

## Office of the Inspector General City Colleges of Chicago



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## Office of the Inspector General Bi-Annual Report July 1, 2020 – December 31, 2020

Prepared pursuant to Article II, Section 2.7.5 of the Board Bylaws

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Lamesha Smith  
Inspector General

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To: Juan Salgado, Chancellor  
Dr. Walter E. Massey, Chair of the Board of Trustees  
Elizabeth Swanson, Vice-Chairperson of the Board of Trustees  
Peggy A. Davis, Secretary of the Board of Trustees  
Karen Kent, Trustee  
Laritza Lopez, Trustee  
Deborah H. Telman, Trustee  
Darrell A. Williams, Trustee  
James Thomas Jr., Student Trustee

From: Lamesha Smith, Inspector General

Date: February 22, 2021

RE: Office of the Inspector General *Bi-Annual Report* for the period of July 1, 2020 through December 31, 2020

This *Bi-Annual Report* is being provided to the Chancellor and the Board of Trustees of Community College District No. 508 pursuant to Article 2.7.5 of the Board Bylaws. This *Bi-Annual Report* covers the period of July 1, 2020 through December 31, 2020. Pursuant to Article 2.7.5, the *Bi-Annual Report* for the period of July 1st through December 31st is required no later than March 1st each year.

Article 2.7 et seq. of the Board Bylaws authorizes the OIG for the City Colleges of Chicago to conduct investigations regarding waste, fraud and misconduct by any officer, employee, or member of the Board; any contractor, subcontractor, consultant or agent providing or seeking to provide goods or services to the City Colleges of Chicago; and any program administered or funded by the District or Colleges.

The OIG would like to thank the Chancellor, the Board of Trustees and the administration of the City Colleges of Chicago for their cooperation and support.

## Office of the Inspector General Bi-Annual Report

### Mission of the Office of the Inspector General

The Office of the Inspector General (“OIG”) of the City Colleges of Chicago (“CCC”) will help fuel CCC’s drive towards increased student success by promoting economy, efficiency, effectiveness and integrity in the administration of the programs and operations of CCC by conducting fair, independent, accurate, and thorough investigations into allegations of waste, fraud and misconduct, as well as by reviewing CCC programs and operations and recommending policies and methods for the elimination of inefficiencies and waste and for the prevention of misconduct.

The OIG should be considered a success when students, faculty, staff, administrators and the public:

- perceive the OIG as a place where they can submit their complaints/concerns in a confidential and independent setting;
- trust that a fair, independent, accurate, and thorough investigation will be conducted and that the findings and recommendations made by the OIG are objective and consistent; and
- expect that the OIG’s findings will be carefully considered by CCC administration and that the OIG’s recommendations will be implemented when objectively appropriate.

### New Developments

#### Retirement of Former Inspector General

In October 2020, John Gasiorowski, the former Inspector General, retired after 38 years of government service, which included 30 years in Inspector General-related work. In particular, the aforementioned years included John serving over 10 years as the Inspector General for the City Colleges of Chicago. In July 2010, John was appointed as the first full-time Inspector General for the City Colleges of Chicago. The OIG thanks John for his dedicated service and leadership, and the OIG wishes him well in his retirement.

#### Dispositions in Federal Case

As discussed in the OIG Bi-Annual Report for the period of July 1, 2019 through December 31, 2019, on November 19, 2019, as a result of an investigation initiated by the OIG and worked in partnership with the Federal Bureau of Investigation (“FBI”) and the Office of the United States Attorney for the Northern District of Illinois, a federal grand jury indicted three CCC employees (a former

vice chancellor, a former project director, and a now former liaison with local government agencies) as well as five CCC vendors.<sup>1</sup> The indictment totaled sixteen counts of wire fraud and two counts of making a false statement to the FBI.

