



CITY COLLEGES[®]
OF CHICAGO

**OFFICE OF THE INSPECTOR GENERAL
BI-ANNUAL REPORT**

JULY 1 – DECEMBER 31

2022

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

**LAMESHA SMITH
INSPECTOR GENERAL**

CITY COLLEGES OF CHICAGO

HAROLD WASHINGTON • HARRY S TRUMAN • KENNEDY-KING • MALCOLM X • OLIVE-HARVEY • RICHARD J. DALEY • WILBUR WRIGHT

CITY COLLEGES[®]

OF CHICAGO

To: Juan Salgado, Chancellor
Dr. Walter E. Massey, Chair of the Board of Trustees
Elizabeth Swanson, Vice-Chair 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
Neith Tiri-Xi'ui Zurhvan, Student Trustee

From: Lamesha Smith, Inspector General

Date: February 23, 2023

RE: Office of the Inspector General *Bi-Annual Report* for the period of July 1, 2022 through December 31, 2022

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, 2022 through December 31, 2022. 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 Office of the Inspector General 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 Office of the Inspector General 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

The Office of the Inspector General for the City Colleges of Chicago has the authority to conduct investigations regarding waste, fraud and misconduct by any officer, employee, 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 full scope of the powers and duties of the OIG can be found in Article 2.7 of the Bylaws of the Board of Trustees, which can be accessed here: <https://www.ccc.edu/departments/Documents/Board%20Bylaws.pdf>.

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.

Make a Confidential Complaint

Anyone can make a confidential complaint regarding waste, fraud and misconduct involving CCC programs, Board members, officials, employees, or those doing or seeking to do business with CCC in any manner with which they are comfortable, including the methods listed below:

- **Clicking** [here and submitting](#) a confidential complaint online
- **Sending** an e-mail to InspectorGeneral@ccc.edu
- **Calling** the OIG Fraud Hotline at (312) 553-3399
- **Mailing** a letter to:
The Office of the Inspector General
City Colleges of Chicago
740 North Sedgwick Street
Suite 310
Chicago, Illinois 60654
- **Making** an in-person complaint at 740 North Sedgwick, Suite 310

New Developments

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.¹ The indictment totaled sixteen counts of wire fraud and two counts of making a false statement to the FBI.

In June 2021, Sharod Gordon, the former vice chancellor, pleaded guilty to Count 8 of the indictment, a federal wire fraud charge. On August 3, 2022, a United States District Court sentenced Sharod Gordon to 66 months in federal prison. The judgment regarding Sharod Gordon indicated that, upon release from prison, Sharod Gordon shall be on supervised release for a term of two years. A copy of the press release from the United States Attorney for the Northern District of Illinois regarding the sentence can be accessed at the following link: <https://www.justice.gov/usao-ndil/pr/former-vice-chancellor-city-colleges-chicago-sentenced-more-five-years-federal-prison-0>. An amended judgment, filed on December 15, 2022, further indicated that Sharod Gordon must make restitution to CCC in the amount of \$349,500.00.

In the *Bi-Annual Report* for the reporting period of July 1, 2020 through December 31, 2020, the OIG detailed the dispositions regarding two of the defendants included in the indictment. During the reporting periods of July 1, 2021 through December 31, 2021, as well as January 1, 2022 through June 30,

¹ 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>.

2022, the OIG received restitution payments for one or both of those two defendants. Those restitution payments are detailed in the *Bi-Annual Reports* covering the periods of July 1, 2021 through December 31, 2021 as well as January 1, 2022 through June 30, 2022.

During the reporting period of July 1, 2022 through December 31, 2022, the OIG received an additional restitution payment. The details are summarized as follows.

- Tiffany Capel, the principal of a now former CCC vendor, was originally charged with one count of wire fraud.² 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 \$15,000.00 in restitution to CCC. Previous to the reporting period of July 1, 2022 through December 31, 2022, the OIG received partial restitution payment checks totaling \$1,800.00 for Tiffany Capel. Subsequently, the OIG provided the aforementioned restitution checks to the CCC Controller's Office for deposit into CCC's treasury. The restitution payment that the OIG received for Tiffany Capel during the reporting period of July 1, 2022 through December 1, 2022 is as follows:
 - In November 2022, the OIG received another partial restitution payment in the amount of \$200.00 via check for Tiffany Capel. Subsequently, the OIG provided the aforementioned restitution check to the CCC Controller's Office for deposit into CCC's treasury.
- As of December 31, 2022, the OIG had received a total of \$2,000.00 of the \$15,000.00 in restitution that Tiffany Capel owes to CCC.

