

# CHICAGO HOUSING AUTHORITY



## OFFICE OF THE INSPECTOR GENERAL



## 2025 Quarter 1 **REPORT**



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

---

**April 15, 2025**

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

Enclosed is the 2025 First Quarter Report on the activities of the Chicago Housing Authority (CHA) Office of the Inspector General (OIG) from January 1, 2025, through March 31, 2025. This quarter, the OIG continued to provide excellent service to the CHA and its many stakeholders, and also received recognition for the high quality and professionalism of its work. Highlights of this quarter include the following:

- **OIG Receives 2024 Exemplary Knighton Award** – OIG’s audit team won the prestigious Exemplary Knighton Award for best performance audit among local government audit organizations of similar size across the U.S. and Canada, for its recent Audit of Public Housing Capital Construction Change Orders and Supplemental Contracts. This award, from the Association of Local Government Auditors, is a well-deserved honor for OIG Senior Auditor Ellaye Accoh, the lead auditor on the project.
- **CHA Ethics Policy Amendments** – in response to the OIG’s Follow Up to OIG Advisory #26 regarding Employee/Participant Conflicts of Interest, the CHA Ethics Officer sought, and the Board approved, an amendment to the Ethics Policy requiring CHA employees to disclose participation in *any* federal housing program.
- **Advisory #32 - Public Housing Resident Leadership Engagement in CHA Contracting and Construction Management** – this advisory detailed the risks posed by CHA employees and contractors who may allow resident leaders and/or non-employees to direct CHA contractors on whom to hire and the work required. CHA management subsequently informed all involved of the appropriate methods for communicating resident concerns and the importance of CHA’s legal and ethical obligations when spending federal funds.
- **Record Number of Complaints Received** – This quarter, the OIG received 287 complaints, the most received in a single quarter for the past 7 years. The increase reflects a greater awareness of the OIG as a trusted resource for concerns.

- **OIG Learning Lab Presentation** - In January, the OIG presented to all CHA staff at CHA's monthly Learning Lab, to provide an overview of OIG activities, fraud risk indicators, and fraud prevention tips.
- **OIG Onboarding Presentations** - Also in January, OIG staff began providing in-person introductions on the role of the OIG to all newly hired CHA employees during regular onboarding sessions.
- **OIG Staff Transitions** - In January, the OIG welcomed Alexis Jackson as our newest Staff Auditor. Alexis joins the OIG with over three years of experience in finance administration, compliance, and fraud analysis. She holds a master's degree in Finance from Loyola University. In March, we said farewell to Information Analyst Max Brown. We are grateful for his many contributions and wish him well in his future endeavors.

Finally, I want to sincerely thank the CHA Board of Commissioners for reappointing me to the position of Inspector General at the March 2025 Board meeting. The last four years have been incredibly productive and rewarding, and I believe the CHA is making significant progress in a variety of areas. I look forward to continuing the important work of fostering accountability and integrity throughout CHA operations for the next four years. This work, and the work of the CHA as a whole, is incredibly important for the quality of life of the residents of Chicago, and I am honored to be a part of it.

As always, please feel free to contact me directly at [krichards@thecha.org](mailto:krichards@thecha.org), with questions or suggestions, or report a complaint by emailing [fraud@thecha.org](mailto:fraud@thecha.org).

Respectfully submitted,

A handwritten signature in blue ink that reads "Kathryn Richards". The signature is written in a cursive, flowing style.

Kathryn B. Richards  
Inspector General

# TABLE OF CONTENTS

# PAGE

MISSION	5
COMPLAINTS	
• COMPLAINTS BY METHOD	6
• TOTAL COMPLAINTS BY QUARTER	6
• COMPLAINTS BY DISPOSITION	7
• SUBJECTS OF COMPLAINTS	7
• INVESTIGATIVE SUPPORT	7
INVESTIGATIONS	
• CLOSED INVESTIGATIONS	8
• DISPOSITION OF CLOSED INVESTIGATIONS	9
• PENDING INVESTIGATIONS	9
• INVESTIGATIONS NOT CONCLUDED WITHIN SIX MONTHS	9
CRIMINAL CASES	
• INDICTMENTS	10
• CRIMINAL CASE UPDATES	10
• CRIMINAL CASE RECOVERIES	12
• CRIMINAL CASES PENDING IN COURT	12
SUSTAINED ADMINISTRATIVE INVESTIGATIONS	13
MANAGEMENT ADVISORIES AND MEMOS	19
AUDITS AND REVIEWS	21