The following dispositions subsequently took place during this reporting period:

- Tiffany Capel, the principal of a CCC vendor, was originally charged with one count of wire fraud. In August 2020, Tiffany Capel entered into an Agreement to Defer Prosecution, which was approved by Judge Dow of the United States District Court for the Northern District of Illinois on August 17, 2020. Under the terms and conditions of the agreement, Tiffany Capel agreed not to violate any laws as well as to abide by various other terms and conditions, including paying \$15,000 in restitution to the City Colleges of Chicago. In exchange for Tiffany Capel's compliance with all of the terms and conditions of the agreement for a period of twenty-four months, the United States Government will move the Court to dismiss the indictment against Tiffany Capel.

Tiffany Capel's admissions as documented in the Agreement to Defer Prosecution as well as the OIG's recommendations to the City Colleges of Chicago as a result of this agreement can be found subsequently in this Bi-Annual Report under OIG Case Number 17-0179.

- Marquita Payne, the principal of a CCC vendor, was originally charged with two counts of wire fraud. In December 2020, Marquita Payne entered into an Agreement to Defer Prosecution, which was approved by Judge Dow of the United States District Court for the Northern District of Illinois on December 21, 2020. Under the terms and conditions of the agreement, Marquita Payne agreed not to violate any laws as well as to abide by various other terms and conditions, including paying \$15,000 in restitution to the City Colleges of Chicago. In exchange for Marquita Payne's compliance with all of the terms and conditions of the agreement for a period of twenty-four months, the United States Government will move the Court to dismiss the indictment against Marquita Payne.

Based on Marquita Payne's admissions as documented in the Agreement to Defer Prosecution, the OIG submitted an Investigative Summary in January 2021 recommending that Marquita Payne and the CCC vendor be permanently debarred from doing business with the City Colleges of Chicago pursuant to the City Colleges of Chicago Debarment Policy.

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<sup>1</sup> Copies of the press release from the United States Attorney for the Northern District of Illinois and the indictment can be accessed at the following link: <https://www.justice.gov/usao-ndil/pr/federal-indictment-charges-former-vice-chancellor-city-colleges-chicago-devising>.

Marquita Payne's admissions as documented in the Agreement to Defer Prosecution as well as the OIG's recommendations to the City Colleges of Chicago as a result of this agreement will be detailed in the Bi-Annual Report covering the January 1, 2021 through June 30, 2021 reporting period as the Investigative Summary was submitted in January 2021.

As of the date of this Bi-Annual Report, the criminal charges against the other defendants charged in this case are still pending.

### **Updates to Investigations Documented in Previous Bi-Annual Reports**

#### Updates regarding disciplinary recommendations made during the January 1, 2020 to June 30, 2020 reporting period

In the *Bi-Annual Report* submitted for the January 1, 2020 to June 30, 2020 reporting period, the OIG submitted 10 reports documenting investigations, which resulted in sustained findings of waste, fraud and misconduct regarding nine CCC employees and one student. The following table updates the disciplinary actions recommended by the OIG as well as the actions taken by CCC regarding employee misconduct documented in the *Bi-Annual Report* submitted for the January 1, 2020 to June 30, 2020 reporting period.<sup>2</sup>

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<sup>2</sup> It should be noted that regarding one of these employees, the OIG did not recommend disciplinary action. (See OIG Case Number 19-0248). Thus, the table only reflects disciplinary action taken against nine individuals.

<b>Disciplinary Action Updates from Investigations Reported on in Previous Bi-Annual Report (January 1, 2020 to June 30, 2020)</b>			
<b>Case Number</b>	<b>Title</b>	<b>OIG Recommendation</b>	<b>Final Disciplinary Action Taken</b>
20-0077	Dean of Instruction	Appropriate Discipline	Termination / DNRH <sup>3</sup>
20-0077	Student	Appropriate Discipline	Disqualified from participating on CCC athletic teams
19-0239	Security Officer	Termination / DNRH	Termination / DNRH
17-0092	Full-Time Faculty	DNRH (following resignation)	DNRH (following resignation)
19-0168	Tech Customer Service Representative	Termination / DNRH	Resignation / DNRH
18-0221	Janitor-Group Leader	DNRH (following retirement)	DNRH (following retirement)
20-0191	Temp Agency Worker	DNRH (following termination)	Termination <sup>4</sup>
19-0120 19-0134 20-0101	Director of Student Development Projects	Termination / DNRH	Termination / DNRH
18-0151	Chief Engineer	Termination / DNRH	Termination / DNRH

