



**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.”*

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**Metropolitan Water Reclamation District of Greater  
Chicago  
Quarterly Report  
1st Quarter 2024**

**April 15, 2024**



## OFFICE OF THE INDEPENDENT INSPECTOR GENERAL

Steven E. Cyranoski, Interim Inspector General

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April 15, 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 (1st Qtr. 2024)

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 January 1, 2024, through March 31, 2024.<sup>1</sup>

### **OIIG Case Activity**

The OIIG received a total of 39 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 37 OIIG case inquiries have been initiated during this reporting period while a total of 46 OIIG case inquiries remain pending at the present time.<sup>2</sup> We have referred one complaint to management or outside agencies

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<sup>1</sup> 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.

<sup>2</sup> 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.

for further consideration this reporting period. The OIIG currently has one open case, and no cases open more than 180 days as of the issuance of this report.

### **OIIG Summary Reports**<sup>3</sup>

During the 1st Quarter of 2024, the OIIG issued two 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.

IIG23-0338. The OIIG received a complaint alleging that an MWRD employee is working as a licensed realtor, real estate broker and property manager, often doing business on the phone during normal work hours. During its investigation, the OIIG reviewed the MWRD Ethics Ordinance, the subject employee's MWRD Secondary Employment Form, and Illinois Department of Financial and Professional Regulation (IDFPR) records. The OIIG also conducted internet searches and interviewed the subject employee.

The MWRD Ethics Ordinance states that all Commissioners, Officers, and Employees are required to complete and submit a Secondary Employment Form, attesting that the Commissioner, Officer or Employee does or does not have compensated secondary employment. Amended reports are required within 14 days of any change in secondary employment status. On the most recent Secondary Employment form submitted by the subject employee, she attested that she did not have any secondary employment despite public records showing that she is a licensed Real Estate Broker with active real estate postings and is the co-founder of a real estate business.

The preponderance of evidence developed during this investigation supports the conclusion that the subject employee engaged in secondary employment and violated the MWRD Ethics Ordinance by failing to notify the MWRD of her secondary employment.

Based on our findings, we recommended that disciplinary action be imposed on the subject employee in the form of a written reprimand. The MWRD adopted this recommendation.

IIG23-0461. The OIIG received a complaint alleging that two MWRD employees may have altered State of Illinois iBid Auction listings for MWRD property for personal gain.<sup>4</sup> During this investigation, the OIIG reviewed the two State of Illinois iBid Auction listings at issue, MWRD internal documents, and internal iBid spreadsheets. The OIIG also interviewed MWRD employees including the subject employees.

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<sup>3</sup> 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>.

<sup>4</sup> iBid is the State of Illinois online auction website for surplus government property.

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The preponderance of evidence in this investigation supports the conclusion that the subject employees provided false information and made misrepresentations regarding MWRD property in violation of MWRD Administrative Procedures Manual 10.27.0(3)(e) Intolerable Offenses – Engaging in fraud, deceit, or intentionally providing false information or making misrepresentations with respect to official District records. Specifically, the preponderance of the evidence supports the conclusion that the subject employees worked together in providing false information for MWRD property that they purchased for themselves on iBid and that they misrepresented and greatly exaggerated the flaws of those items in order to deter other people from bidding on them so they could gain a financial benefit for themselves.

Based on the serious nature of the violation, which involved fraud and deceit and constitutes an Intolerable Offense, we recommended that the MWRD terminate the employment of the subject employees. In addition, we recommended that the MWRD implement a policy prohibiting MWRD employees involved with items placed on iBid or the iBid process itself, as well as their household members, from bidding on MWRD items listed on iBid.

A response to these recommendations is not yet due.

### **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. During this reporting period, there are no outstanding responses to recommendations from prior periods.

### **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