP and SFSP), and one related to nutrition education.
 - o Each Park must have all staff complete the online training.
 - o Sites that received citations during the operation of 2024 meal service will attend an in-person training to review and support staff to adhere to program regulations (Day Camp Director and Park/Playground Supervisor). - Tentative Date: Spring 2025.
 - o The Wellness Unit will lead 1 hour session at Day Camp Conference in 2025.
 - o The Wellness Unit will host a training day for new Day Camp Directors to ensure they know data collection and submittal, program regulations, inspections and site visits by CPD/ISBE monitors, and program nuances. - Tentative Date: Spring 2025.

Additional Opportunities for Program Improvement

Community Recreation would like to invite the OIG to observe meal service to get [a] better understanding of [the] program and attend the Illinois State Board of Education training for the Summer Food Service Program. In addition, Community Recreation welcomes information from staff, other departments, sister agencies, partners, and communities to provide feedback and best practices that will improve service delivery, recordkeeping and compliance.”

Recommendation 2: Consider establishing a monitoring mechanism as part of this plan to track the progress and effectiveness of these actions.

Response to Recommendation 2

The Park District's Community Recreation Department generally agreed with OIG's recommendation and provided actions steps for the Department to enact in order to implement the recommendation. In relevant part, the Community Recreation Department stated as follows.

"Action Steps

- Monitoring and documentation: At [the] end of day camp season, the Wellness Unit will upload all monitoring forms documents (completed by seasonal intern-monitors) to review each upload and ensure all forms are present and accounted for in audits files and shared drive. The Wellness Unit will ensure weekly summaries are uploaded and review to ensure all documents are present in SharePoint.
- The Wellness Unit will increase the percentage of site reviews to 25% by Senior Program and Event Coordinator and three (3) Program and Event Coordinators. There will be a review occurring in Week 2, Week 5 and Post-Season.
- Community Recreation, in coordination with the Wellness Unit, will review all data for each season and identify variances from the prior year. Additional investigation will follow to identify the cause of the variances and they will be documented for future program improvements."

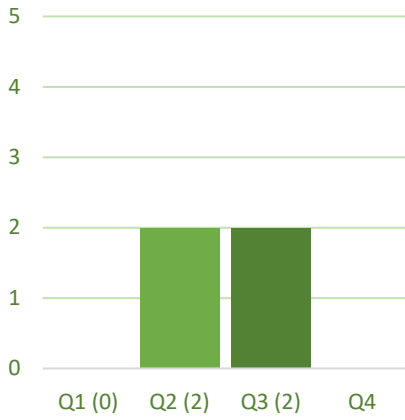
Recommendation 3: Conduct a financial accounting related to the program for the 2022, 2023 and 2024 fiscal years, sufficient to determine: (a) the Park District's annual expenditures for the program; (b) the amount of reimbursements the Park District received related to the SFSPC, and (c) the amount of unreimbursed costs the Park District had due to lack of compliance with federal regulations.

Response to Recommendation 3

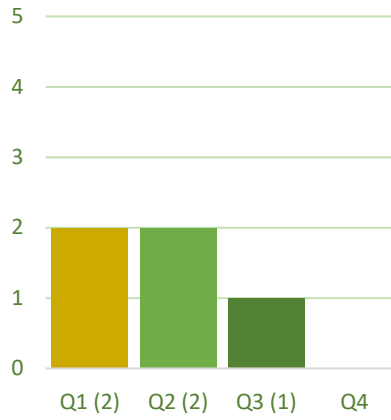
The Park District's Office of the Comptroller provided the following response regarding the OIG's recommendation: "The Comptroller's Office will follow up on the recommendation of looking into any unreimbursed cost[s] as it relates to SFSPC." The Office of the Comptroller did not provide a timeline as to when its review would be completed.