² As was documented in the *Bi-Annual Report* for the period of January 1, 2021 through June 30, 2021, effective August 5, 2021, Tiffany Capel and the vendor company were permanently debarred from doing any future business with CCC.

Updates to Investigations Documented in Previous Bi-Annual Report

Updates regarding recommendations made during the January 1, 2022 to June 30, 2022 reporting period

Among the reports documented in the *Bi-Annual Report* submitted for the January 1, 2022 to June 30, 2022 reporting period, the only outstanding update was regarding recommendations that the OIG made in a report, submitted on June 30, 2022, regarding OIG Case Number 21-0117. OIG Case Number 21-0117 was an OIG-initiated review³ of active CCC vendors to determine if any active vendors have been debarred by other government agencies.

On February 17, 2023, the CCC Department of Business and Procurement Services (“DBPS”) provided written responses to the OIG’s recommendations in OIG Case Number 21-0117. The OIG’s recommendations and the responses provided by DBPS are detailed below.

1. The OIG recommended that CCC initiates the process to permanently debar the four (4) vendors and (2) principals that are CCC vendors that have been permanently debarred by other government agencies, from doing any future business with CCC, pursuant to Article 5.3.3(j)(16) of the CCC Debarment Policy. The OIG recommended that subsequent to CCC debarring those four (4) vendors and (2) principals, that the CCC Department of Procurement Services then updates the debarment list to include those debarments.

DBPS Response:

Two (2) of the vendors⁴ have both been dissolved according to the Secretary of State registration site. These vendors have been inactivated in the CCC PeopleSoft system and the “Open for Ordering” removed from their profile, preventing further activity with the vendor. At this time, no further action is required.

The DBPS will work on debarment proceedings pursuant to Article 5.3.3(j)(16), to be completed in the next 120 days for the remaining two (2) vendors and their respective two (2) principals. The two

³ 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.

⁴ For the purposes of this *Bi-Annual Report*, the OIG redacted any specific names that may have been provided in the DBPS responses.

vendors (and their two principals) have both been inactivated in the PeopleSoft system and the “Open for Ordering” has been removed from their profile, preventing further activity with the vendor.

2. The OIG recommended that the CCC Department of Procurement Services records and flags the 268 entities and individuals the OIG identified that were permanently debarred by other government agencies, but that are not CCC vendors and are not included in the CCC Debarred Vendors List.

DBPS Response:

The DBPS will review the list of 268 vendors, its own debarment list, and the debarment lists of its sister agencies that maintain such lists (City of Chicago, Board of Education of the City of Chicago (CPS)), as part of its ongoing responsiveness check.

3. The OIG recommended that CCC records and flags the two (2) entities and one (1) individual/principal that are currently temporarily debarred by other government agencies, but that are not CCC vendors and are not included in the CCC Debarred Vendors List.

DBPS Response:

The DBPS review of the two (2) entities and one (1) individual/principal determined the following:

- *The suspension of one of the entities with the governmental agency has lapsed. No additional review of this (entity) is required at this time.*
 - *The other entity has dissolved according to the Secretary of State registration site, and there is no mention of its principal. At this time, no further action is required for this (entity) or principal.*
4. Master vendor lists should be reviewed for inactive vendor accounts to prevent duplication and fraud. The OIG recommended that the CCC Department of Procurement Services establishes a timetable by which to review and, in conjunction with the Office of Information Technology, archive inactive vendor accounts in the CCC PeopleSoft Finance vendor database after those vendors have not been used for a significant period of time, such as after twenty-four (24) months.

- The OIG further recommended that the Department of Procurement Services continues to confirm with the Illinois Secretary of State (ILSOS) whether vendor applicants are properly registered with the ILSOS to conduct business in the city, county, and State before the Department of Procurement Services has approved the application; and
- Periodically confirms whether active vendors in the CCC vendor database remain registered with the ILSOS to conduct business in the city, county, and State after the Department of Procurement Services has approved a vendor; and, if no longer registered in good standing with the State conduct a vendor review and archive the vendor if needed.

DBPS Response:

The DBPS is currently working with OIT to put safeguards in the system that prevent duplication which can lead to fraud. In addition, OIT will archive vendors that do not have outstanding payments or that have been inactive in the system for greater than 24 months.

