



**Metropolitan Water
Reclamation District
of Greater Chicago**



Office of the Independent Inspector General

“[T]o detect, deter and prevent corruption, fraud, waste, mismanagement, unlawful political discrimination or misconduct in the operation of County government.”

**Metropolitan Water Reclamation District of Greater
Chicago
Quarterly Report
2nd Quarter 2023**

July 14, 2023



OFFICE OF THE INDEPENDENT INSPECTOR GENERAL

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July 14, 2023

Transmittal via electronic mail

Honorable Kari K. Steele
and Honorable Members of the Metropolitan
Water Reclamation District of Greater Chicago
Board of Commissioners
100 East Erie Street
Chicago, Illinois 60601

Re: Independent Inspector General Quarterly Report (2nd Qtr. 2023)

Dear President Steele and Members of the Board of Commissioners:

As you know, on April 18, 2019 the Board of Commissioners of the Metropolitan Water Reclamation District of Greater Chicago (MWRD) adopted Ordinance O19-003 entitled Office of the Independent Inspector General (MWRD OIIG Ordinance) that has been designed to promote integrity and efficiency in government and provide independent oversight of the MWRD. Additionally, an Intergovernmental Agreement between the County of Cook and MWRD became effective by full execution of the parties on May 17, 2019 (Sec. II. Term of Agreement) and was twice extended by the MWRD to authorize the OIIG to continue operations relating to the MWRD. This quarterly report is written in accordance with Section 2-287 of the MWRD OIIG Ordinance to apprise you of the activities of this office relating to the MWRD during the time period from April 1, 2023, through June 30, 2023.¹

OIIG Case Activity

The OIIG received a total of 19 new complaints relating to the MWRD during this reporting period. This number includes those matters resulting from the exercise of my own initiative (MWRD OIIG Ordinance Section Two (citing Cook County Code, Sec. 2-284(2))). Four OIIG case inquiries have been initiated during this reporting period and a total of 24 OIIG case inquiries remain pending at the present time.² We have referred one matter to management or other

¹ In accordance with the MWRD OIIG Ordinance, this office reports quarterly the number of investigations initiated and concluded during the subject time period along with other relevant data concerning the activities of the office. Quarterly reports also set forth OIIG recommendations for remedial or other action following the completion of an investigation and track whether recommendations were adopted in whole or in part or otherwise not implemented by the MWRD. Finally, quarterly reports also describe miscellaneous activities of the OIIG that may be of interest to MWRD officials, employees, contractors and members of the public.

² Upon receipt of a complaint, a triage/screening process of each complaint is undertaken. In order to streamline the OIIG process and maximize the number of complaints that will be subject to review, if a complaint is not initially opened as a formal investigation, it may also be reviewed as an "OIIG inquiry." This level of review involves a determination of corroborating evidence before opening a formal investigation. When the initial review reveals information warranting the opening of a formal investigation, the matter is upgraded to an "OIIG Investigation."

enforcement or prosecutorial agencies for further consideration this reporting period. The OIIG currently has four open OIIG cases and four cases open more than 180 days as of the issuance of this report.

OIIG Summary Reports³

During the 2nd Quarter of 2023, the OIIG issued six summary reports on MWRD matters. The following provides a general description of each matter and states whether OIIG recommendations for remediation or discipline have been adopted. Specific identifying information is being withheld in accordance with the OIIG Ordinance where appropriate.

IIG23-0242. The OIIG conducted a review for secondary employment compliance of MWRD employees who applied for federal Small Business Administration Paycheck Protection Program loans (“PPP loan”)⁴ to determine whether information submitted by MWRD employees for the PPP loans was consistent with MWRD records and/or in violation of any MWRD policies. Based on this review, it was discovered that an MWRD police officer sought a federal PPP loan totaling \$20,833 wherein she disclosed being the “Sole Proprietor” of a long-haul hazardous waste freight transportation business. The OIIG conducted an investigation to determine if the subject employee informed the MWRD that she was engaging in secondary employment as required by the applicable policies.

