



CHICAGO HOUSING AUTHORITY

OFFICE OF THE
INSPECTOR GENERAL



**2024
QUARTER 4
REPORT**



**CHICAGO HOUSING AUTHORITY
OFFICE OF THE INSPECTOR GENERAL
INSPECTOR GENERAL KATHRYN B. RICHARDS
60 E. VAN BUREN, 7th FLOOR, CHICAGO, IL 60605**

January 15, 2025

To Interim Chairman Brewer and Distinguished Members of the Finance and Audit Committee:

Enclosed is the 2024 Fourth Quarter Report on the activities of the Chicago Housing Authority (CHA) Office of the Inspector General (OIG) from October 1, 2024, through December 31, 2024. Pursuant to the OIG Charter, this report contains statistical information and summaries of OIG investigations, audits, and other activities.

Highlights of OIG work this quarter include the following:

- **Audit of Public Housing Capital Construction Change Orders and Supplemental Contracts** – identified critical deficiencies in the CHA's oversight and management of capital construction activities. The OIG is hopeful that CHA leadership will use this audit as objective, independent evidence of the need for improved managerial oversight, internal controls, and quality assurance in the building operations department as well as an increased emphasis on compliance with CHA procurement policies.
- **Advisory #30 - Public Housing Rent Collection, Lease Enforcement, and Tracking of Pending Eviction Matters** – identified a backlog of residents with significant past due rent balances but no eviction case filed. The backlog is due to a lack of coordination and communication between the PPMs, Portfolio Managers, and CHA's Office of General Counsel. Management acknowledged the findings and has identified a potential IT solution to improve coordination for effective lease enforcement.
- **Advisory #31 - Effective Tracking and Management of CHA Fleet Vehicles** – found that employees were not accurately recorded in CHA's fleet vehicle GPS tracking software, and Vehicle Usage forms were often incomplete. Inaccurate records limit CHA's ability to hold employees accountable for misuse of CHA vehicles. Management responded that it would provide additional training to all relevant employees and was further exploring options for improved software solutions.

- **Five sustained administrative investigations** - reported findings of misconduct by CHA employees, a contract employee, and program participants. Wherever possible, the OIG provides, not just disciplinary recommendations, but also programmatic recommendations to prevent such misconduct in the future and improve operations.
- **Second annual OIG Open House** - The Open House invited CHA staff to meet with the OIG team in a relaxed setting over coffee and doughnuts to learn more about the work we do and build productive working relationships.
- **Audit Manager Beatriz Martinez Presents at AIG Training** - in October, Martinez presented to more than 200 Inspector General colleagues as part of a panel discussion on "Front-Line Perspectives on IG Performance Auditing and Evaluations" hosted by the Illinois Chapter of the Association of Inspectors General.

In closing, I note that while change may sometimes feel like the only constant, the OIG's mission and dedication to independent, impartial investigations and audits remains steadfast. The OIG staff and I are always available to discuss concerns and ideas for ways to improve CHA and its ability to meet its mission of providing safe, affordable housing throughout Chicago.

Please feel free to contact me directly at krichards@thecha.org or report a complaint by emailing fraud@thecha.org.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kathryn Richards". The signature is written in a cursive style with a large initial 'K'.

Kathryn B. Richards
Inspector General

TABLE OF CONTENTS

PAGE

MISSION	5
PROFESSIONAL STANDARDS	6
COMPLAINTS	7
• COMPLAINTS BY METHOD	7
• TOTAL COMPLAINTS BY QUARTER	7
• COMPLAINTS BY DISPOSITION	8
• SUBJECTS OF COMPLAINTS	8
• INVESTIGATIVE SUPPORT	8
INVESTIGATIONS	9
• CLOSED INVESTIGATIONS	9
• DISPOSITION OF CLOSED INVESTIGATIONS	10
• PENDING INVESTIGATIONS	10
• INVESTIGATIONS NOT CONCLUDED WITHIN SIX MONTHS	11
CRIMINAL CASES	12
• INDICTMENTS	12
• CRIMINAL CASE UPDATES	12
• CRIMINAL CASE RECOVERIES	12
• CRIMINAL CASES PENDING IN COURT	15
SUSTAINED ADMINISTRATIVE INVESTIGATIONS	14
AUDITS AND REVIEWS	18
MANAGEMENT ADVISORIES AND MEMOS	22



Mission

The OIG is an independent oversight agency, created by the CHA Board of Commissioners, to promote economy, efficiency, and integrity in the administration of programs and operations of the Chicago Housing Authority. The OIG achieves this mission through:

- Criminal and Administrative Investigations
- Investigative Support to Partner Agencies
- Performance Audits
- Program Reviews & Advisories
- Analytics
- Training and Fraud Prevention
- Communications and Outreach

The OIG partners with law enforcement agencies to pursue criminal prosecutions of fraud or other crimes affecting the CHA. In administrative matters, the OIG issues reports of findings and recommendations to ensure CHA participants comply with program requirements and that officers, employees, and vendors are held accountable. Through audits and analytics, the OIG seeks to prevent, detect, and eliminate fraud, waste, abuse, and misconduct in CHA's programs and operations. Finally, through training and outreach, the OIG seeks to prevent fraud and other misconduct, raise awareness of common fraud indicators, and provide multiple avenues for reporting such concerns.

Ultimately, the OIG seeks to ensure the CHA is best equipped to serve its overarching mission to provide affordable housing and "create and sustain strong communities where seniors thrive and everyone can unlock their economic power."



Professional Standards

OIG INVESTIGATIONS

The OIG conducts investigations in accordance with the Association of Inspectors General Principles and Standards for Offices of Inspectors General (the "Green Book"), generally accepted principles, quality standards and best practices applicable to federal, state, and local offices of inspectors general. These include both general and qualitative standards. The OIG always exercises due professional care and independent, impartial judgment in its investigations and the resulting reports and recommendations.

OIG AUDITS & PROGRAM REVIEWS

The OIG conducts audits of CHA programs in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States and Principles and Standards for the Offices of Inspector General (the "Yellow Book").

Yellow Book standards require that we plan and perform the audit to obtain sufficient and

appropriate evidence to provide a reasonable basis for our findings and conclusions based on audit objectives.

Adherence to these standards ensures that audits and program reviews comprise the requisite independence, planning, staff qualifications, direction and control, confidentiality, and quality assurance.

INDEPENDENT PEER REVIEWS

Every three years, the OIG submits to an independent peer review conducted by members of the national Association of Inspectors General to ensure compliance with these governing standards.