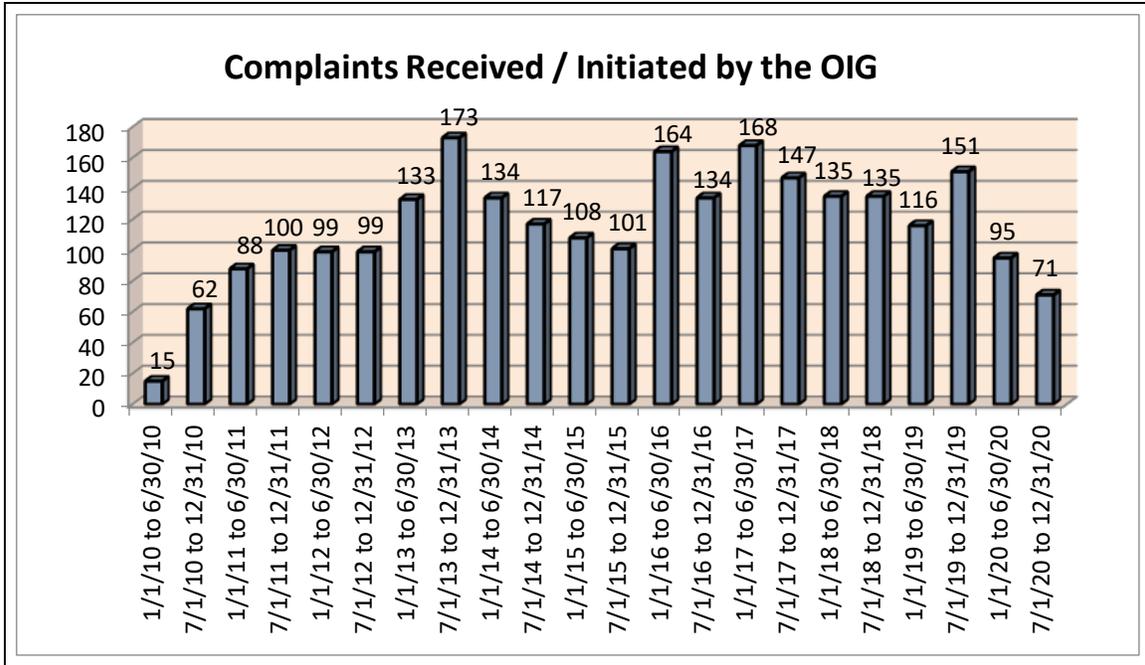
### Complaints Received

For the period of July 1, 2020 through December 31, 2020, the OIG received 71 complaints. These 71 complaints included complaints forwarded to the OIG from outside sources as well as investigations (or audits / reviews) initiated based on the OIG’s own initiative.<sup>5</sup> For purposes of comparison, the following table documents the complaints received by the OIG during the current and previous reporting periods.

<sup>3</sup> “DNRH” means that the individual was designated “do not re-hire” or ineligible to be re-hired.

<sup>4</sup> The temp agency worker was terminated. The Office of Human Resources informed the OIG that a temp agency worker cannot be designated in the CCC PeopleSoft Human Resources system as ineligible to be re-hired as he is not an actual employee. Rather, the temp agency worker is considered a person of interest. Subsequently, the Office of Human Resources updated the temp agency worker’s City Colleges of Chicago person of interest records to reflect a comment of do not hire.

<sup>5</sup> Under Article 2.7.2 of the Board Bylaws, the powers and duties of the OIG include: c) To investigate and audit the conduct and performance of the District’s officers, employees, members of the Board, agents, and contractors, and the District’s functions and programs, either in response to a complaint or on the Inspector General’s own initiative, in order to detect and prevent waste, fraud, and abuse within the programs and operations of the District....