This investigation consisted of a review of the subject employee’s personnel file, public and subpoenaed federal Small Business Administration PPP loan records, Illinois Secretary of State Corporation/LLC records, and a LinkedIn profile for the subject employee. The OIIG also interviewed the subject employee.

The preponderance of evidence in this investigation supports the conclusion that the subject employee violated MWRD Ethics Ordinance, Article I, Section (B)(1), which provides that all MWRD employees must remember that they are public servants who must place loyalty to federal and State laws and ethical principles above their private gain. This is especially significant considering the subject employee is a sworn police officer for the MWRD. The evidence gathered

Conversely, if additional information is developed to warrant the closing of the OIIG inquiry, the matter will be closed without further inquiry.

³ The OIIG issues a Quarterly Report relating to the MWRD separate from the one it issues for other government agencies under its jurisdiction. The Quarterly Reports issued involving MWRD matters can be found at <https://www.cookcountyil.gov/service/metropolitan-water-reclamation-district-greater-chicago>.

⁴ The CARES Act is a federal law enacted on March 29, 2020, to provide emergency financial assistance in connection with economic effects of the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through the PPP. The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of 1%. PPP loan proceeds must be used by businesses on payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses at least a certain percentage of the PPP loan proceeds on payroll expenses.

during this investigation, including the subject employee's statements to OIIG investigators, show that the subject employee received a fraudulent PPP loan from the federal government in the amount of \$20,833 and spent those loan proceeds on unauthorized purchases. The subject employee would have us believe that she did not participate in the fraudulent scheme and that she thought that the funds that mysteriously arrived in her bank account were a gift from an acquaintance with whom she played football. The subject employee's story is not credible for numerous reasons including that personal information such as her social security number and banking information was used to obtain the loan. It is also unlikely that a trained law enforcement officer would believe that a mere acquaintance would simply give her \$20,833 or that she would not be suspicious about how he obtained such a large sum of money. More likely is that the subject employee either perpetuated the fraudulent scheme herself or at the very least participated in it, especially considering that she is the one who benefitted financially from the criminal conduct. By participating in financial fraud directed at the federal government, the subject employee failed to place loyalty to governing laws and ethical principles above her desire to enrich herself. The subject employee's conduct in this regard tarnishes her reputation and brings discredit to the MWRD as it can erode the public's trust in the MWRD, its employees, and its police officers.

The preponderance of evidence developed in this investigation also supports the conclusion that the subject employee violated MWRD Ethics Ordinance, Article II, Section (C)(5) – Secondary Employment. This provision requires employees to submit a secondary employment form to the MWRD's Human Resources Department whether the employee has compensated secondary employment or not and further requires that any subsequent change in status be reported within 14 days. While the subject employee denied owning the business listed on her PPP loan application, she stated that she does occasionally perform outside security, accounting, and dog breeding work. While the subject employee claimed that she disclosed at least some of this outside employment to the MWRD, the evidence shows otherwise.

Based on the serious nature of the misconduct and the subject employee's sensitive placement in government, as well as other aggravating factors present, we recommended that the subject employee's employment be terminated.

This report was issued June 30, 2023, and a response is not yet due.

IIIG23-0243. The OIIG conducted a review for secondary employment compliance of MWRD employees who applied for federal Small Business Administration Paycheck Protection Program loans ("PPP loan") to determine whether information submitted by MWRD employees for the PPP loans was consistent with MWRD records and/or in violation of any MWRD policies. Based on this review, it was discovered that an MWRD employee sought a federal PPP loan totaling \$9,375 wherein she disclosed being the "Sole Proprietor" of an "Accounting Services" business. The OIIG conducted an investigation to determine if the subject employee informed the MWRD that she was engaging in secondary employment as required by the applicable policies.

This investigation consisted of a review of the subject employee's personnel file, public and subpoenaed federal Small Business Administration PPP loan records, Illinois Secretary of State Corporation/LLC records, Illinois Department of Financial and Professional Regulations records, U.S. Bankruptcy Court records, and a LinkedIn profile for the subject employee. The OIIG also attempted to interview the subject employee. On May 23, 2023, the OIIG sent the subject employee an official notification informing her that she was the subject of an OIIG investigation and requesting an interview. The subject employee failed to respond to the OIIG's notification for an interview. Subsequently, the OIIG learned that eight days after the OIIG requested her interview, the subject employee resigned from her position with the MWRD.