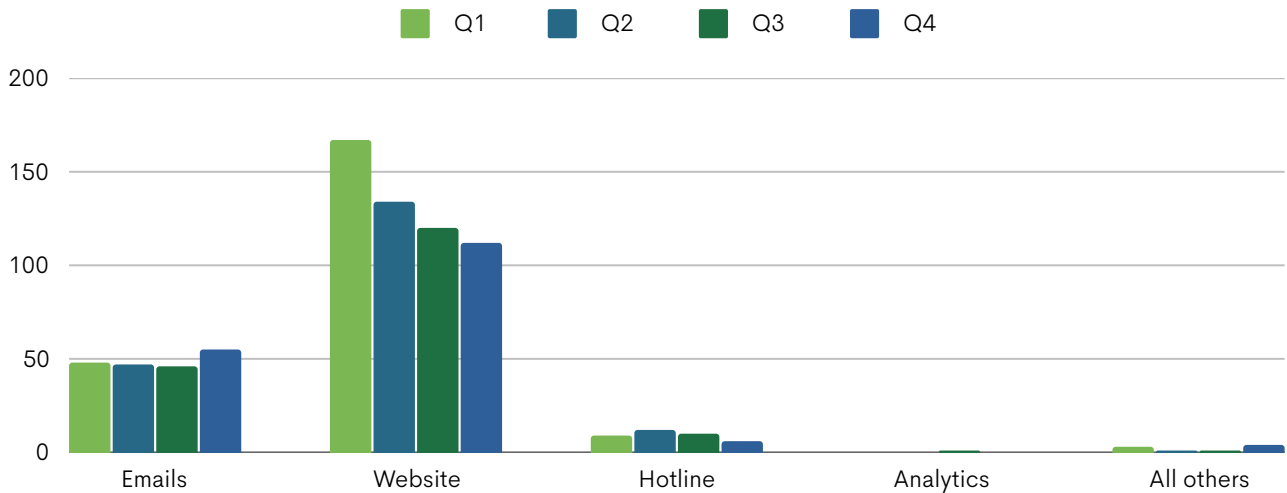
The CHA OIG has been found to meet all relevant standards in each period reviewed, including the most recent review, which encompassed OIG's work for the years 2019-2021. The CHA OIG's next peer review will occur in late 2025.

Complaints

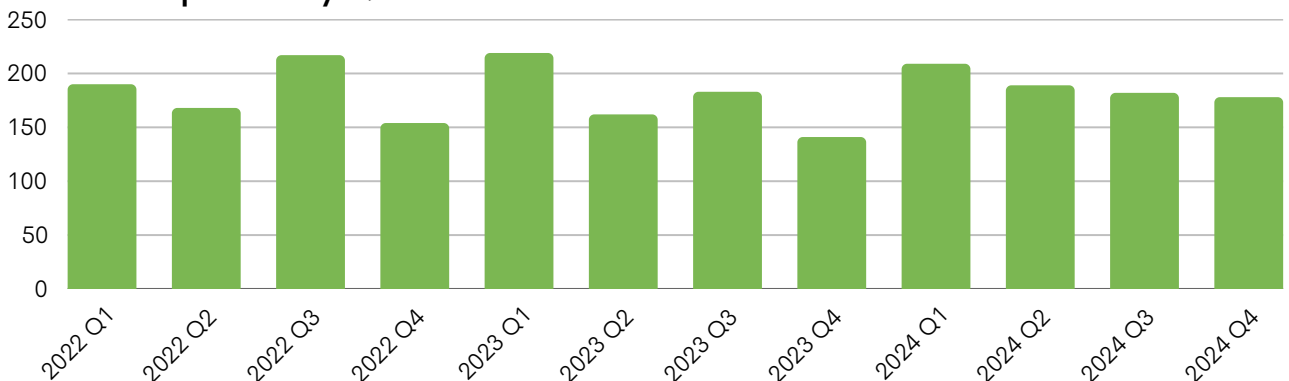
The OIG accepts complaints through its online web portal, by email, telephone hotline, employee complaint drop boxes, and in-person reports. Complainants may choose to remain anonymous. The OIG initiates investigations, reviews, and audits in response to complaints it receives or upon the OIG’s own initiative. Following a preliminary review and assessment, OIG staff make a determination on whether to open an investigation. Matters may be declined for a variety of reasons including but not limited to: insufficient information, lack of jurisdiction, or no violation presented.

The OIG received **178** complaints in the fourth quarter of 2024. Of those complaints, the OIG referred **81** to various relevant CHA departments and outside agencies; provided investigative support for **15** matters, and declined **62**. The OIG opened **6** investigations. At the end of the quarter, **14** complaints received in Q4 remained pending for evaluation, and an additional **18** remained pending from previous quarters, for a total of **31** pending complaints. Below are tables showing statistical information on complaints received this quarter.