The 71 complaints received represent a variety of subject matters. The following table documents the subject matters of the complaints received.

<b>Subject Matter of Complaints Received from July 1, 2020 to December 31, 2020</b>		
<b>Subject Matter (Allegation)</b>	<b>Number</b>	<b>Percentage</b>
Identity Theft	1	1.41%
Procurement Policy Violation	1	1.41%
Review of grant	1	1.41%
Sexual Harassment	1	1.41%
Violation of Drug Free Workplace Policy	1	1.41%
Conduct unbecoming a public employee	1	1.41%
Incompetence in the performance of the position	1	1.41%
Engaging in conduct in violation of the Federal Statutes	1	1.41%
Failing to comply with rules governing health/safety/sanitary conditions	1	1.41%
Unfair Treatment	2	2.82%
Misappropriation of funds / waste of funds / Theft	4	5.63%
Violation of Outside Employment Policy	2	2.82%
Unknown	2	2.82%
Violation of CCC Ethics Policy	4	5.63%
Inattention to Duty	4	5.63%
Discourteous Treatment	5	7.04%
Discrimination	5	7.04%
Falsification of attendance records	6	8.45%
Giving Preferential Treatment	8	11.27%
Residency	8	11.27%
Fraud (including grants, financial aid or tuition)	12	16.90%
<b>Total</b>	<b>71</b>	<b>100.00%</b>

### **Status of Complaints**

As reported in the previous *Bi-Annual Report*, as of June 30, 2020, the OIG had 73 pending complaints, meaning that the OIG was in the process of conducting investigations regarding these complaints. During the period of July 1, 2020 through December 31, 2020, the OIG closed 65 complaints. The following chart categorizes the reasons that the OIG closed the 65 complaints during the current reporting period.

<b>Complaints Closed Between July 1, 2020 and December 31, 2020</b>		
<b>Reason Closed</b>	<b>Number</b>	<b>Percentage</b>
Sustained	2 <sup>6</sup>	3.08%
Not Sustained / No Policy Violation	29	44.62%
Referred / Deferred	18	27.69%
Subject Inactive	1	1.54%
Duplicate Complaint	11	16.92%
Complaint included with another active investigation	1	1.54%
Administratively Closed	3	4.62%
<b>Totals</b>	<b>65</b>	<b>100.00%</b>

Regarding the complaints closed during the period of July 1, 2020 to December 31, 2020, the table below documents the average number of calendar days between the date that the complaints were received and the date that the complaints were closed as compared to the average number of calendar days between the date that complaints were received and the date that complaints were closed for the complaints closed during the previous reporting period (January 1, 2020 through June 30, 2020).<sup>7</sup>

<sup>6</sup> During the period of July 1, 2020 through December 31, 2020, the OIG issued three Investigative Summaries regarding sustained investigations, which included an Investigative Summary regarding OIG Case Number 17-0179. However, OIG Case Number 17-0179 remains an active investigation while the other defendants' criminal cases are pending. As such, this table reflects two closed cases that were sustained instead of three.

<sup>7</sup> A complaint is considered closed only after the investigative activity of the investigator to whom the complaint was assigned has been reviewed and approved by a Supervising Investigator or the Assistant Inspector General and then the Inspector General. In situations where a complaint is sustained, the complaint is not considered closed until the Investigative Summary documenting the investigation is prepared and submitted pursuant to Article 2.7.3 of the Board Bylaws.