The preponderance of evidence in this investigation supports the conclusion that the subject employee violated MWRD Ethics Ordinance, Article 1, Section (B)(1), which provides that all MWRD employees must remember that they are public servants who must place loyalty to federal and State laws and ethical principles above their private gain. The evidence shows that the subject employee engaged in fraud against the federal government by falsely claiming on a federal PPP loan application that she owned an accounting services business that generated gross receipts of \$45,000 in 2020. The OIIG found no evidence to support the existence of the business claimed by the subject employee on her PPP loan application. Importantly, the subject employee herself certified in a subsequent federal bankruptcy proceeding that she did not own any such business during the relevant time period. It is reasonable to conclude that the subject employee resigned her position from the MWRD to avoid having to answer questions from the OIIG regarding the contradictory statements she made on her PPP loan application and in her federal bankruptcy filing. By committing financial fraud directed at the federal government, the subject employee failed to place loyalty to governing laws and ethical principles above her desire to enrich herself. The subject employee's conduct in this regard tarnishes her reputation and brings discredit to the MWRD as it can erode the public's trust in the MWRD and its employees.

Based on the serious nature of the misconduct and the subject employee's sensitive placement in government, the OIIG would have recommended that the subject employee's employment be terminated. Because the subject employee resigned from her position with the MWRD during the OIIG's investigation, that recommendation is now moot. However, we did recommend that the MWRD create and implement an *Ineligible for Rehire List* upon which to place employees who engage in egregious misconduct such as that discussed above in order to prevent those who are terminated or resign under such circumstances from returning to MWRD service.

This report was issued June 30, 2023, and a response is not yet due.

IIIG23-0246. The OIIG conducted a review for secondary employment compliance of MWRD employees who applied for federal Small Business Administration Paycheck Protection Program loans ("PPP loan") to determine whether information submitted by such employees for the PPP loans was consistent with MWRD records and/or in violation of any MWRD policies. Based on this review, it was discovered that an MWRD employee sought a federal PPP loan

totaling \$20,310 wherein he disclosed being the “Sole Proprietor” of a media production business. The OIIG conducted an investigation to determine if the subject employee informed the MWRD that he was engaging in secondary employment as required by the applicable policies.

This investigation consisted of a review of the subject employee’s personnel file, public and subpoenaed federal Small Business Administration PPP loan records, Illinois Secretary of State Corporation/LLC search records, a LinkedIn profile for the subject employee, and information submitted by the subject employee to the OIIG. The OIIG also interviewed the subject employee.

The preponderance of evidence in this investigation supports the conclusion that the subject employee violated MWRD Ethics Ordinance, Article I, Section (B)(1), which provides that all MWRD employees must remember that they are public servants who must place loyalty to federal and State laws and ethical principles above their private gain. The evidence, including the subject employee’s statements to OIIG investigators, shows that the subject employee engaged in fraud against the federal government by falsely claiming on a federal PPP loan application that he owned a media production business and that the business generated gross receipts of \$97,492 in 2019.

After fraudulently obtaining \$20,310 in federal PPP loan funds, the subject employee admitted to improperly spending those funds on personal expenses and other expenditures not related to the business listed on his loan and loan forgiveness applications. When requesting forgiveness of the PPP loan, the subject employee falsely told the federal government that he spent \$14,000 of PPP funds he received on payroll. In short, the evidence shows that the subject employee lied to the federal government and misappropriated funds intended to help struggling businesses during the Covid-19 pandemic. By committing financial fraud directed at the federal government, the subject employee failed to place loyalty to governing laws and ethical principles above his desire to enrich himself. The subject employee’s conduct in this regard tarnishes his reputation and brings discredit to the MWRD as it can erode the public’s trust in the MWRD and its employees. This is especially true in this case, considering the subject employee admitted that some of his fraudulent conduct occurred while he was on MWRD compensated time and using MWRD resources. Specifically, the subject employee used the MWRD’s scanner for unauthorized purposes, which also violates the MWRD Ethics Ordinance, Article I, Section (B)(9) and related provisions of the Administrative Procedures Manual regarding the use of MWRD resources.