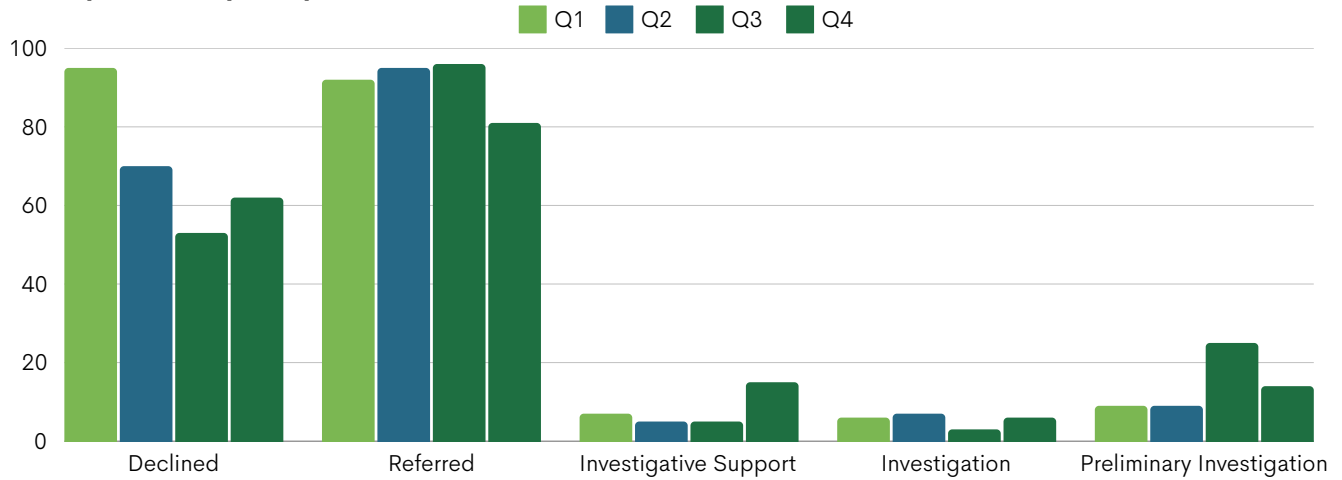
Complaints by Method Q4 2024



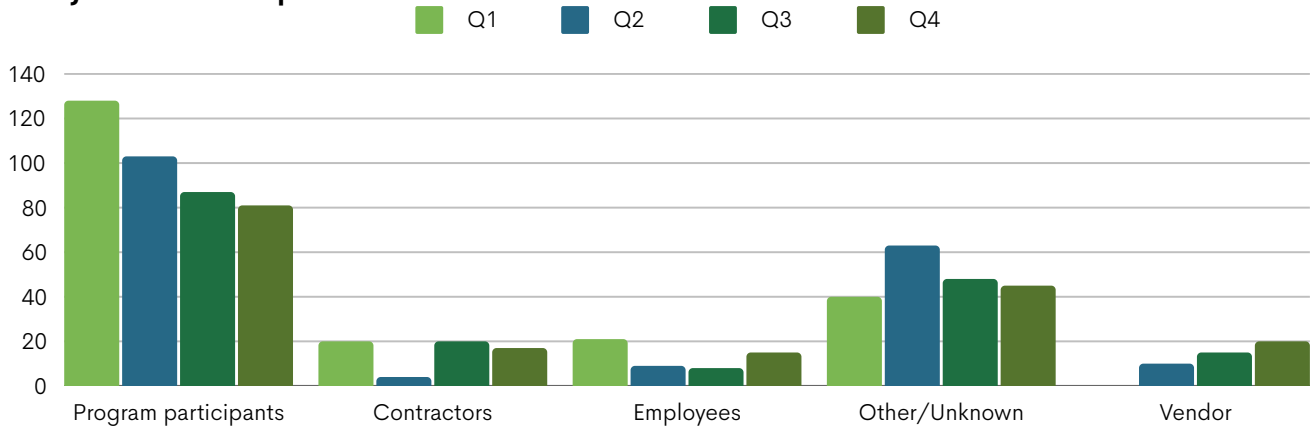
Total Complaints by Quarter



Complaints by Disposition

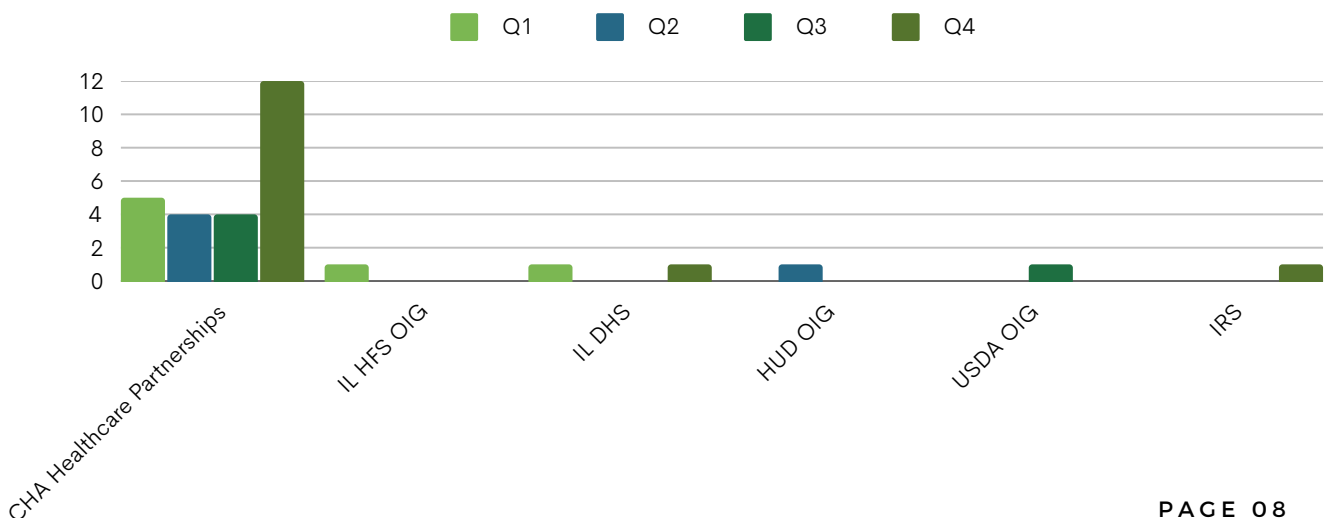


Subjects of Complaints



Investigative Support

The OIG regularly receives requests from various external and internal partners for investigative support on matters within the OIG's jurisdiction. These requests often take the form of requests for information, due diligence, or data analysis. In the fourth quarter of 2024, the OIG received and responded to **15** requests.



Investigations

An OIG investigation may be administrative, criminal, or both. Administrative investigations generally involve violations of HUD regulations and/or CHA rules, policies, or procedures. An administrative case is sustained if the preponderance of the evidence establishes a violation or the case identifies a particular issue that warrants an advisory to CHA management. For sustained administrative investigations, the OIG produces either an advisory or summary report of investigation with findings and recommendations for appropriate disciplinary, administrative, or other action to the CEO and the impacted department. The OIG will report management's response in each quarterly report.

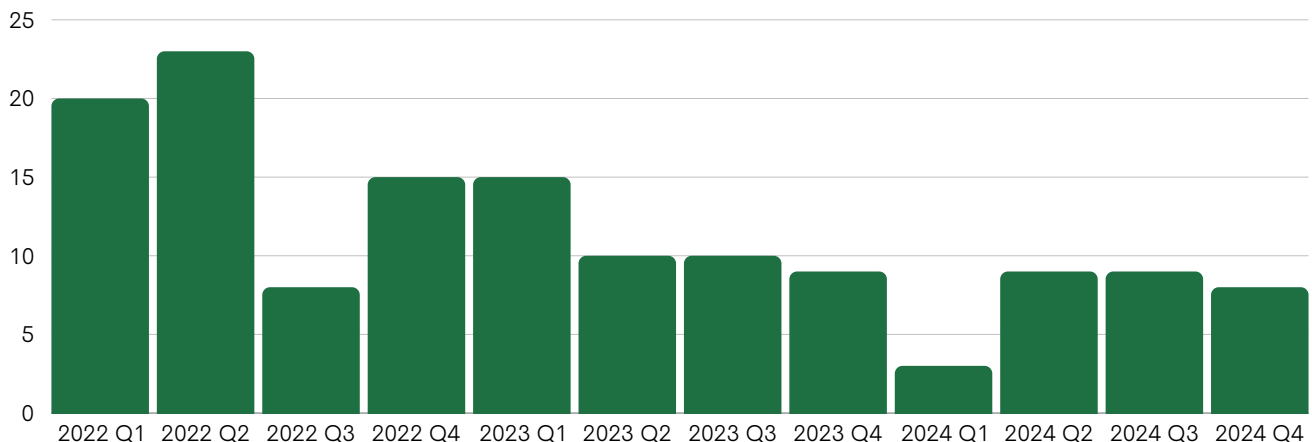
In criminal investigations, if there is sufficient evidence for potential prosecution, the OIG presents the evidence to a prosecuting agency for review. Investigations that result in criminal charges are reported to CHA management and the Finance and Audit Committee. A criminal matter that results in a final criminal conviction is closed sustained.

A case is not sustained when the OIG concludes that the available evidence is insufficient to prove a violation under applicable burdens of proof. A case is closed with no further action warranted ("closed-NFA") when, in OIG's assessment, the matter has been or is being appropriately addressed by another agency or department, the matter was consolidated with another investigation, or, the OIG determines that no further investigative action is warranted based on the specific circumstances presented.