## 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 CHA. The OIG achieves this mission through:

- Criminal and Administrative Investigations
- Investigative Support to Partner Agencies
- Performance Audits
- Management Advisories & Memos
- 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."

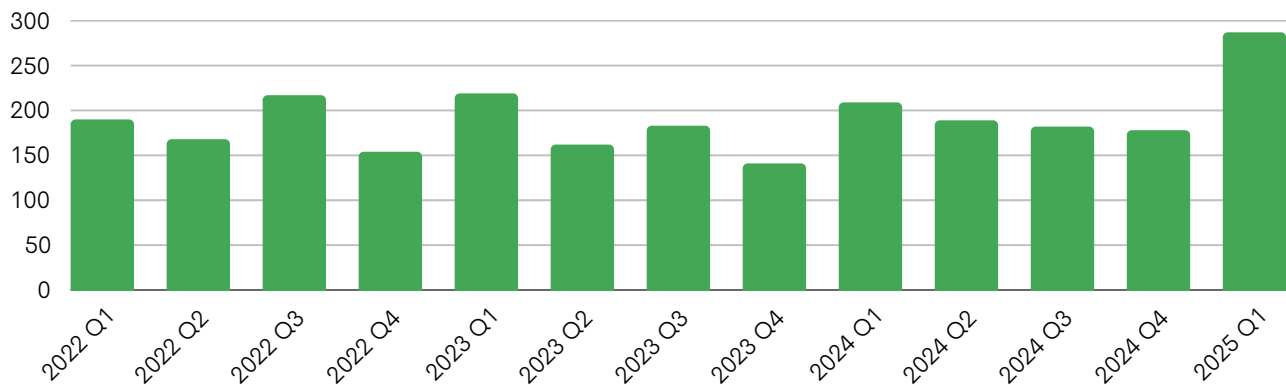
CHA OIG Investigations and Audits have been consistently found to meet the Principles and Standards for Offices of Inspector General in peer reviews by the national Association of Inspectors General.

# Complaints

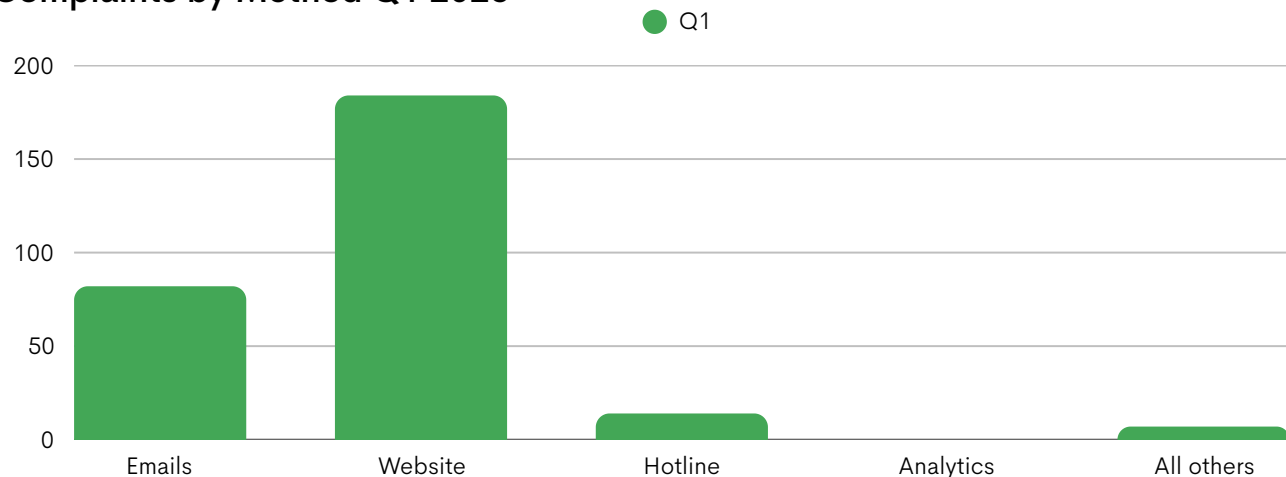
The OIG accepts complaints through its online web portal, by email, telephone hotline, employee complaint drop boxes, and in-person reports. Complainants may choose to remain anonymous. The OIG initiates investigations, reviews, and audits in response to complaints it receives or upon the OIG’s own initiative. 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 **287** complaints in the first quarter of 2025, a record high in the last 3 years. Of those complaints, the OIG referred **149** to various relevant CHA departments and outside agencies; provided investigative support for **11** matters, and declined **103**. The OIG opened **9** investigations, including **3** from previous quarters. At the end of the quarter, **18** complaints received in Q1 remained pending for evaluation, and an additional **8** remained pending from previous quarters, for a total of **26** pending complaints. Below are tables showing statistical information on complaints received this quarter.