Based on the serious nature of the misconduct, as well as other aggravating factors present, we recommended that the subject employee’s employment be terminated. Aggravating factors considered in making this recommendation include the fact that the subject employee committed fraud against the federal government while at times on MWRD compensated time and while using MWRD resources.

This report was issued June 26, 2023, and a response is not yet due.

IIG23-0247. The OIIG conducted a review for secondary employment compliance of MWRD employees who applied for federal Small Business Administration Paycheck Protection Program loans (“PPP loan”) to determine whether information submitted by MWRD employees for the PPP loans was consistent with MWRD records and/or in violation of any MWRD policies. Based on this review, it was discovered that an MWRD employee sought a federal PPP loan totaling \$15,625 wherein she disclosed being the “Sole Proprietor” of a “Food Delivery” business. The OIIG conducted an investigation to determine if the subject employee informed the MWRD that she was engaging in secondary employment as required by the applicable policies.

This investigation included a review of the subject employee’s personnel file and public and subpoenaed federal Small Business Administration PPP loan records. OIIG investigators also interviewed the subject employee.

The preponderance of evidence in this investigation supports the conclusion that the subject employee violated MWRD Ethics Ordinance, Article I, Section (B)(1), which provides that all MWRD employees must remember that they are public servants who must place loyalty to federal and State laws and ethical principles above their private gain. The evidence gathered during this investigation, including the subject employee’s statements to OIIG investigators, show that the subject employee engaged in fraud against the federal government by falsely claiming on a federal PPP loan application that she owned a business that generated gross receipts of \$75,000 in 2020. After fraudulently obtaining \$15,625 in federal PPP funds, the subject employee admitted to improperly spending those funds entirely on personal expenses, including personal debt, day-to-day household expenses, and an international flight. When requesting forgiveness of the PPP loan, the subject employee falsely stated to the federal government that she spent the entire amount of PPP funds she received on payroll costs for a food delivery business. In short, the evidence shows that the subject employee lied to the federal government and misappropriated funds intended to help struggling businesses during the Covid-19 pandemic. By committing financial fraud directed at the federal government, the subject employee failed to place loyalty to governing laws and ethical principles above her desire to enrich herself. The subject employee’s conduct in this regard tarnishes her reputation and brings discredit to the MWRD, as it can erode the public’s trust in the MWRD and its employees. This is especially true in this case, considering that the subject employee admitted that some of her fraudulent conduct occurred while she was on MWRD compensated time and using MWRD resources. Specifically, the subject employee used the MWRD’s computer and scanner for unauthorized purposes which also violates the MWRD Ethics Ordinance, Article I, Section (B)(9) and related provisions of the Administrative Procedures Manual regarding use of MWRD resources.

The preponderance of evidence in this investigation also supports the conclusion that the subject employee violated MWRD Ethics Ordinance, Article II, Section (C)(5) – Secondary Employment. This provision requires employees to submit a secondary employment form to the MWRD’s Human Resources Department whether the employee has compensated secondary employment or not and further requires that any subsequent change in status be reported within 14 days. Compensated “self-employment” must also be disclosed. The subject employee claims to

have engaged in outside employment through Instacart on a weekly basis. Although she did not earn anywhere near the amount she claimed on her PPP loan application from this secondary employment, she was still required to report it to the MWRD as required by the MWRD Ethics Ordinance.

Based on the serious nature of the misconduct, as well as other aggravating factors present, we recommended that the subject employee's employment be terminated. Aggravating factors considered in making this recommendation include the fact that the subject employee committed fraud against the federal government while at times on MWRD compensated time and while using MWRD resources.

This report was issued June 20, 2023, and a response is not yet due.

IIG22-0748. The OIIG conducted this review based upon a complaint that the MWRD Executive Staff is not adequately addressing EEO complaints. During this review, the OIIG reviewed the MWRD AP Manual 10.5.0 - Anti-Harassment, Anti-Intimidation and Anti-Retaliation Policy and Reporting Procedures and randomly selected and reviewed 16 completed MWRD EEO internal investigations. The OIIG also interviewed the MWRD Human Resources Employee Relations (ER) Section Manager.