It is the practice of DBPS to confirm the good standing of vendors with ILSOS that submit applications prior to approval. Our current practice also requires prior review to be conducted of good standing for purchases and agreements sent to (the) Board. However, DBPS finds the OIG request for periodic review of good standing of all active vendors to not be feasible in light of department staffing, the number of vendors currently in the CCC system and the varying annual registration date requirements with the ILSOS.

In the meantime, DBPS will add a statement to our vendor package requiring vendors to sign off on their understanding to remain in good standing with ILSOS while an active vendor with CCC, and will continue to work with OIT to come up with a possible solution that is less labor intensive to identify those vendors with expired registrations.

5. The OIG recommended that the Department of Procurement Services, in conjunction with the Office of Information Technology, archives vendor account(s) for vendors with:
 - Multiple supplier accounts (duplicate) in the CCC PeopleSoft Finance database, as confirmed by the Department of Procurement Services as a duplicate.

- Classifications of:
 - “Employee,” after the employee is terminated from CCC;
 - “Student,” after the student no longer attends CCC; and
 - “Retiree” and other vendors, after those vendors have not been used for a significant period of time, such as within the last twenty-four (24) months.
- The OIG further recommended that the archiving of inactive vendor accounts occur within as short as time as practicable from the date of the OIG Investigative Summary.

DBPS Response:

The DBPS is currently working with OIT to put safeguards in the system that prevent duplication which can lead to fraud. In addition, OIT will archive vendors that have been inactive in the system for greater than 24 months.

6. The OIG recommended that the Department of Procurement Services consults with the Office of Information Technology to establish a process in which to record and flag individuals and entities, such as the 268 individuals and entities identified by the OIG, that have been permanently debarred by other government agencies.

DBPS Response:

DBPS will work with OIT to be able to identify vendors in their PeopleSoft system that are permanently debarred.

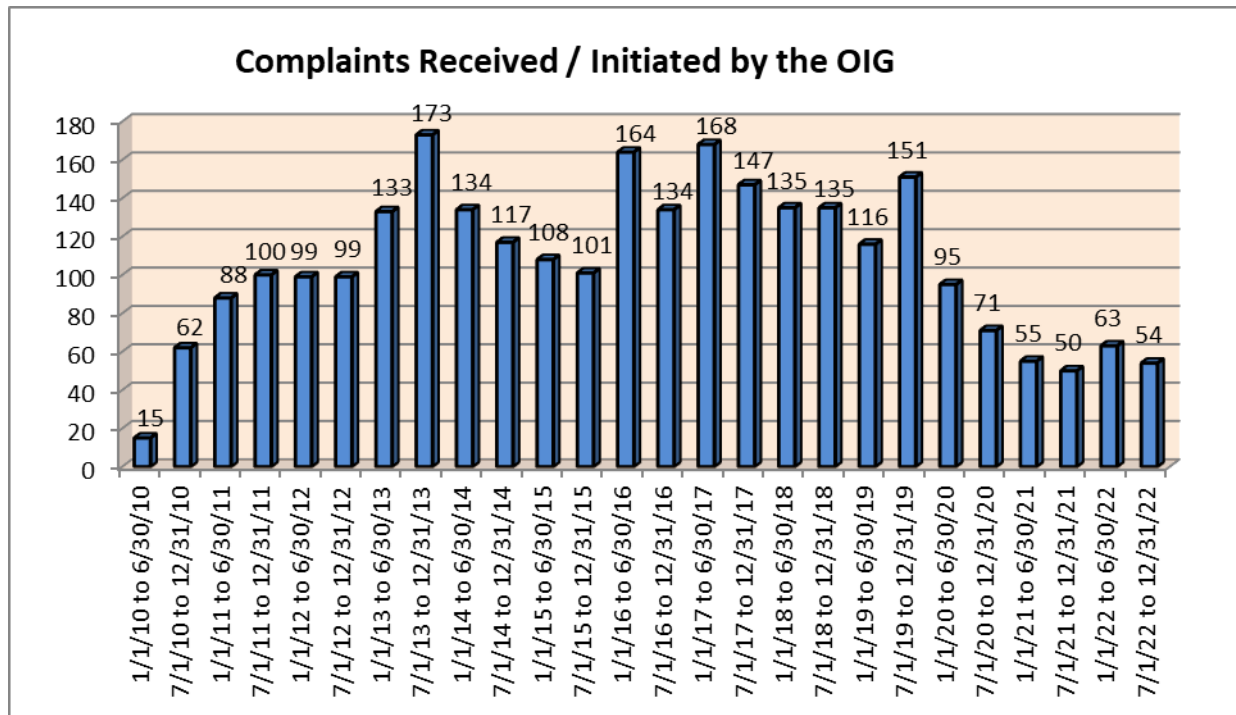
7. The OIG recommended that the Department of Procurement Services requests that the Office of Information Technology audits the PeopleSoft Finance database for active vendors without a corresponding Taxpayer Identification Number and match a Taxpayer Identification Number to the vendor and update the PeopleSoft Finance database accordingly, or otherwise archive the vendor.

