



**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
4th Quarter 2023**

January 12, 2024



OFFICE OF THE INDEPENDENT INSPECTOR GENERAL

Steven E. Cyranoski, Interim Inspector General

69 West Washington Street | Suite 1160 | Chicago, IL 60602 | (312) 603-0350

January 12, 2024

Transmittal via email only

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 (4th 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 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, 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 OIIG Ordinance to apprise you of the activities of this office relating to the MWRD during the time period from October 1, 2023, through December 31, 2023.¹

OIIG Case Activity

The OIIG received a total of 12 new complaints relating to the MWRD during this reporting period. This number includes those matters resulting from the exercise of my own initiative (OIIG Ordinance, Sec. 2-284(2)). One OIIG investigation has been opened and seven OIIG case inquiries have been initiated during this reporting period while a total of 18 OIIG case inquiries remain pending at the present time.² We have not referred any complaints to management or outside

¹ In accordance with the 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." Conversely, if additional information is developed to warrant the closing of the OIIG inquiry, the matter will be closed without further inquiry.

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

OIIG Summary Reports³

During the 4th Quarter of 2023, the OIIG issued one summary report 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.

IIG23-0640. The OIIG received an anonymous complaint alleging that an MWRD employee is taking MWRD gasoline for personal use. During the investigation, the OIIG reviewed video footage, an anonymous email, and MWRD time records. The OIIG also interviewed the subject employee.

At his OIIG interview, the subject employee confirmed that he was familiar with the MWRD theft policy. When asked his understanding of the policy, he responded, "You shouldn't steal gas, it's that simple." The subject employee confirmed that he was aware the gas is only for district vehicles. The subject employee was shown video footage depicting him removing fuel cans from the storage cabinet on multiple occasions. He confirmed that it was him and his vehicle in the videos. Other videos were shown to the subject employee all of which he confirmed saying, "That's me. I did it." When asked why he used gas cans instead of going to the fuel pump with his car, the subject employee stated, "Oh that would be completely illegal, if someone saw me pulling a personal vehicle to the pump." The subject employee confirmed that was why he used the cans to put fuel in his vehicle.

The preponderance of the evidence, including video recordings and the subject employee's own admissions, support the conclusion that the subject employee violated MWRD AP 10.27.0(3)(c) by taking MWRD gasoline for his own personal vehicle.

Based on the serious nature of the misconduct involving theft of MWRD resources on multiple occasions, we recommended that the subject employee's employment be terminated. The MWRD adopted this recommendation and suspended the subject employee pending discharge.

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

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>.

additional 30-day extension to respond to recommendations. Below is an update on the outstanding recommendations.

From the 3rd Quarter 2023

IIG21-0139. The OIIG received a complaint alleging that the MWRD fails to consistently follow procurement rules for contracts priced slightly below \$10,000. It was further alleged that purchases are priced to circumvent the rules and give certain vendors advantages over other vendors seeking contract opportunities. The OIIG initiated this review to assess the MWRD's policies and procedures for purchases slightly under the established thresholds for competitive bidding in connection with services and goods.

During our review, we gathered information from MWRD personnel familiar with the MWRD's procurement process and rules. In addition to our interviews, the OIIG reviewed the MWRD procurement rules, MWRD transactions for two fiscal years, purchase orders and supporting documentation for transactions selected for further review, and the Illinois Sanitary District Act. OIIG investigators reviewed transactions and selected a sample for further examination based on the following criteria:

1. Purchases from the same vendor that collectively exceeded the thresholds requiring MWRD Board approval;
2. Purchases that were priced slightly under the threshold requiring Board approval (\$10,000 for services and \$25,000 for goods); or,
3. Purchases with inadequate, vague, or unusual descriptions for goods or services.

These criteria resulted in a sample size of 18 purchase orders for goods and services totaling \$212,184.73. Based upon the selection of purchase orders we reviewed, the evidence did not support the complainant's allegations that the MWRD violates established procurement protocol in awarding contracts just below the threshold requiring MWRD Board review and approval.

Although the contracts reviewed during this inquiry appeared to have been properly awarded and in compliance with established procurement protocol, our office did find that the procurement files for some sole source contracts did not always contain sufficient documentation to support the use of the sole source procurement method. Only after consultation with the MWRD Procurement Department was our office satisfied that such contracts were appropriately categorized as being sole source. We recommended that the Procurement Department take steps to ensure that it is following the requirement that sole source purchase orders contain clear and sufficient documentation justifying the need for such contracts and that such documentation is contained in the procurement file to further enhance transparency.

The Procurement Department agreed with and adopted this recommendation.

Hon. Kari K. Steele and Hon. Members of the Metropolitan
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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