The review did not produce any evidence to support the allegation that the MWRD Executive Staff or ER Section fails to adequately investigate EEO complaints. The random review of 16 closed EEO investigative cases revealed that relevant parties (subject, witnesses, and complainants) were interviewed and pertinent evidence (documents, emails, performance evaluations, and work/entrance logs) was reviewed during the HR investigation in each case. Further review revealed that all reports, complaints, and allegations of violations of MWRD AP Manual 10.5.0 were promptly and thoroughly investigated in an impartial manner in accordance with MWRD AP 10.5.0.⁵ When interviewed by the OIIG, the HR manager acknowledged that the EEO complaints are comingled with non-EEO complaints of harassment and retaliation on the monthly EEO internal investigation report, which does not accurately reflect the number of actual EEO cases that are investigated and sustained.

Although the allegations regarding the adequacy of the HR investigations were not sustained, we recommended that the ER Section utilize a case tracking system to ensure that it continues to comply with the standards set forth in AP 10.5.0 regarding EEO investigations. We made no recommendation regarding the monthly EEO internal investigative report log as the HR Manager has already indicated he will make changes to better capture complaint information and make a distinction between EEO and non-EEO complaints submitted to HR.

The MWRD adopted the OIIG recommendation and implemented a case tracking system.

⁵ While there were some delays in four of the cases, the HR Manager explained that the delays resulted from a temporary staffing shortage and pandemic related issues.

IIG22-0764. The OIIG received a complaint alleging an MWRD Police Officer used excessive force during the arrest of an MWRD Maintenance Laborer on MWRD property. During this investigation, the OIIG reviewed the MWRD Police Policy and Procedure Manual 2.000 (updated July 7, 2022), the relevant MWRD police report, and photographs of the Maintenance Laborer's injuries supplied by the Maintenance Laborer with his complaint. We also interviewed the subject MWRD Police Officer and the Maintenance Laborer. There were no other known witnesses to the initial arrest nor was there any known video evidence of it.

The preponderance of evidence developed during this investigation does not support the allegation that the MWRD Police Officer violated MWRD Police Policy and Procedure Manual 2.000 - Excessive Force. While the statements made by the Police Officer and the Maintenance Laborer differ in some respects, the evidence shows that the Maintenance Laborer was engaging in prohibited activity on MWRD premises during his shift, and it is undisputed that he failed to comply with verbal commands and resisted arrest when approached by the Police Officer. Both the Maintenance Laborer and the Police Officer sustained injuries when the Maintenance Laborer resisted arrest, but there is nothing to corroborate the Maintenance Laborer's claim that he was hit in the chin or that his head was slammed on the ground. In fact, to the contrary, the Maintenance Laborer acknowledged during his OIIG interview that the injuries sustained to his face were the result of him struggling on the ground, and not from the MWRD Police Officer slamming his head into the ground as he initially reported. This conclusion is also supported by the photographs of the injuries which show only abrasions near the Maintenance Laborer's left eye from scraping rather than swelling and bruising from any blunt force trauma to his chin or other areas. The Maintenance Laborer and the Police Officer also both stated that once the Maintenance Laborer stopped resisting and was placed in handcuffs, no further force was utilized to effect the arrest. Accordingly, the allegation of excessive force against the MWRD Police Officer is not sustained.

Please note that this report relates only to the allegations against the MWRD Police Officer as we have been informed that MWRD management already initiated termination proceedings relating to the conduct of the Maintenance Laborer regarding this incident.

Outstanding OIIG Recommendations

The OIIG has followed up on outstanding recommendations for which no response was received at the time of our last quarterly report. Under the OIIG Ordinance, responses from management are required within 45 days of an OIIG recommendation or after a grant of an additional 30-day extension to respond to recommendations. Below is an update on the outstanding recommendations.