Average Calendar Days to Close				
Reason Closed	1/1/20 to 6/30/20		7/1/20 to 12/31/20	
	Number	Average Calendar Days to Close	Number	Average Calendar Days to Close
Sustained	10	443	2	485
Completed Board Mandated Audit	1	152	0	-
Not Sustained / No Policy Violation	38	117	29	250
Referred / Deferred	27	1	18	1
Subject Inactive	7	128	1	0
Duplicate Complaint	14	2	11	2
Complaint included with an active investigation	1	1	1	1
Administratively Closed	0	-	3	372
<b>Totals</b>	<b>98</b>		<b>65</b>	

As of December 31, 2020, the OIG had 79 pending complaints. Twenty-six of these 79 pending complaints (32.9%) were received between July 1, 2020 and December 31, 2020, and 22 of these 79 pending complaints (27.8%) were received between January 1, 2020 and June 30, 2020.

**OIG Reports Submitted – July 1, 2020 through December 31, 2020**

During the reporting period of July 1, 2020 through December 31, 2020, the OIG submitted three reports.<sup>8</sup> These three reports document sustained findings of waste, fraud and/or misconduct.

**Reports Submitted Documenting Sustained Findings of Waste, Fraud and/or Misconduct**

OIG Case Number 20-0207

The OIG received a complaint alleging, in part, that the director of security at a City College directed security officers acting-up as lead officers not to complete the appropriate paperwork to get paid out of their grade pay; instead, the director of security directed them to not punch out, and then the director of security performed overrides for two hours.

The OIG investigation revealed that during the time period of September 2019 to March 2020, various security personnel at a City College acted up as lead

<sup>8</sup>Pursuant to Article 2.7.3 of the Board Bylaws, the Inspector General submits reports to the Chancellor, the Board Chairperson, and the General Counsel at the conclusion of an investigation with recommendations for disciplinary or other action.

security officers. The OIG found that in the CCCWorks system, the actual hours worked by the security personnel who acted as lead security officers were not submitted. Rather, overrides were submitted, which were approved by the director of security adding an extra one-half hour to two hours to the security personnel's time worked as a way to compensate them for the shifts in which they acted as lead security officers. Instead of paying acting up security officer personnel at the pay rate of a lead security officer, they were paid the extra one-half hour to two hours at their security officer/security assistant pay rate despite not actually working the extra one-half hour to two hours.

At a minimum, recording the time of the security personnel in the aforementioned manner was problematic for the following reasons:

- CCCWorks time and attendance records for these security personnel were inaccurate regarding the actual times/hours worked.
- These security personnel were compensated for time in which they were not actually working. In most instances, the security personnel were overpaid by CCC. For the period of the review, the OIG found that CCC overpaid the security personnel in excess of \$1,604.73 combined.
- As a result of receiving credit for hours that they did not in fact work, three of these security personnel accrued overtime and were paid for such overtime which they did not actually earn. For the period of the review, the OIG found that CCC overpaid the three individuals in excess of \$1,078.58 in combined overtime pay.

Based on the investigation, the OIG recommended the following:

1. Despite the fact that the director of security supervised the practice of adding an extra one-half hour to two hours to the security personnel's time worked as a way to compensate them for the shifts in which they acted as lead security instead of compensating them at the pay rate of a lead security officer, the OIG did not find that it was the director of security's intention or that of any of the City College's security personnel to defraud CCC. Rather, the security personnel's time was reported in this manner because it was deemed a fair, albeit inaccurate and inappropriate, way to do so. As such, the OIG did not recommend any disciplinary action against the director of security.
2. The OIG recommended that the Office of Human Resources develops and enacts a specific, District-Wide policy and procedure regarding compensation for security personnel acting up as lead security officers. The OIG further recommended that upon the development and enactment of the District-Wide policy and procedure regarding compensation for security personnel acting up as lead security officers, all directors of security, particularly the director of security at the City College in question,

and all other relevant personnel be trained regarding this policy and procedure.

### OIG Case Number 17-0179

As noted earlier in this Bi-Annual Report, on November 19, 2019, as a result of an investigation initiated by the OIG and worked in partnership with the Federal Bureau of Investigation and the Office of the United States Attorney for the Northern District of Illinois, a federal grand jury indicted three CCC employees and five vendors, including Tiffany Capel, the principal of a CCC vendor, who was indicted for one count of wire fraud, in violation of Title 18, United States Code, Sections 1343 and 1346. On August 14, 2020, Tiffany Capel signed an Agreement to Defer Prosecution with the United States Government, which was approved by Judge Dow of the United States District Court for the Northern District of Illinois on August 17, 2020.