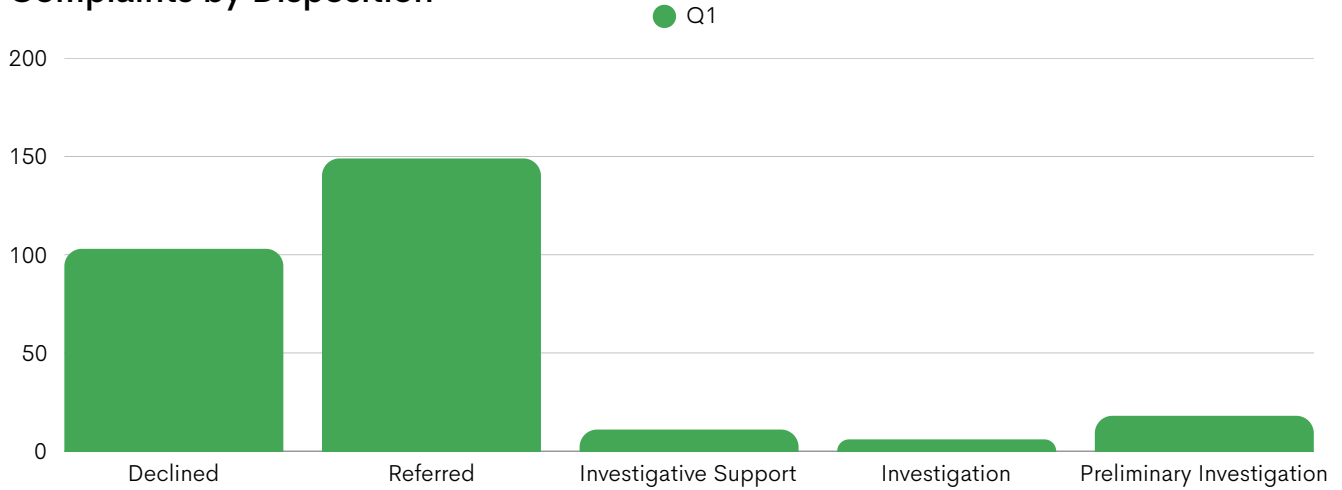
## Total Complaints by Quarter



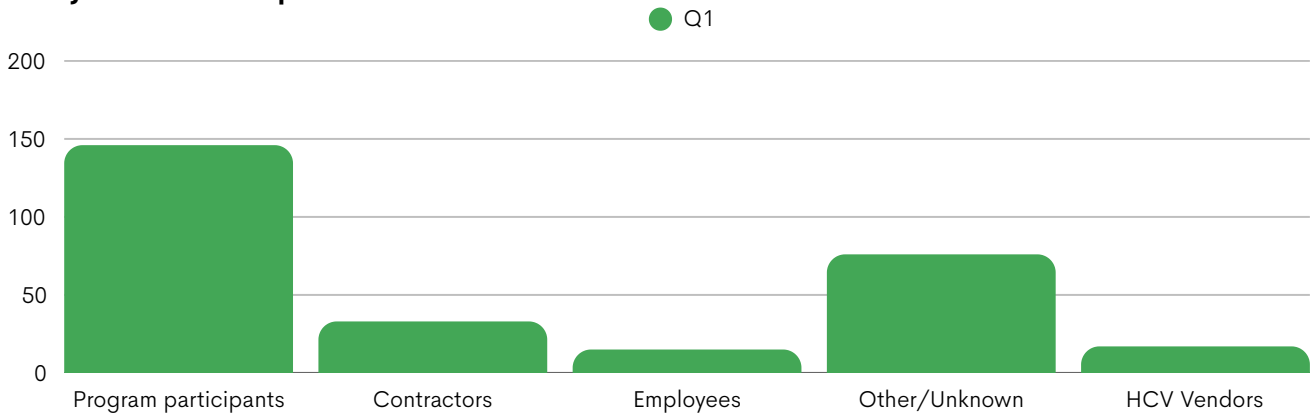
## Complaints by Method Q1 2025



### Complaints by Disposition

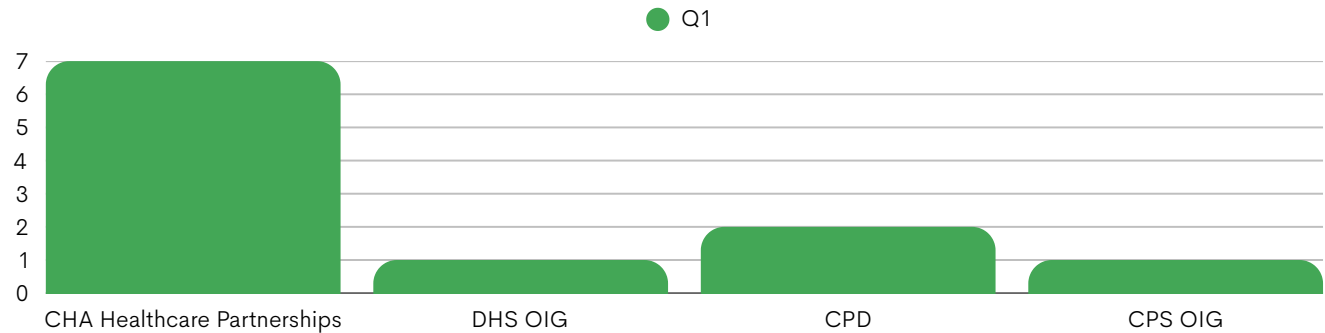


### Subjects of Complaints



### 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 or due diligence. In the first quarter of 2025, the OIG received and responded to **11** requests from the following partners: CHA Resident Services, Healthcare Partnerships; Illinois Department of Human Services OIG; Chicago Police Department; and the Chicago Board of Education OIG.