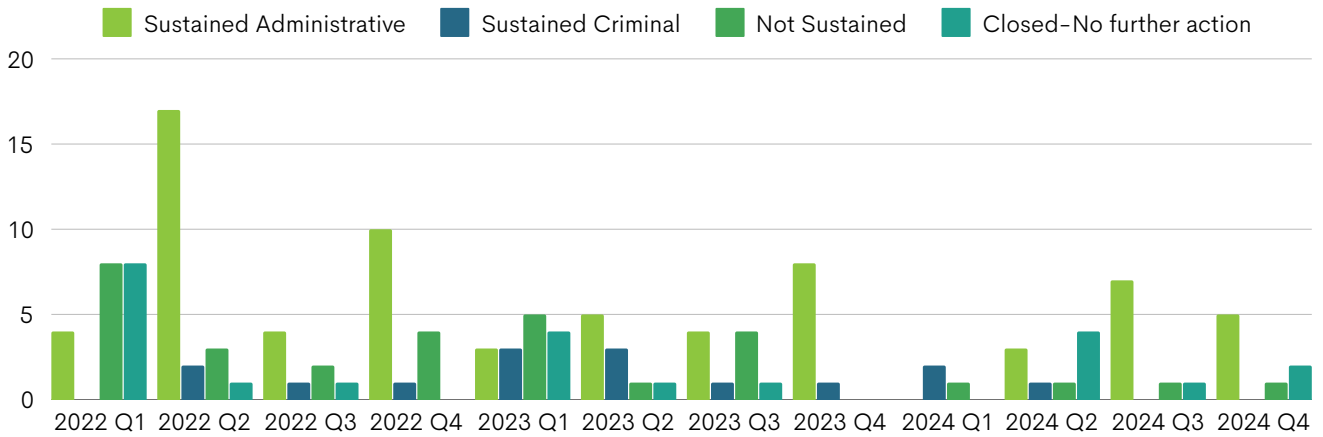
Investigations Closed This Quarter

In the fourth quarter of 2024, the OIG closed **8** investigations; **5** were sustained, **1** was not sustained, and **2** were closed as no further action warranted. All **5** sustained cases were administrative.

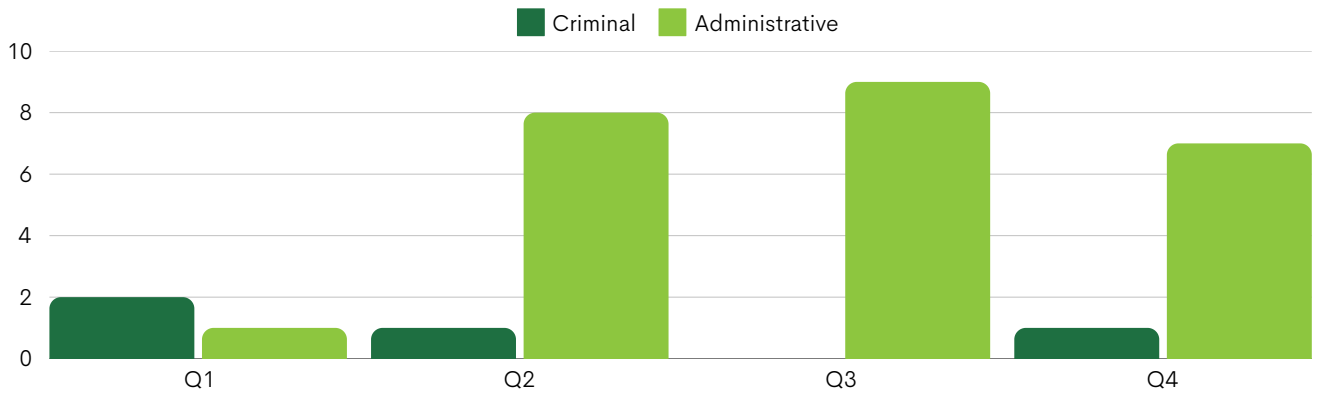
Closed Investigations by Quarter



Disposition of Closed Investigations

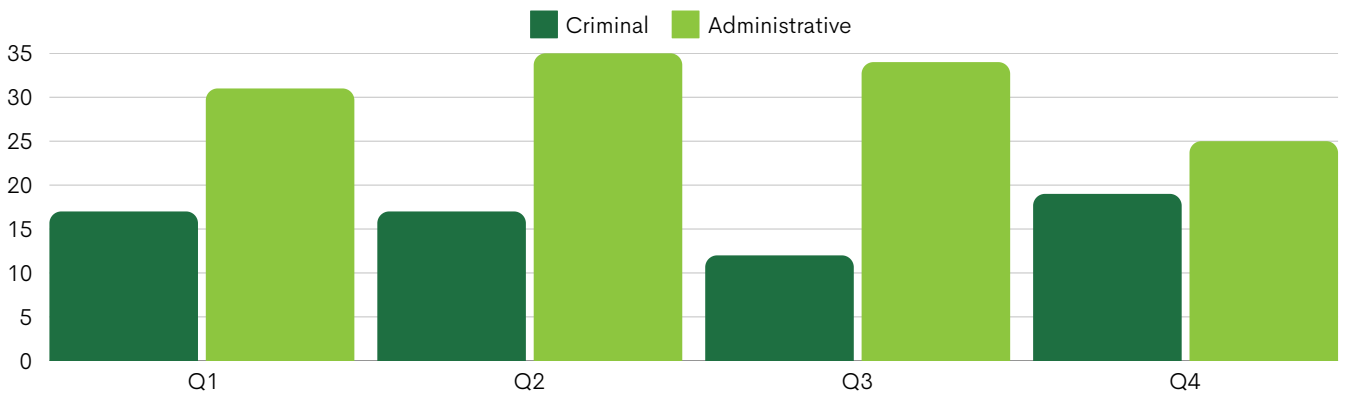


Closed Criminal and Administrative Cases



Pending Criminal and Administrative Investigations

At the close of the fourth quarter, the OIG had **44** pending investigations, including **25** administrative and **19** criminal investigations.



Investigations Not Concluded Within Six Months

Under the Office of the Inspector General Charter, the OIG must provide statistical data on pending investigations/matters open for more than six months. Of the **44** open investigations, **33** have been open for at least six months. The following table shows the reasons why these matters remain open.

Reasons	Number of Investigations
Complex investigations, generally involve difficult issues of multiple subjects and/or under review by prosecuting agency	20
Indicted cases, but no criminal disposition	4
On-hold or delayed due to other ongoing time-sensitive investigations	9
Total	33



Criminal Cases

There were no new criminal indictments or updates on OIG criminal cases in the fourth quarter.

Criminal Case Updates and Sentencings

No updates for Q4 2024.

Criminal Case Recoveries

This quarter, the OIG did not secure new orders for restitution. The year-to-date total restitution ordered is **\$306,046**, from three cases.

The OIG tracks convicted defendants' restitution payments to ensure court orders are followed. This quarter the OIG received funds from **8** defendants, totaling **\$7,643.91** returned to the CHA, bringing the year-to-date total money repaid to **\$180,543.83**.



OIG Criminal Cases Pending in Court

At the end of Q4 2024, the OIG had 6 criminal cases pending in court, 4 of which stem from 2 OIG investigations.