From the 1st Quarter 2023

IIG22-0396. This investigation was initiated based on numerous complaints received regarding a Juneteenth event conducted by the MWRD. Specifically, it was alleged that the MWRD Juneteenth event held at the Stickney Water Reclamation Plant (SWRP) involved political

activity, did not adhere to safety protocols, disrupted operations, was a misuse of MWRD resources, and was limited to commissioners, their families and political friends.

This investigation consisted of interviews of MWRD personnel and SWRP site inspections. The OIIG also reviewed the Juneteenth event materials, related expenditures, the MWRD Administrative Procedures Manual, and the MWRD Budget.

Interview Maintenance & Operations Official

A Maintenance and Operations Official (M&O Official) stated that events like the Juneteenth event are rare but do occur periodically. His department assisted with the logistical preparations for the event. The M&O Official stated that fleet vehicles and designated parking spaces were relocated to other parking lots to accommodate the event. He further stated that approximately seven or eight SWRP employees were assigned to assist in the setup for the event. The M&O Official stated that SWRP laborers cleaned up after the luncheon, and this was not outside their normal daily duties.

The M&O Official estimated that approximately 50 to 60 guests, including 15 dancers from a youth dance group, attended the event. He added that 50 to 70 SWRP employees also attended during their respective lunches at any given time during the event. The M&O Official stated there were no security screenings of the guests prior to entry and no control of guest movement protocol was implemented during the event. However, he added that there were no security sensitive areas where the event was held. The M&O Official stated that the MWRD police department provided security for the SWRP.

The M&O Official assigned an Engineering Technician as the coordinator for his office to work with the Juneteenth Committee. The M&O Official stated that other than the Engineering Technician, no SWRP workers received overtime for their work at the event. He added that the Engineering Technician received two hours of overtime due to coming in early to coordinate the stage setup. The M&O Official stated that normal operations at the SWRP were not interrupted due to the Juneteenth event.

Interview of Engineering Technician

The Engineering Technician stated that some of his engineers assisted in the setup of the chairs, but this did not interfere with their other duties. He stated that setting up for events is one of the responsibilities engineers commonly perform at the MWRD. He further stated that he was surprised to see such a large and elaborate stage setup for the event because it was not done in the past. The Engineering Technician stated that an MWRD Commissioner mentioned during her speech that her granddaughter was in the dance group.

Interview of Public & Intergovernmental Affairs Official

A Public & Intergovernmental Affairs (PIA) Official stated that an MWRD Commissioner initiated the Juneteenth event. The PIA Official stated that she and her staff met with the Commissioner to go over the plans for the event. The PIA Official stated that the Commissioner “told us what she wanted, and we did exactly what she asked for.” The PIA Official stated that she and other PIA staff assisted in the setup for the event and does not believe anyone from her office was required to work overtime.

The PIA Official stated that the MWRD holds celebrations recognizing diversity and ethnicity several times a year, but the Juneteenth event was a somewhat excessive “extravaganza.” She added that a large stage was erected for the event, which had never been done before. The PIA Official explained that one vendor was selected to provide the stage from several competing quotes. The PIA Official also stated that the stage absorbed 50 percent of the entire event’s budget and contended that it was not needed.⁶ The PIA Official stated that she believes that, as public servants, “we are stewards of the dollar” and therefore should be more prudent with how public funds are spent. She further stated that her office spends \$1,000 to \$2,000 on an event and would never go over \$3,000.

The PIA Official stated that the Commissioner selected the dance group that performed at the event and the Commissioner’s granddaughter was a member of the group. The PIA Official stated that she is confident that the dance group was not paid from the PIA office budget but was not sure if they were or were not paid at all. The PIA Official stated that she believes that the event was held during MWRD regularly scheduled business hours. The PIA Official stated that no public officials made any political speeches. She added that MWRD commissioners were given a script written by the PIA office and they read it verbatim. The PIA Official did not observe any campaign signs or political literature at the event.

Interview of Administrative Services Official

An Administrative Services Official stated that she had very little involvement in the planning and preparation for the Juneteenth event. She added that her primary responsibility for the event was to ensure that the SWRP was adequately staffed by the MWRD Police Department to receive an influx of guests and to protect against guests accessing unauthorized areas. The Administrative Services Official also assigned staff from the Budget Office to assist the PIA Official in partial setup for the event. She added that the Budget Office staff also carried boxes containing gift bags to the event.