In her Agreement to Defer Prosecution, Tiffany Capel made various admissions which serve as causes for debarment pursuant to the CCC Debarment Policy, as contained in Article 5.3 of the Board Policies and Procedures for Management and Government. These admissions included the following:

- Tiffany Capel admitted that she was the sole proprietor of a CCC vendor.
- Tiffany Capel admitted that she was involved in a romantic relationship with Sharod Gordon.<sup>9</sup>
- Tiffany Capel admitted that Sharod Gordon's duties included, among other things, soliciting quotes from potential vendors to provide services to CCC, reviewing invoices from vendors, considering bids for contracts with CCC, and approving invoices in certain circumstances.
- Tiffany Capel admitted that as an employee of CCC, Sharod Gordon owed a duty of honest services to CCC.
- Tiffany Capel admitted that policies and procedures in place at CCC prohibited employees of CCC from making, or participating in the making of any decision, or taking any action with respect to any matter in which the employee had any special interest, unless the special interest was properly disclosed.
  - See Article 5.2.10(1) of the City Colleges of Chicago Ethics Policy.
- Tiffany Capel understood that the City Colleges of Chicago defined a special interest as including a romantic relationship.
  - See Article 5.2.2(ee) of the City Colleges of Chicago Ethics Policy.

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<sup>9</sup> In the aforementioned indictment, Sharod Gordon, a former CCC vice chancellor, was charged with 16 counts of wire fraud. Effective May 6, 2017, Sharod Gordon was terminated from CCC employment, and he was designated ineligible to be re-hired as a result of two OIG investigations regarding time and attendance-related issues. These two investigations - documented under OIG Case Numbers 17-0166 and 17-0153 - were summarized on pages 19 and 20 of the OIG Bi-Annual Report for the January 1, 2017 to June 30, 2017 reporting period.

- Tiffany Capel admitted that it was part of the scheme to defraud CCC to conceal that Sharod Gordon would personally benefit from a payment on a contract awarded by CCC.
  - This admission established that Tiffany Capel engaged in conduct prohibited by Article 5.3.3(j)(9) of the Debarment Policy, in that she violated ethical standards established by the Board, or other dishonesty incident to obtaining and or performing any Board contract as a result of her relationship to Sharod Gordon, contrary to Article 5.2.10(1) of the CCC Ethics Policy.
  - This admission established that Tiffany Capel engaged in conduct prohibited by Article 5.3.3(i) of the Debarment Policy, in that she operated the CCC vendor in a manner designated to evade the application or to defeat the purpose of this or any other Board Policy or any provision of any federal, state or local statute, ordinance, rule or regulation or any other applicable law, rule or regulation, specifically Article 5.2.10(1) of the CCC Ethics Policy.
  - This admission established that Tiffany Capel engaged in conduct prohibited by 5.3.3(j)(18) of the Debarment Policy, in that she assisted Sharod Gordon in violating Article 5.2.10(1) of the CCC Ethics Policy.
- Tiffany Capel admitted that she and Sharod Gordon prepared, submitted, and caused to be prepared and submitted an invoice to CCC in the name of the CCC Vendor, when in truth, a portion of such payment was intended for Sharod Gordon.
- Tiffany Capel admitted that it was further part of the scheme to defraud that Sharod Gordon, Tiffany Capel, and the CCC vendor did not perform the community canvassing and flyer distribution services for which an invoice was submitted to CCC.
- Tiffany Capel admitted that it was further part of the scheme that, after CCC made a payment to the CCC vendor, Tiffany Capel withdrew and caused to be withdrawn money from Tiffany Capel's bank account and paid a kickback to Sharod Gordon.
- Tiffany Capel admitted that it was part of the scheme that in or around March 2016, Sharod Gordon and Tiffany Capel submitted, and caused to be submitted, to CCC a vendor application on behalf of the CCC vendor so that Tiffany Capel and the CCC vendor would be qualified as a vendor eligible to provide services to CCC.
- Tiffany Capel admitted that it was further part of the scheme that, on or about June 15, 2016, Sharod Gordon and Tiffany Capel submitted and caused to be submitted to CCC an invoice representing that in exchange for \$15,000, Tiffany Capel and the CCC vendor would canvass, or had already canvassed, communities in Chicago in order to distribute 20,000 flyers promoting programs offered by CCC. At the time of that submission, Tiffany Capel knew that she and the CCC vendor had not performed, and had no intention of ever performing, any such community canvassing and flyer distribution work on behalf of CCC.