DBPS Response:

DBPS will work with OIT to make this a required field in the system to prevent missing the Taxpayer identification information.

Complaints Received

For the period of July 1, 2022 to December 31, 2022, the OIG received 54 complaints. These 54 complaints included complaints forwarded to the OIG from outside sources. The following table documents the complaints received by the OIG during the current and previous reporting periods.



The 54 complaints received represent a variety of subject matters. The following table documents the subject matters of the complaints received.

Subject Matter of Complaints Received from July 1, 2022 to December 31, 2022		
Subject Matter (Allegation)	Number	Percentage
Harassment	1	1.85%
Misappropriation of Funds	1	1.85%
Violation of Title IX	1	1.85%
Retaliation	1	1.85%
Various (including request for legal review)	1	1.85%
Hostile Work Environment	1	1.85%
Test Cheating	1	1.85%
Discrimination	2	3.70%
Use of CCC Property or Resources for Unauthorized Purposes	2	3.70%
Inattention to Duty	3	5.56%
Residency	5	9.26%
Fraud (including identity theft and financial aid fraud)	6	11.11%
Unfair Treatment	6	11.11%
Falsification of Attendance Records	6	11.11%
Giving Preferential Treatment	7	12.96%
Violation of CCC Ethics Policy	10	18.52%
Total	54	100%

Status of Complaints

As reported in the previous *Bi-Annual Report*, as of June 30, 2022, the OIG had 70 pending complaints, meaning that the OIG was in the process of conducting investigations regarding these complaints. During the period of July 1, 2022 through December 31, 2022, the OIG closed 52 complaints. The following chart categorizes the reasons that the OIG closed the 52 complaints during the reporting period of July 1, 2022 through December 31, 2022.

Complaints Closed Between July 1, 2022 through December 31, 2022		
Reason Closed	Number	Percentage
Sustained	2	3.85%
Not Sustained / No Policy Violation	19	36.54%
Subject Already Disciplined	1	1.92%
Subject Inactive	5	9.62%
Duplicate Complaint	5	9.62%
Administratively Closed	5	9.62%
Complaint Included with Another Active Investigation	6	11.54%
Referred / Deferred	9	17.31%
Totals	52	100%

Regarding the complaints closed during the period of July 1, 2022 to December 31, 2022, 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. This is then 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, 2022 to June 30, 2022).⁵

Average Calendar Days to Close				
Reason Closed	1/1/22 to 6/30/22		7/1/22 to 12/31/22	
	Number	Average Calendar Days to Close	Number	Average Calendar Days to Close
Sustained	2	724	2	1,211
Completion of Board Mandated Audit	1	148	0	-
Completion of Review and Report Submitted with Recommendations	1	400	0	-
Not Sustained but Report Submitted with Recommendations	1	392	0	-
Not Sustained / No Policy Violation	20	189	19	298
Subject Already Disciplined	0	-	1	6
Subject Inactive	2	161	5	285
Duplicate Complaint	6	1	5	0
Administratively Closed	1	0	5	390
Complaint Included with an Active Investigation	6	143	6	1
Referred / Deferred	17	5	9	1
Totals	57		52	

As of December 31, 2022, the OIG had 68 pending complaints. Nineteen (19) of these 68 pending complaints (27.9%) were received between July 1, 2022 and December 31, 2022, and 14 of these 68 pending complaints (20.6%) were received between January 1, 2022 and June 30, 2022.

⁵ 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 the 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.

OIG Reports Submitted – July 1, 2022 to December 31, 2022

During the reporting period of July 1, 2022 to December 31, 2022, the OIG submitted two reports documenting sustained findings of waste, fraud, and/or misconduct.⁶

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

OIG Case Number 19-0151

OIG Case Number 19-0151 was initiated during the course of another OIG investigation regarding the same subject, which was OIG Case Number 19-0144.