The Administrative Services Official stated that she was not responsible for approving the budget for the event and could not provide specific line items for the expenditures. The

⁶ The total amount spent by the MWRD for the Juneteenth event was \$10,342.60.

Administrative Services Official reviewed a report during the OIIG interview and stated that the stage used for the event cost the MWRD a total of \$5,000.

The Administrative Services Official stated that the MWRD hosts diversity and outreach events, and the expenditures vary from as little as \$2,000 for Women’s History Month to an average of between \$5,000 to \$7,000 for Black History Month. The Administrative Services Official stated that there is no specific line item in the budget attributed for “events.” She added that the budget is not broken down in that manner and further stated, “It’s not tracked that way, but maybe we should.” The Administrative Services Official stated that there is no threshold or ceiling for these types of events and added, “We don’t do it that way.” The Administrative Services Official stated that during the initial planning meeting she, the MWRD Executive Director and the PIA Official agreed that an estimated budget of \$10,000 for the Juneteenth event was acceptable. The Administrative Services Official stated that “nothing was sacrificed because of the expenditures for the Juneteenth celebration.”

The Administrative Services Official was asked about a \$400 Direct Voucher payment made to a DJ services company that she authorized and for which she reallocated funds from the Diversity Section budget. The Administrative Services Official stated that as a general practice she will notify section heads when she makes payments from their accounts but on occasion she may not and added that she “has the authority to move money around [from the different sections] as needed.” The Administrative Services Official stated that she does not know why the payment for the DJ services was made utilizing the Direct Voucher payment process.⁷

Interview of Diversity Section Official

A Diversity Section Official stated that the Diversity Section is budgeted \$7.1 million annually from which \$7,500 is allocated for “cultural events.” She added that Black History Month celebrations are funded via the cultural events budget. The Diversity Section Official stated that the PIA office is responsible for most of the other cultural events.

The Diversity Section Official was shown the MWRD expense report that listed a \$400 payment made to a DJ services company from the Diversity Section budget. The report listed the payment as being made by the Administrative Services Official. The Diversity Section Official stated she was not part of the Juneteenth organizing efforts and not aware that the Administrative Services Official had paid for the DJ from the Diversity Section budget.

Interview of Executive Director

The Executive Director stated that the MWRD typically allocates \$15,000 to \$20,000 annually for events like “Latinx Heritage,” Black History Month and Juneteenth celebrations. The

⁷ The guidelines (Authorized Expenditures A through L) for the Direct Voucher Payment System do not authorize expenditures for DJ services. The DJ services should have been purchased using the Procurement Department pursuant to the rules.

Executive Director stated that there is not a specific account for cultural events. The Executive Director also stated that he is unaware of how they are accounted for in the fiscal year budget. The Executive Director stated that in the interest of transparency and efficiency, there should be a line item for diversity events in the budget and added, "It would be a better approach to have it up front."

Interview of Finance Account Manager

A Finance Account Manager stated that the payments made to a restaurant and DJ services company do not appear to be in accordance with the MWRD Administrative Procedures Manual for Direct Voucher ("DV") payments. The Finance Account Manager stated that there should have been a Purchase Order ("PO") issued instead of a DV for the restaurant purchase. The PO method would enable Procurement to consider multiple quotes. She said it is possible that a Procurement Official may have been contacted by the respective department head and authorized the purchase without a PO being issued.

Interview of Procurement Official

A Procurement Official stated that MWRD departments contact Procurement when goods or services need to be purchased. The Procurement Official stated that the "using" department is required to submit a requisition order and then Procurement will send out a request for bids. Procurement will select the lowest bidder unless the lowest bidder does not meet the required specifications or insurance requirements. Departments do not have to use the formal bidding process for services and goods under \$25,000 and \$10,000, respectively. If Departments do not use the formal bidding process, they should employ the "informal process" and obtain competitive quotes. She further stated that, for the Juneteenth celebration, the rented stage was a bid contract awarded to one of three potential vendors. The Procurement Official stated that the contract awarded to the restaurant appeared to be a sole-source award. She added that she believes that it was due to it being below the threshold. OIIG investigators noted they did not receive documentation demonstrating that the purchase satisfied sole source requirements.