AUDITS AND REVIEWS

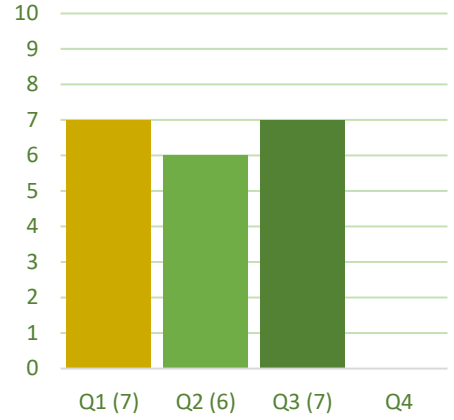
OPENED



CLOSED



PENDING



Hiring Compliance Activity

Pursuant to the Park District Employment Plan, the OIG is responsible for reviewing and monitoring the Park District's hiring and assignment actions to ensure that they comply with the Plan. The OIG reports on its compliance-monitoring activities in each of its quarterly reports.

FY24 Third Quarter Hiring Compliance Report Summaries

In the third quarter of FY24, the OIG issued one hiring compliance report (23-0249) and one interview monitoring report (24-0330):

- In 23-0249, the OIG investigated a seasonal Park District employee's allegation that they were unfairly denied a year-round position by the Park District. Although the OIG's investigation established that the Park District did not fully comply with the procedural and recordkeeping requirements of the Park District Employment Plan in filling several vacancies for which the former employee was a candidate, based on the evidence the OIG was able to review, the OIG did not find any indication that these violations of the Employment Plan materially affected the fairness of any hiring decision pertaining to the complainant. However, the OIG noted that because certain hiring records were missing, OIG was not able to conduct a complete review of each of the hiring sequences for which the complainant was a candidate. Based on the evidence the OIG was able to obtain, though, the OIG concluded that the complainant's allegation was not sustained.

With respect to the Human Resources Department's (HR) failure to retain certain vacancy-related hiring records, which failure constitutes a violation of the Employment Plan and likely the Local Records Act as well, the OIG recommended that HR (1) consult with the Park District's Law Department to ensure that HR has an appropriate record retention policy in place; and (2) take action sufficient to ensure that HR staff is fully and completely complying with all applicable record retention rules and procedures.

With respect to the procedural violations of the Employment Plan, which included the failure to use the same interviewers for all of the interviews for one of the positions, as required by Section VI(K)(3) of the Plan, the OIG noted that since the conclusion of the hiring sequences detailed in the report, in conjunction with HR, the OIG created and conducted an Employment Plan training for HR staff and developed an Employment Plan training for Park District interviewers, which is now available for potential interviewers. As the OIG expects that these trainings will help prevent the recurrence of such Employment Plan violations going forward, the OIG did not have further recommendations in this area.

Management requested an extension to respond to the OIG's report and its response is now due on November 8, 2024.

- In 24-0330, the OIG monitored the interviews for a Park Supervisor of Recreation position and determined the District carried out the interview process for the position in compliance with the requirements of the Employment Plan.¹

Park District Responses to Previously Issued Hiring Compliance Reports

In the third quarter of FY24, the Park District responded to two hiring compliance reports that the OIG issued in the second quarter of FY24: 24-0168 and 23-0139.

- In 24-0168, the OIG found that the Park District was not in full compliance with the training requirements set forth in the Employment Plan, including the requirement that the Park District’s job interviewers receive training on the Employment Plan rules prior to conducting interviews. More specifically, the OIG reported that it had finalized an Employment Plan training for Park District interviewers and posted that training on SuccessCenter, the Park District’s learning management system, making it available for Park District staff. Accordingly, the OIG recommended that HR work with the various Park District departments to identify the employees that are required to receive the newly-created interviewer training and take action sufficient to ensure that by September 30, 2024, only employees who have received their interviewer training certification are serving as interviewers.

In summary, the Park District’s response noted the following:

- HR has created a list of approximately 500 current employees who will be required to complete the OIG interviewer training on SuccessCenter prior to participating on an interview panel.
- Workforce Development assigned the course to these individuals on SuccessCenter and HR sent an e-mail to these employees with the directive, purpose and deadline.
- Workforce Development will assist HR in tracking compliance.
- HR required staff to complete the training in advance of OIG’s September 30, 2024 deadline, and will monitor and follow up with non-compliant staff.
- HR continues to work with Department Heads to edit/augment qualifying titles that will require the training.
- HR has identified titles that participate in interview panels and will use the list to assign future trainings.