# 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.

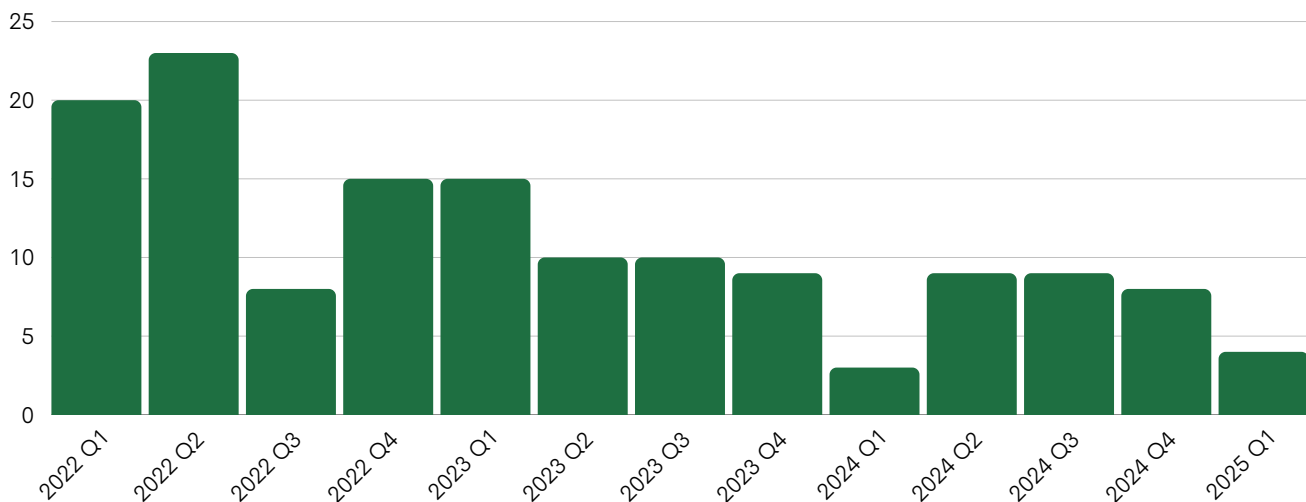
In criminal investigations, if there is sufficient evidence for potential prosecution, the OIG presents the evidence to a prosecuting agency for review. Investigations that result in criminal charges are reported to CHA management and the Finance and Audit Committee. A criminal matter that results in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

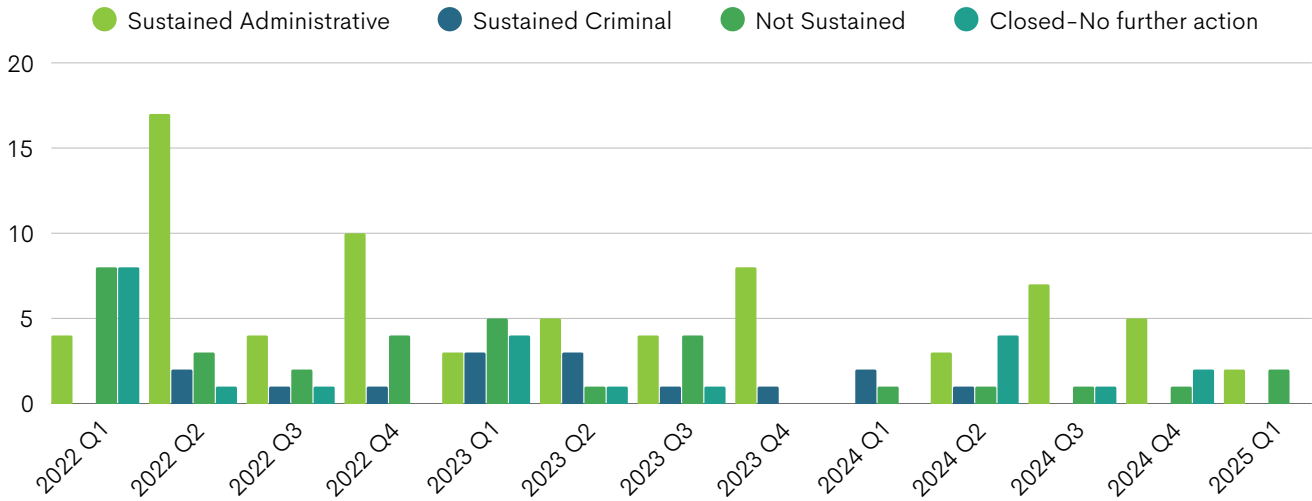
In the first quarter of 2025, the OIG closed **4** investigations; **2** were sustained and **2** were not sustained. All **4** closed cases were administrative.