The Procurement Official stated that the PIA office has the authority to use an "open order" to obtain vendors for its events. The Procurement Official stated that submissions for open order purchases must be accompanied with documentation verifying that due diligence was exercised by the department in seeking the best possible vendor. Typically, due diligence is demonstrated when a department obtains competitive quotes. The Procurement Official stated that in her tenure at the MWRD she had "never witnessed a stage as elaborate as the one requisitioned for the Juneteenth celebration." The Procurement Official stated that she did not have any documentation that authorized the departments to utilize the DV payment method to pay for the restaurant and DJ services company for the Juneteenth event.

Juneteenth Celebration Flier and the MWRD Flow Newsletter

The OIIG reviewed the Juneteenth celebration flier posted at the SWRP. In addition to providing historical information about Juneteenth, the flier provides the location, date, and time of the event. Additionally, the flyer informs SWRP employees that they are welcome to attend the event. There was no political information contained in the flier.

The OIIG reviewed an edition of “Flow,” which is the MWRD monthly newsletter, which was published after the Juneteenth event. On pages seven and eight of the newsletter, photographs taken during the Juneteenth celebration are posted. MWRD, County and State officials as well as the youth dance group and the stage are shown in the photographs. Although the photographs of the entire venue are not posted, no political signs, posters, pins or other political paraphernalia can be seen.

Attempt to Interview MWRD Commissioner

During our investigation, the OIIG contacted the MWRD Commissioner responsible for the Juneteenth event in order to schedule an interview. The Commissioner refused to appear for an interview and subsequently retired from her position with the MWRD.

OIIG Findings and Conclusions

The preponderance of the evidence developed during this investigation does not support the conclusion that the Juneteenth event held at the SWRP was a political event or was not open to the public or SWRP employees. Furthermore, the location of the event and the areas accessed by the attendees were not industrial, did not appear to compromise anyone’s safety, and did not disrupt daily operations.

However, the preponderance of the evidence developed during this investigation does support the conclusion that there is no established budget for the Juneteenth event (or other similar events) and that the manner in which expenditures were allocated lack transparency.

The preponderance of the evidence further supports the conclusion that the PIA Official and the Administrative Services Official did not follow the procurement rules for certain purchases related to the Juneteenth event. The PIA Official and the Administrative Services Official should not have used the Direct Voucher payment method to obtain catering and DJ services for the Juneteenth event. Instead, they should have contacted the Procurement Department pursuant to the Administrative Procedures Manual.

OIIG Recommendations

Based on the above, the OIIG made the following recommendations:

1. The MWRD should include expenditures for all of its diversity and special community events such as “Juneteenth,” “Women’s History Month,” “Latinx Heritage Month,” “Pride Flag Raising,” “South Side Irish Parade,” and “Greek Independence Day Parade” and other similar events in the MWRD annual budget. This practice will inherently promote transparency and accountability by affording the public the opportunity to scrutinize expenditures.
2. The MWRD should provide educational materials and/or presentations relating to the MWRD’s mission and operations at its diversity and special community events. This would further justify the expenditure of funds on such events by connecting them to legitimate governmental business purposes of the MWRD.
3. The subject PIA Official and the Administrative Services Official should receive a verbal reprimand for their failure to adhere to the applicable procurement procedures by improperly using Direct Vouchers for certain purchases as described above and be instructed to follow proper procurement procedures for such purchases in the future.

In its timely response, the MWRD adopted recommendations 1 and 2. As to recommendation 3, the MWRD stated that the subject PIA Official and Administrative Services Official were counselled to follow proper procurement procedures.

Conclusion

Thank you for your time and consideration to these issues. Should you have any questions or wish to discuss this report further, please do not hesitate to contact me.

Very truly yours,



Steven E. Cyranoski
Interim Inspector General

cc: Mr. Brian A. Perkovich, Executive Director
Ms. Susan T. Morakalis, General Counsel
Mr. John T. Joiner, Administrative Aide to the President