- This admission established that Tiffany Capel engaged in conduct prohibited by Article 5.3.3(j)(2) of the Debarment Policy, in that she submitted an invoice containing false claims.
- Tiffany Capel admitted that it was further part of the scheme that on or about June 24, 2016, Tiffany Capel and Sharod Gordon knowingly caused to be transmitted in interstate commerce by means of wire communication certain writings, signs, and signals, namely, an electronic funds transfer of approximately \$15,000 from an account at JP Morgan Chase to an account at Bank of America, which transfer of funds represented a payment by CCC for an invoice submitted in the name of the CCC vendor dated June 15, 2016, and which wire communication was routed across state lines.
  - CCC PeopleSoft Finance reflects this \$15,000 payment to Tiffany Capel / the CCC vendor.
- Tiffany Capel admitted that it was further part of the scheme that after receiving the aforementioned \$15,000, Tiffany Capel withdrew and caused to be withdrawn money from her bank account and paid a kickback to Sharod Gordon. In particular, on or about July 18, 2016, Tiffany Capel withdrew \$6,000 in cash from her bank account and gave this money to Sharod Gordon.
  - This admission established that Tiffany Capel engaged in conduct prohibited by Article 5.3.3(j)(5) of the Debarment Policy, in that she engaged in bribery.

Based on the admissions made by Tiffany Capel, it is clear that Tiffany Capel, as the principal and sole proprietor of the CCC vendor, engaged in various acts which serve as causes for debarment pursuant to the Debarment Policy. Moreover, since Tiffany Capel's conduct occurred in connection with her performance of duties for or on behalf of the CCC vendor, her conduct should be imputed to the CCC vendor. Thus, the OIG recommended that CCC initiates the process to permanently debar Tiffany Capel and the CCC vendor from doing any future business with CCC pursuant to the CCC Debarment Policy of Article 5.3 *et seq.* of the Board Policies and Procedures for Management and Government.

As of the date of this Bi-Annual Report, the debarment process regarding Tiffany Capel and the CCC vendor was pending.<sup>10</sup>

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<sup>10</sup> OIG Case Number 17-0179 remains an active investigation while the other defendants' criminal cases are pending. As such, the table on page 7 of this report reflects two closed cases that were sustained instead of three.

OIG Case Number 19-0076

The OIG obtained information that a full-time faculty member assigned to a City College may reside outside the City of Chicago. The OIG investigation revealed that the full-time faculty member resided in Darien, Illinois, in violation of Article 4.6(a) of the Board Policies and Procedures for Management & Government and Section III of the City Colleges of Chicago District-Wide Employee Manual.

The OIG investigation further revealed that the full-time faculty member falsified employment records, in that he fraudulently affirmed on CCC residency certification documents that he resided in Chicago, Illinois, when in fact he resided in Darien, Illinois, in violation of Section IV(11) of the CCC District-Wide Employee Manual.

Based on the investigation, the OIG recommended that the full-time faculty member be terminated. The OIG further recommended that the full-time faculty member be designated ineligible to be re-hired and that his personnel records reflect this designation.

At the time of submission of this Bi-Annual Report, the disciplinary process regarding the full-time faculty member was pending.