Case Name	Indictment	Summary of Charges	Scheme	Updates
People v. Hogans 24 CR 0205601 (Cook County Cir. Ct.)	2/21/2024	Class X felony theft, state benefits fraud, forgery	HCV Fraud	Status hearing January 23, 2025
People v. Cartagena 24 CR 0205401 (Cook County Cir. Ct.)	2/21/2024	Class X felony theft and forgery	HCV Fraud	Jury Trial June 13, 2025
People v. Roman 24 CR 0205501 (Cook County Cir. Ct.)	2/21/2024	Class X felony theft, forgery	HCV Fraud	Jury Trial June 13, 2025
People v. Martin 24 CR 0473301 24 CR 0473401 24 CR 0473501 (Cook County Cir. Ct.)	5/8/2024	Class X felony theft, wire fraud, forgery, loan fraud, income tax fraud	HCV Fraud	Status hearing February 19, 2025
People v. Amos 24 CR 0473201 24 CR 0473601 (Cook County Cir. Ct.)	5/8/2024	Class X felony theft, wire fraud, forgery, loan fraud, income tax fraud	HCV Fraud	Status hearing February 19, 2025
People v. Harris 24 CR 0870201 24 CR 0870101 (Cook County Cir. Ct.)	9/11/2024	Class 1 felony theft, wire fraud, forgery, loan fraud, and income tax fraud	Theft of government property	Status hearing January 24, 2025

Sustained Administrative Cases

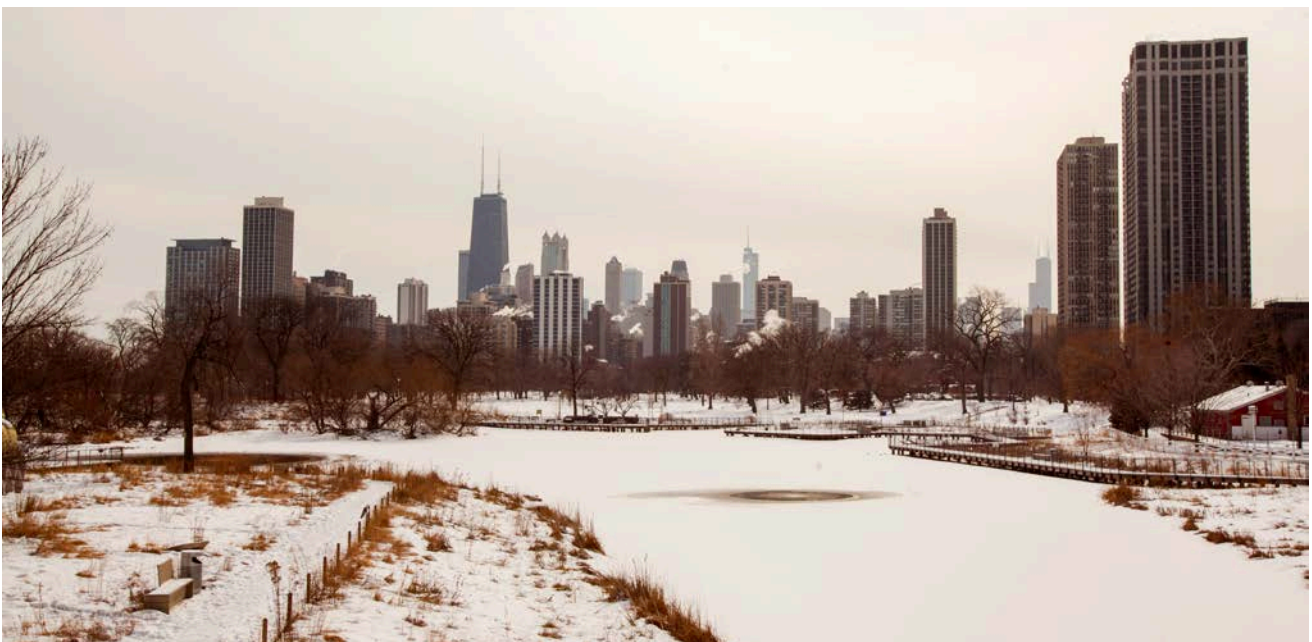
The following summaries provide information regarding sustained administrative investigations and management's responses. This quarter, the OIG concluded multiple cases involving employees of the Property and Asset Management (PAM) Division. Several of these investigations involved the same individuals. CHA management responded to the OIG's disciplinary recommendations, but continues to review the OIG's programmatic recommendations stemming from these investigations.

Theft of Rent Payments by Contract Property Manager, OIG #2024-0285

A former property manager employed by a CHA private property management forged and cashed at least three money orders from residents at a CHA development. The three money orders were provided by two residents, as rent payments, specifically on payment plans for past due rent. While the PPM identified one stolen money order, the OIG investigation identified two additional stolen money orders, bringing the total amount of theft to \$3,462.44. The PPM immediately terminated the employee.

The OIG recommended that CHA Property and Asset Management (PAM) work with the PPM to ensure the affected tenants are made whole. The OIG further recommended that PAM review the information and take any additional administrative steps as appropriate to prevent such theft in the future.

In response, PAM stated that it would require the PPM to submit proof of payment to both impacted residents and remind the PPM to follow established rent collection procedures.



**Unethical Conduct, Failure to Report CHA Income to CHA Property Manager, -
OIG #2024-0116**

A CHA Resident Services employee who is also a CHA Public Housing resident, failed to disclose they had immediate family participating in CHA programs, misused their CHA systems access to view the data of her immediate family members, and enrolled their mother in a CHA program, in violation of the CHA's Ethics Policy. Additionally, the employee failed to report their CHA income to their CHA public housing property manager, and further underreported prior employment and business income. Finally, when confronted about their conduct in an official OIG interview, the employee falsely stated they had previously informed a supervisor of their actions and that the supervisor declined to take any disciplinary action.

The OIG recommended that CHA take disciplinary action against the employee up to and including termination of employment. The OIG further recommended that the CHA's Property and Asset Management division refer the income information to property management for administrative action/lease enforcement as appropriate.

In response, CHA terminated the individual's employment. PAM referred the income information to the individual's private property management company for administrative action.

Failure to Record or Track Use of CHA Take-Home Vehicle, OIG #2024-0546

An employee in the HQ Facilities Department routinely took a CHA vehicle home overnight, in the Chicago suburbs, without filling out a CHA Vehicle Usage Form, obtaining a supervisor's signature approval, or recording themselves as the driver in the Geotab system, which provides GPS tracking of fleet vehicles. The employee also occasionally used the vehicle for personal use. The evidence suggested that, in all instances, the employee had the tacit approval of their former supervisor and took the vehicle home as part of their frequent driving responsibilities. Nevertheless, the employee is one of the few staff tasked with enforcing the CHA Vehicle Policy. The OIG further identified widespread inconsistencies in the logging of employees into the Geotab system and the Vehicle Usage Forms and Logs.