¹ As the OIG did not make any Employment Plan violation findings or recommendations in this report, management was not required to respond to the report.

- As individuals or new hires are hired in these titles, they will be directed to complete the training.
- HR is in process of drafting Interviewer training to identify best practices, proper technique, etc.
- HR is currently meeting with the SEIU (“Hiring Committee” that was negotiated in new contract) to discuss training and communication.

Based on the OIG’s Q3 hiring compliance activities, including hiring sequence audits and interview monitoring, the OIG can confirm that potential interviewers have begun taking the OIG’s interviewer training. As a result, the Park District job is now complying with this important training requirement, possibly for the first time since the Employment Plan was implemented in 2014, and certainly in recent years. The OIG will continue to monitor the Park District’s hiring activities to ensure that the Park District stays in compliance with this requirement going forward.

- In 23-0139, the OIG found that the Park District did not fully comply with the procedural requirements of the Park District Employment Plan in filling several vacancies for which a former employee was a candidate. More specifically, the evidence reflected that on multiple occasions, interview rating forms were not signed and collected immediately following the interviews for multiple positions, as required by the Employment Plan. In addition, because at the time of the report, no Park District employees had their interview training certification, for the hiring sequences detailed in the report, the Park District was not in compliance with the requirement that only certified employees participate in interview panels. However, the OIG did not find any evidence that these violations of the Employment Plan materially affected the fairness of any hiring sequence pertaining to the former employee.

In addition, the OIG recommended that HR take action sufficient to ensure that following the completion of a hiring sequence, Taleo, the Park District’s career website, is appropriately updated to reflect the completion of that sequence. Although not necessarily violative of the Employment Plan, with respect to the hiring sequences relevant to the former employee’s allegations, on multiple occasions Taleo indicated that a hiring sequence was still ongoing, even after a candidate had been selected.

In summary, the Park District’s response noted the following:

- The HR department has been working in collaboration with the OIG to amend and update various sections of the Employment Plan; HR and OIG will continue to identify and address necessary updates to the Employment Plan through 2024 and 2025.

- All HR staff including the HR Managers have since completed the Employment Plan Interviewing Training for HR in the Success Center for compliance with Section V(C)(1) of the Employment Plan.
- Realizing the TALEO system has limited hiring functions and capabilities, HR is working to transition from the TALEO hiring system into the current ESS Oracle Recruiting Cloud system, to streamline and provide better functionality for the hiring process. This would alleviate the TALEO sequence errors that were identified.
- HR will work to identify a workable timeline to notify candidates, close out requisitions, and create amendments to the Employment Plan to allow for referral lists and communication to candidates to provide transparency regarding the hiring timeline/process.
- HR will continue to train and update staff on best hiring practices and to be in compliance of the Employment Plan and Park District hiring policies.
- HR has assigned and will continue to assign all potential Interviewers to the Employment Plan Interview Training in the Success Center to be compliant with Section V(C)(3) of the Employment Plan.

The Park District's response concluded: As has been noted by the OIG in several recent findings of non-compliance with the Plan including in these cases, there is an ongoing collaborative review of the Plan (first adopted in 2014 and not revised since then) between HR and the OIG to update it as needed to make sure it serves the purposes of fair processes and transparency in all personnel matters as envisioned by the initial adoption of the Plan.

FY24 Third Quarter Hiring Sequence Audit Reports

In the third quarter of FY24, the OIG issued five hiring sequence audit reports (24-0004, 24-0097, 24-0217, 24-0218, and 24-0219):

- In 24-0004, the OIG conducted an audit of the hiring sequence for a Physical Instructor position. OIG did not identify any material violations of the Employment Plan with respect to this hiring sequence.
- In 24-0097, the OIG conducted an audit of the hiring sequence for a Budget and Policy Analyst position. OIG identified the following areas of Employment Plan non-compliance with respect to this hiring sequence:
 - HR allowed the hiring manager to form a smaller pool of candidates for interview from the Minimally Qualified List rather than performing this function independently, as required by Sections VI(I) and (J) of the Plan.