During the OIG reporting period of July 1, 2019 to December 31, 2019, the OIG submitted an Investigative Summary under OIG Case Number 19-0144 regarding its completed investigation of the head coach of the men's basketball team of a City College at the time. The OIG investigation under OIG Case Number 19-0144 is documented in the OIG *Bi-Annual Report* submitted for the reporting period of July 1, 2019 through December 31, 2019.

Regarding OIG Case Number 19-0144, the OIG initiated an investigation of the head coach based on a complaint received alleging that the head coach allowed a non-student athlete to attend a trip to an out-of-town tournament. The OIG investigation did not establish a violation of any policies regarding the trip to the out-of-town tournament; however, the OIG investigation revealed the following:

- The head coach used his CCC-issued computer to create/alter and submit fraudulent gas receipts and non-final gas receipts to justify the expenditure of cash advance funds and/or reimbursements.
- The head coach used his CCC-issued computer to create and submit receipts for a restaurant owned by his uncle to justify the expenditure of cash advance funds and/or reimbursements.
- The head coach used his CCC-issued computer to create fraudulent university transcripts for two players on the 2017-2018 City College men's basketball team.
- The head coach arranged for a basketball skills camp at the City College in July 2018, but the camp operator failed to obtain \$1 million in combined insurance for the basketball camp.

⁶ 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.

Based on the aforementioned investigation (OIG Case Number 19-0144), the OIG recommended that the head coach be terminated. The OIG further recommended that the head coach be designated ineligible to be re-hired and that his personnel records reflect this designation.

Subsequently, as a result of the OIG investigation under OIG Case Number 19-0144, during the OIG reporting period of July 1, 2019 to December 31, 2019, the head coach's employment with CCC was terminated, and he was designated as ineligible to be rehired.

During the course of the aforementioned investigation (OIG Case Number 19-0144), the OIG obtained information that the head coach also used CCC property, including computers, printers and scanners, to create fraudulent documents for individuals with criminal records. Based on this information, the OIG opened an investigation under OIG Case Number 19-0151.

During the course of the investigation under OIG Case Number 19-0151, the OIG found evidence to suggest that the head coach created the fraudulent documents for those individuals to submit to the Cook County Sheriff's Office's Electronic Monitoring Program. The OIG found other numerous apparently fraudulent documents on the CCC computer hard drive that was assigned to the head coach.

The OIG presented the Cook County State's Attorney's Office with the OIG's preliminary findings, and the OIG worked with the Cook County State's Attorney's Office to investigate the alleged criminal activity of the head coach.

In August 2022, the former head coach was arrested on probable cause that he committed forgery. Subsequently, a grand jury of the Circuit Court of Cook County returned an indictment regarding the head coach, which included 11 counts of forgery and two (2) counts of continuing financial crimes enterprise. The head coach pleaded not guilty to all 13 charges. The case is currently pending in court.

At least three individuals for whom the former head coach allegedly created some of the false documents have also been charged with forgery by the Circuit Court of Cook County. One of these individuals pleaded guilty to one count of forgery, and he was subsequently sentenced to four years in the Illinois Department of Corrections.

At the time of the former head coach's arrest, he had already been terminated and designated as ineligible to be rehired by CCC. As such, the OIG did not submit a report regarding recommendations for disciplinary action regarding the former head coach. OIG Case Number 19-0151 did not result in any other type of OIG recommendations. However, after the arrest of the former head coach, the OIG submitted a confidential memorandum to the Board Chairperson, the

Chancellor, and the General Counsel regarding OIG Case Number 19-0151, which included details of the investigation. The OIG closed OIG Case Number 19-0151 as sustained under OIG evidentiary standards, which is by a preponderance of the evidence.

OIG Case Number 20-0070

The OIG received a complaint alleging that a director assigned to a City College resided outside the City of Chicago. The OIG investigation revealed that the director resided in Tinley Park, Illinois, in violation of Article 4.6(a) of the Board Policies and Procedures for Management & Government and Section III of the CCC District-Wide Employee Manual.

The OIG investigation further revealed that the director falsified an employment record, in that she fraudulently affirmed on a CCC residency certification document that she resided in Chicago, Illinois, when in fact she resided in Tinley Park, Illinois, in violation of Section IV(11) of the CCC District-Wide Employee Manual.

Based on the investigation, the OIG recommended that the director be terminated. The OIG further recommended that the director be designated ineligible to be re-hired and that her personnel records reflect this designation.

Subsequently, the director's employment with CCC was terminated, and she was designated as ineligible to be re-hired.