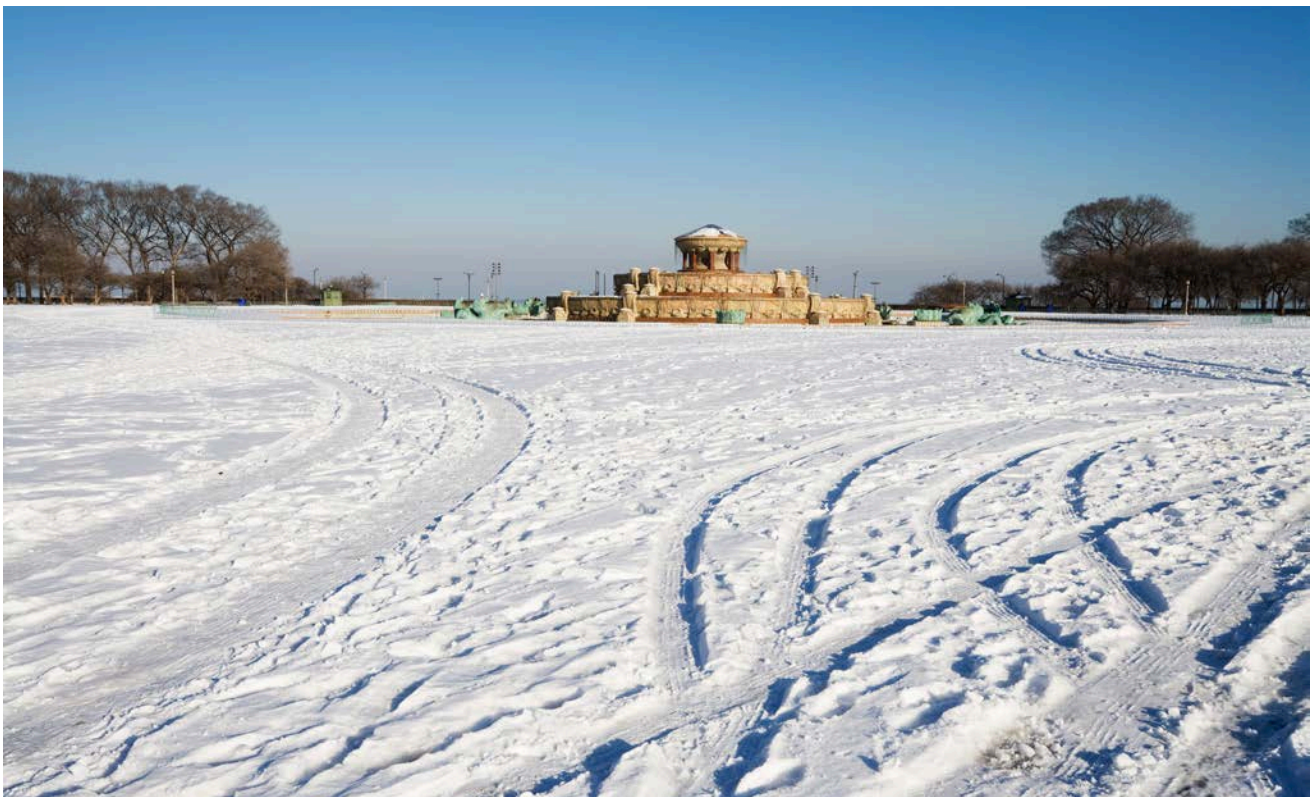
The OIG recommended the employee be issued a written reprimand for failure to follow Vehicle Use procedures. The OIG also recommended that all HQ Facilities employees be re-trained on the updated Vehicle Policy and ensure the procedures in place conform with the existing policy.

In response, CHA counseled the employee on the fleet policy and re-set performance expectations. CHA further committed to train all relevant staff on the Fleet Vehicle policy and procedures before the end of Q1 2025.

HCV Participant Found to be Living and Working In Michigan, OIG #2024-0271

An OIG investigation found that a Housing Choice Voucher (HCV) participant was, in fact, living in Muskegon, Michigan, where they operated a day-care business. As a result, the participant did not maintain their subsidized unit as their primary residence and failed to report significant business income, causing CHA to expend over \$100,000 in housing assistance payments. Concurrent to the OIG investigation, the HCV Program took appropriate steps to terminate the voucher. The OIG recommended the HCV Program take action to ensure that the CHA loss amount is accurately reflected as a HUD debt. Additionally, the OIG recommended that CHA's Office of General Counsel review this matter for consideration of options for civil litigation to recover the loss of CHA funds.

The OGC responded that, after careful review of the matter and the specific facts of the case, it did not believe civil litigation would be successful in recovering funds to the CHA. The HCV division noted that because 30 days had passed since the CHA had entered the individual's end of participation in the HUD system, CHA no longer has access to input an amount into the HUD Debts Owed. OIG and HCV agreed that, going forward, the OIG will immediately notify HCV enforcement if it becomes aware of a pending termination process for a voucher-holder under investigation by the OIG in order to preserve the option of recording debt owed in HUD's system, which would be referenced by any housing authority should the individual apply for benefits again in the future.



Public Housing Participant Submitted Forged Paystubs, OIG Case #2022-03-00064

A public housing resident submitted forged paystubs to their property manager in order to graduate from the CHA's Family Self Sufficiency (FSS) program and receive \$4,501 from the program. Although FSS program staff immediately confirmed the paystubs were forged and reflected less income than the resident had earned, they proceeded to allow the participant to graduate from the program and receive FSS funds. FSS staff reported the issue to the OIG, but according to FSS program staff, they were not empowered to deny the individual's graduation despite the evidence of forgery.

The OIG recommended that the Resident Services Division review FSS program procedures and staff training to ensure staff are empowered to deny graduation requests where a participant has clearly violated the rules. The OIG further recommended that Resident Services and Property and Asset Management staff review the enclosed information regarding the forged paystubs to determine the appropriate remedy, including consideration of lease termination and/or financial restitution to the FSS program.

In response, the Resident Services Division determined that the resident participated in CHA's pay point model for FSS and earned escrow based on goal completion versus a traditional FSS model in which escrow is calculated based on earned wages. Despite the forgery, the resident had met the goals of the program and was entitled to the FSS funds.

The Chief of Resident Services met with FSS supervisory staff to ensure that they felt empowered to question documentation and the authority to determine compliance with program rules and regulations. The Chief confirmed that both understand they have the authority to implement the program and policies.

In response, the Property and Asset Management division referred the income information to the PPM for administrative action as appropriate.



Audits and Reviews

This quarter the OIG issued its **2025 Annual Audit Plan**, which is available on the OIG's webpage, www.thecha.org/fraud.

The Annual Plan provides the Audit and Program Review priorities for the year and outlines a list of potential projects that fit those priorities. Audit areas anticipated for 2025 include:

- Private Property Managers' Use of the CHA Budget Maintenance Account for Unit Turns
- CHA's Development Project Management Process
- Manually Prepared Accounts Payable Checks
- HCV Port-In Process
- CHA's Hiring Process
- Emergency Contracts

The OIG also plans follow up audits of PPM Tenant Accounts Receivable and the Tracking and Management of Vacant Public Housing Units.

Closed Audits

The OIG closed one audit in the fourth quarter of 2024. The Public Housing Capital Construction Change Orders and Supplemental Contracts Audit is summarized below.

Draft Audits

The OIG issued no new draft audits.

Pending Audits

The OIG had one audit pending at the close of the fourth quarter: Contractors System Access Audit. Additional audits are in the planning stages.

Audit of Public Housing Capital Construction Change Orders and Supplemental Contracts

The OIG conducted an audit of the CHA Building Operations Capital Construction Change Orders and "Supplemental" Contract Process. This audit was initiated in response to a complaint received in June 2023 regarding CHA's Section 3 pre-qualified vendor pool and CHA capital construction management practices.