- HR, at the request of the hiring manager, provided candidate information for candidates who did not meet the minimum qualifications for the audited position, in violation of Section VI(H)(2) and (3).
 - The Park District twice extended the posting period for this vacancy without notifying the Compliance Monitor, as required by Section VI(D) of the Plan.
 - The employees who interviewed candidates for this position did not receive interviewer training in compliance with Section V(C)(3) of the Plan.²
- In 24-0217, the OIG conducted an audit of the hiring sequence for six Laborer (Maintenance) positions. In summary, OIG determined that the District violated Section VI(C)(1) of the Plan, which states that “HR will complete a Notice of Job Opportunity to be posted for all Non-exempt Positions,” and Section VI(E)(3) of the Plan, which states that “previously submitted applications may not be used to apply for other Notices of Job Opportunities,” by filling these positions with candidates who had previously applied for and been interviewed for a different Laborer posting, rather than conducting a new hiring process.

The OIG noted, though, that it did not discover any evidence that the District’s conduct resulted in the hire of unqualified candidates. The OIG further noted that the City of Chicago’s Employment Plan, in contrast to the Park District’s Employment Plan does, in certain instances, allow for a hiring department to select from a pre-qualified group of candidates. Accordingly, the OIG stated that the use of Pre-Qualified lists and associated hiring procedures may be a suitable topic for consideration in the context of the District’s ongoing review and updating of the Employment Plan. The OIG’s report concluded that prior to any such amendment, HR should continue to comply with the current terms of the Park District Employment Plan.

- In 24-0218, the OIG conducted an audit of the hiring sequence for an Electrician Helper, Outside position. In summary, OIG determined that the District violated Section VI(E)(3) of the plan, which states that “previously submitted applications may not be used to apply for other Notices of Job Opportunities,” by filling this position with a candidate who had previously applied for and been interviewed for a different Electrician Helper posting, rather than conducting a new hiring process.

The OIG noted, though, that it did not discover any evidence that the District’s conduct resulted in the hire of unqualified candidates. The OIG further noted that the City of Chicago’s Employment Plan, in contrast to the Park District’s Employment Plan does, in

² As noted above, potential Park District job interviewers have begun receiving Employment Plan training and thus are now generally complying with this provision. The OIG will continue to review hiring sequences to ensure this provision is being followed going forward.

certain instances, allow for a hiring department to select from a pre-qualified group of candidates. Accordingly, the OIG stated that the use of Pre-Qualified lists and associated hiring procedures may be a suitable topic for consideration in the context of the District's ongoing review and updating of the Employment Plan. The OIG's report concluded that prior to any such amendment, HR should continue to comply with the current terms of the Park District Employment Plan.

- In 24-0219, the OIG conducted an audit of the hiring sequence for an Activities Instructor position. In summary, OIG determined that while the District generally complied with the Employment Plan's requirements, the employees who interviewed candidates for this position had not received training in compliance with Section V(C)(3) of the Plan.

Review of Exempt List Modifications

The OIG is responsible for reviewing the Park District's adherence to the rules set forth in the Employment Plan pertaining to the job titles that are exempt from the Employment Plan procedures.

There was 1 addition to the Exempt List in the third quarter of 2024:

- Deputy General Counsel (Transactions), Law Department

A copy of the most recently updated Exempt List can be found at:

[CPD Shakman-Exempt List 23.10.12 -2-.pdf \(chicagoparkdistrict.com\)](#)

Review of Emergency Appointments

The OIG reviews circumstances and written justifications for any emergency hires made pursuant to the Personnel Rules of the Park District Code. HR reported no emergency appointments during the third quarter of 2024.

Review of Exempt Management Hires

Human Resources reported 1 exempt hire during the third quarter of 2024:

- Director of Audit, Office of the Inspector General

Monitoring Contacts by Hiring Departments

Pursuant to the Employment Plan, the OIG is to review all reported or discovered instances where hiring departments contacted HR to lobby for, or advocate on behalf of, actual or potential applicants or bidders for positions that are covered by the Employment Plan, or to request that specific individuals be added to any referral or eligibility list for upcoming jobs at the Park District. HR did not report any improper contacts by hiring departments for the third quarter of 2024.

Review of “Acting Up” Activity

The OIG is responsible for reviewing the circumstances when an employee “acts up” (performing all or substantially all of the duties of an employee in a higher-paid classification). Activity in the third quarter of 2024 reflected 12 instances of employees “acting up” and 153 instances where an employee who had been in “acting up” status was placed back in their position.

Review of Written Rationales

The OIG is responsible for reviewing written rationales when no consensus selection (no one from the approved candidate pool was selected) was reached during a consensus meeting. Human Resources did not submit any “no consensus” letters during the third quarter of 2024.

Arbitrations and Grievances

Pursuant to the Employment Plan, the OIG is to audit arbitrations and grievances involving hiring, promotions, transfers, or allegations of unlawful political discrimination. The OIG received notification from Human Resources that 7 grievances were filed during the third quarter of 2024. The OIG reviewed those grievances and determined that none of those grievances involved Employment Plan-related issues. Human Resources did not report any arbitrations during this quarter.

Hiring Compliance Advisories

Under the Park District’s Employment Plan, the OIG, in its role as the Compliance Monitor, is to participate in “the development, recommendation and implementation of necessary policy and operating changes.” See Section XI(A) of the Employment Plan. In the third quarter, the OIG was consulted on five matters and rendered advisory opinions on issues that arose pertaining to implementation or interpretation of the Employment Plan.

OIG Matters Pending Over Six Months

Chapter 2(D)(9) of the Chicago Park District Code provides that the OIG’s quarterly reports “shall identify any investigation, audit or review which has not been completed within six months, and shall state the reasons for failure to complete the investigation, audit or review within six months.” The OIG’s pending matters, as well as the reasons for their continuing pending status, are set forth in the below chart.

As the chart makes readily apparent, the OIG is continuing to work through a substantial amount of PPP loan fraud investigations. Those high caseloads are presently having an impact on the timeliness of case completion, resulting in more cases than usual being open for more than six months. The OIG reduced the number of matters on this list significantly in the third quarter of FY24 (from 65 to 41) and expects to see a further reduction in these numbers by the end of 2024.

Case Number	Matter Type	Nature of Allegation	Reason
23-0174	Investigation	Criminal Conduct	Complex investigation – involves multiple allegations of theft.
23-0202	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0216	Audit	N/A	The objectives and scope have materially altered from the beginning of the project.
23-0218	Audit	N/A	The objectives and scope have materially altered from the beginning of the project.
23-0251	Investigation	Residency	Resource intensive investigation.
23-0252	Investigation	Residency	Resource intensive investigation.
23-0253	Investigation	Residency	Resource intensive investigation.
23-0275	Investigation	Residency	Resource intensive investigation.
23-0276	Audit	N/A	The objectives and scope have materially altered from the beginning of the project.
23-0355	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.

23-0360	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0409	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0410	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0416	Investigation	Time Falsification	Resource intensive investigation.
23-0468	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0503	Investigation	Hiring Compliance	Complex investigation – requires the analysis of significant records and documents.
23-0518	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0520	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0522	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0528	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0534	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0543	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0545	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0546	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0547	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.

23-0549	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0550	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0551	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0552	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0553	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0557	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0558	Investigation	PPP Loan Fraud	Complex investigation – requires the acquisition and analysis of financial records.
23-0559	Investigation	Hiring compliance	Complex investigation – multiple allegations.
23-0562	Investigation	Hiring compliance	High caseload.
23-0584	Audit	N/A	The objectives and scope have materially altered from the beginning of the project.
24-0001	Investigation	Time Falsification	Complex investigation – requires the analysis of significant records and documents and multiple interviews.
24-0006	Investigation	Unauthorized use of Park District resources	Complex investigation – requires the analysis of significant records and documents and multiple interviews.
24-0064	Investigation	Time Falsification	Resource intensive investigation.
24-0066	Investigation	Unauthorized use of Park District resources	Complex investigation – requires the analysis of significant records and documents and multiple interviews.
24-0071	Investigation	Preferential Treatment	High caseload.
24-0079	Investigation	Criminal Conduct	Complex investigation – requires the analysis of significant records and documents and multiple interviews.

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