The OIG identified 54 capital construction projects, with either a change order or supplemental contract, completed during the two-year scope period. Of those, 28 properties--representing 85 unique projects with a total value of \$6,404,410—were randomly selected for testing.

The OIG identified several critical deficiencies in the CHA's management of construction activities. As a result, CHA was billed for work not completed, and contractors were awarded contracts that exceeded their capacities and assigned tiers. The following findings highlight the mismanagement of CHA Building Operations construction activities.

Summary Findings

CHA Failed to Monitor Capital Construction Projects

1. CHA Project Managers approved contractor labor hours that were unreasonable and excessive.
2. Contractors submitted duplicate charges for work listed under both the original Task Order and the Supplemental Task Order.
3. CHA PMs signed off on contractor invoices for unnecessary work and tasks that were not completed.
4. CHA unit costs in e-Builder were excessive, not reflective of Chicago market rates, and had no minimum specifications for quality.
5. Vendors were awarded contracts that exceeded the value allowed by their assigned JOC tiers in their master contract.
6. Vendors were awarded multiple smaller value contracts to circumvent the tier limits of the JOC Program.

Use of Supplemental Contracts Violated CHA's Procurement Policies

7. The Supplemental contract process did not comply with CHA's Procurement Manual.
8. Building Operations lacked formal policies and procedures for managing COs and Supplementals.

Summary Recommendations

The OIG recommended that CHA take the following actions:

1. Building Operations PMs should thoroughly review contractors' detailed proposals for reasonableness.
2. Before approving contracts, CHA Building Operations should conduct Joint Scope Meetings (JSM) to confirm that the proposed tasks are necessary.
3. PMs should ensure contractors' labor hours submitted for each task are appropriate and justified.
4. Before approving any invoices, Building Operations should ensure that all charges are thoroughly vetted for duplicates before payment.
5. CHA should review and adjust the unit costs listed in e-Builder to better reflect current Chicago market prices.
6. CHA should strictly adhere to the requirements of its existing contracts, including the tier limits for certain vendors.
7. CHA should implement independent quality control reviews of projects awarded through the Building Operations department to ensure program compliance and integrity.
8. CHA Building Operations should adhere to the requirements outlined in CHA's Procurement Manual and contractual agreements when procuring construction services.
9. Develop Standard Operating Procedures for Change Orders and construction management aligned with CHA's governing documents.

Management Response

In response to the OIG's recommendations, the Deputy Chief of the Building Operations Department provided the following in summary:

Regarding the audit findings related to the failure to monitor capital construction projects, management acknowledged that it is the responsibility of each CHA Project Manager to conduct a Joint Scope Meeting with the contractor to review the scope of work before the contractor submits a proposal, thoroughly review each contractor's proposal for reasonableness, including labor hours, and thoroughly review each invoice to ensure all charges are vetted for duplicates before payment.

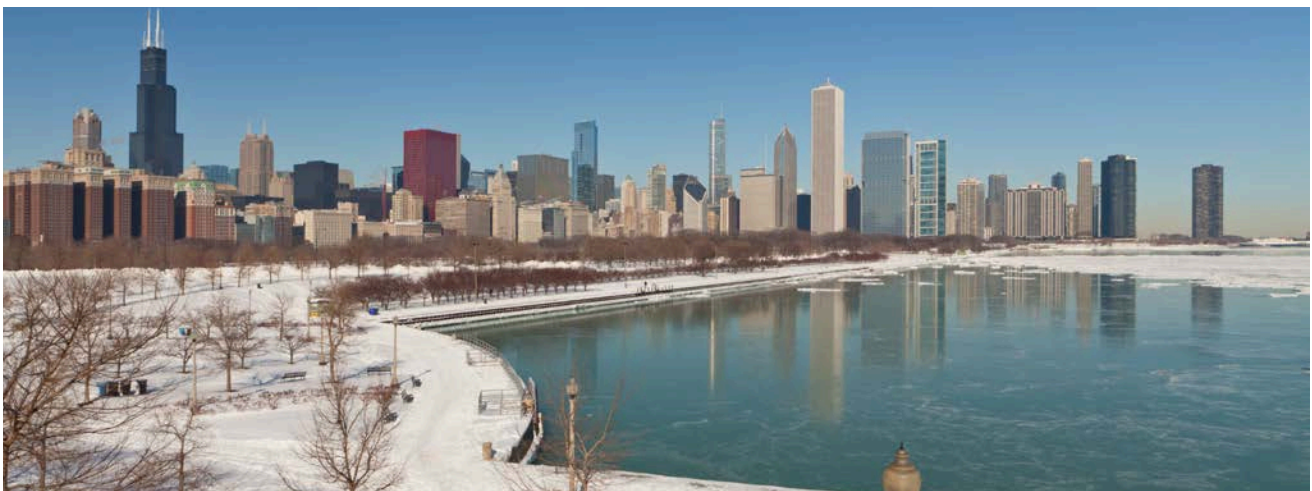
Management had "no objection" to the recommendation to implement independent quality control reviews of projects awarded through the Building Operations department to ensure program compliance and integrity.

Management noted that the audit included a table that “illustrates notable instances of unreasonable charges by contractors.” It should be noted that this table included a subset of the total number of projects completed during the audit period, under a different contract and that many of the noted projects were managed by Projects Managers no longer with the CHA.

Regarding the findings that use of supplemental contracts violated procurement policies, management wrote that the Building Operations Department works closely with the Department of Procurement and Contracts to create and issue solicitations and issue a Purchase Order for each project or task order. The Building Operations Department follows contractual requirements in current contracts as well the internal standard operating procedures related to attaining approval from the CHA’s Investment Committee for a change order that modifies the scope of work or extends the time of an original contract.

The Construction Management Association of America defines a Change order as revisions or additions to an existing construction or engineering contract and are used to modify the original agreement of the parties. In contrast, a supplemental task order is for a scope of work that is additional to and different from a previous task order.

A new General Contracting Pre-Qualified Pool (GCPQP) was authorized by the CHA Board of Commissioners in September 2023 which included different contractor tier structures, levels of project award amounts and processes with vendors receiving new contracts in 2023Q4. The current contract requirements and tier limits are adhered to. The Building Operations Department reviewed and updated unit costs to reflect current Chicago market prices in 2024Q1 for use in the current contracts.



Management Advisories and Memos

This quarter, the OIG issued two Advisories and three Management Memos. Responses to the management memos remain pending and will be summarized in the next quarterly report.

Advisory #30: Public Housing Rent Collection, Lease Enforcement, and Tracking of Pending Eviction Matters

OIG Advisory #30 identified a significant number of public housing residents whose Yardi tenant records reflected significant rent arrears but no indication that the CHA's Private Property Management (PPM) company had sought to enforce the lease terms.

- As of March 1, 2024, 1,394 CHA residents had not paid rent for over 120 days (4 months) and were at least \$500 in arrears, amounting to \$10,481,136.00. On average, these residents had not paid rent in 700 days, or nearly 2 years.
- Yardi records for these 1,394 delinquent tenants, did not consistently reflect that the tenants had been referred to CHA Legal for eviction, nor did their Yardi records consistently use the "Do Not Accept" rent payment status, which is required while an eviction case is pending.
- As of February 16, 2024, CHA Legal had only 124 pending eviction cases for non-payment of rent.

Moreover, the CHA has no centralized database, accessible to both CHA's PPMs and CHA's Office of General Counsel ("CHA Legal"), that accurately reflects the status of lease enforcement actions, 30-day notices, payment plan discussions, or CHA tenants' eviction cases. This lack of coordination negatively impacts CHA's tracking and enforcement of rent payments and can interfere with the accuracy of tenant ledgers.

The OIG recommended that CHA management consider the following actions to ensure CHA consistently and effectively enforces its lease terms:

- Ensure CHA portfolio managers perform regular, proactive reviews of individual delinquent accounts and follow up with PPMs to ensure they follow the CHA's procedures to address past due accounts.
- Review available Yardi tools to determine the most effective way to track cases where PPMs have issued the tenant an enforcement notice or referred the tenant to CHA Legal for potential eviction, including the following:

- o Ensure PPMs use Yardi memo notes to document enforcement efforts.
 - o Ensure PPMs use the "Do Not Accept" rent flag to identify when the cases have been sent to Legal for potential eviction.
 - o Require CHA Legal staff to update Yardi memo notes to accurately reflect the status of any legal review or eviction cases.
- Conduct regular reviews of Yardi reports showing tenants flagged as "Do Not Accept" to ensure that data is accurate and that the flag is removed if the tenant becomes lease compliant.
 - Ensure existing Yardi fields reflect current CHA procedures for lease enforcement. Specifically, PAM should consider changing the "Cash Only" flag to "Money Orders Only" given the CHA's prohibition against the payment of rent in cash.

Management Responses

CHA's Office General Counsel (OGC) and Property and Asset Management Divisions each responded to the OIG's recommendations.

Office of General Counsel Response

The OGC responded that its Litigation Division tracks eviction matters received from the PPMs in an Excel tracking log accessible to CHA's PAM Division. OGC stated it would update its Excel Tracking Log with all pending eviction matters. It anticipated a large amount of additional cases would be referred to the OGC for tenant eviction and would add the cases to the Log as received. The OGC disagreed with the OIG's recommendation that OGC staff update Yardi tenant records with the status of eviction cases, arguing that updating tenant records is a contractual responsibility of the PPMs.

Property and Asset Management Response

The PAM Division agreed with the OIG's recommendations, stating that CHA Portfolio Directors will emphasize with their Portfolio Managers the requirement to regularly and proactively review delinquent accounts within their portfolios and follow up with PPMs to ensure excessive delinquencies are addressed.

The PAM Division is working with ITS to explore the purchase of an additional software module to track legal cases from the point of confirmed delinquency through eviction.

The PAM Division is also working with Legal to create an accurate baseline of all cases that should be in progress. Currently, there are hundreds of cases reported by the Management firms as being submitted for processing that Legal does not have in queue.

Any tracking, filing, reporting, or updating will be deemed inaccurate until agreement on the universe of open cases can be confirmed.

Going forward, PAM is hopeful that implementation of additional tracking software will aide every user department in playing their role in the legal process more seamlessly and accurately. Finally, PAM will work to update the labeling of Yardi fields to reflect current CHA procedures for lease enforcement.

Advisory #31: Effective Tracking and Management of CHA Fleet Vehicles

Recent OIG activities identified areas for improved oversight and management of CHA's fleet vehicles. While the CHA uses GPS tracking to monitor its fleet vehicles, employees were often not accurately recorded in the tracking program, and the supporting Vehicle Usage Forms were incomplete. Finally, the OIG identified a lack of employee training on the current 2024 CHA Vehicle Policy and opportunities for additional routine review of employee vehicle usage for potential red flags or misuse.

The OIG recommended that CHA management conduct training for all CHA employees responsible for managing CHA fleet vehicles; require accurate and complete vehicle tracking in the Geotab GPS software; conduct routine reviews of vehicle usage records to identify potential misuse; regularly check employee driver's licenses, and reevaluate the procedures used to assign vehicles located at the Charles A. Hayes Family Investment Center (FIC).

Management Response

Management pledged to train all vehicle drivers before the end of Q1 2025 on the Fleet Vehicle policy and procedures. The most recent approved policy can be found on CHA's website here: <https://www.thecha.org/about-cha/board-approved-policies>. The policy will also be provided to all drivers at the training and given to each new driver.

Management noted that as of January 2025, HQ facilities is using FreshService, an IT service management tool, for vehicle reservations and information. HQ staff will be required to check for accuracy and completeness of all required information. Regarding the GPS software, the HQ Director is determining how to best ensure HQ staff immediately key out a driver upon return of the vehicle. Additionally, the HQ Facilities director will review records on a monthly basis for high-risk drivers (as defined in Geotab) and will send notices to the employee with consequences per policy and shared with Human Resources and the employee's division if there is impact to performing job responsibilities. Finally, the HQ Director will review the vehicle assignment process for vehicles located at the FIC and take back responsibility for all vehicles if warranted.

Management Memo re: Follow Up to Advisory #25 – HCV Suspensions of Building Code Scofflaws

The OIG concluded a follow-up analysis on Advisory #25, released in late 2022, regarding the suspension of Housing Choice Voucher (HCV) property owners appearing on the City of Chicago "Building Code Scofflaw List." As of September 1, 2024, the OIG identified 13 residential building owners and affiliated companies with CHA Housing Assistance Payment (HAP) Contracts appearing on Scofflaw List, in violation of the CHA's HCV Administrative Plan and HCV Procedure Guide.

The OIG recommended that the CHA's HCV Division, first, suspend the business entities from participation in the HCV program, and second, establish an internal process to ensure HCV staff review the Scofflaw List twice per year, after new defendant-owners added every April 1 and October 1. Bi-annual reviews will bolster HCV's existing compliance efforts and help to ensure CHA's HCV voucher-holders are living in safe and healthy conditions.

Management Response

In response, CHA HCV staff consulted with the City of Chicago to confirm the property owners that were active in the Scofflaw List and received further guidance on the city's processes related to the Scofflaw List. As of mid-January 2025, HCV suspended one vendor, and was continuing to work with City of Chicago staff regarding additional property owners listed in the Scofflaw List to suspend those with active accounts.

The HCV Office also reviewed its procedures and determined that an update detailing its processes is necessary. In addition to reviewing the Scofflaw List bi-annually for vendor suspension purposes, HCV committed to adopt a policy requiring that the Scofflaw List database is reviewed prior to approving Request for Tenancy Approval (RTA), Rent Increase Request, and HCV Change of Ownership/Management requests. HCV will also conduct training sessions for its contractors on how to navigate through the Scofflaw List database. The HCV Office stated that it will continue to strategize on additional effective tracking systems.



The Office of the Inspector General (OIG) is an independent body within the Chicago Housing Authority (CHA). Its purpose is to investigate and audit matters concerning fraud, theft, waste, abuse, and misconduct within or affecting CHA. The OIG promotes economy, efficiency, and integrity in the administration of programs and operations of CHA. The OIG ensures that violations are investigated and prosecuted, as they relate to CHA residents and employees, contractors, subcontractors, or any entity receiving funds from CHA.

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