## Closed Investigations by Quarter



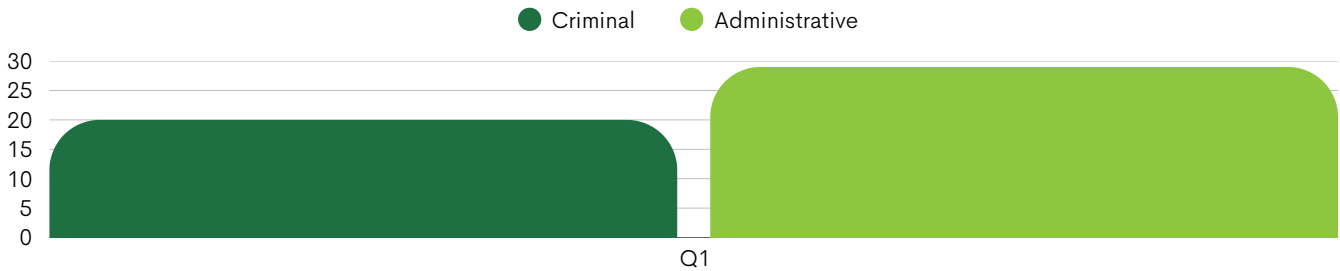


### Disposition of Closed Investigations



### Pending Criminal and Administrative Investigations

At the close of the first quarter, the OIG had **49** pending investigations, including **29** administrative and **20** criminal investigations.



### Investigations Not Concluded Within Six Months

Per the OIG Charter, the OIG must report on pending matters open for more than six months. Of the **49** open investigations, **34** have been open for at least six months. The following table shows the reasons why these matters remain open.

Complex or under review by prosecuting agency	<b>20</b>
Indicted but no criminal disposition	<b>4</b>
On-hold or delayed	<b>10</b>
<b>Total</b>	<b>34</b>

# Criminal Cases

---

There were no new criminal indictments related to OIG investigations in Q1 2025.

## Criminal Case Updates and Sentencings

---

No updates for Q1 2025.

## Criminal Case Recoveries

---

No new orders for restitution in Q1 2025.

The OIG tracks convicted defendants' restitution payments to ensure court orders are followed. This quarter the OIG received funds from **6** defendants, totaling **\$5,799.82** returned to the CHA.

**Restitution Received**



## OIG Criminal Cases Pending in Court

At the end of Q1 2025, the OIG had 6 criminal cases pending in court, stemming from 4 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 April 24, 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 May 8, 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 May 8, 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 June 25, 2025

## Sustained Administrative Cases

---

The following summaries provide information regarding sustained administrative investigations and management's responses.

### **Property and Asset Management, Knowing Violations of Public Procurement Process for Unit Turns, OIG #2024-0749**

A former CHA senior executive authorized a former senior director and other Property and Asset Management (PAM) staff to violate longstanding procurement policies by directing CHA's Private Property Management firms (PPMs) to contract with specific vendors selected by CHA staff for unit turns and renovations. From approximately February 2023 to September 2024, the two senior managers assigned non-competitively procured vendors for unit-turn work, which should have been competitively procured by the PPMs. Even after February 2024, when the procurement violations were directly identified by the CHA's Deputy Chief of Procurement and Chief Administrative Officer, the executive and senior director continued to assign vendors for unit turn work. Additionally, these senior managers failed to address excessive unit turn costs, and failed to provide management oversight of the unit turn work, thereby allowing vendors to be erroneously excluded from future work.

The OIG recommended that PAM and Department of Procurement and Contracts (DPC) establish a comprehensive policy framework for the use of the Prequalified Pool of General Contractors by all CHA User Groups, including the building operations and property management teams. The OIG further recommended that PAM and DPC establish clear written procedures for procurement of work procured by PPMs. The Interim CEO and DPC should advise the CHA leadership team, including the future incoming CEO, of the need for strict adherence to procurement procedures, and take any action necessary to emphasize the importance of following CHA procurement policies in DPC training for both existing and onboarding officers and employees. Finally, the OIG recommended copies of the report be placed in the former employees' personnel files.

**CHA Management Response:** DPC is not involved in the rotation of those in the GC Pool. The Capital Construction team is establishing the rotation process and ensuring that the pool of vendors are aware of how this will function.

Property Operations is looking at how to ensure Property Management firms utilize the pool also. Property will utilize the new Yardi modules, Yardi MIQ, to manage and track unit turns procured by the PPMs. Draft procedures for PPM unit turns are under review. DPC has updated the procurement portion of the Property Procedural manual. Property will distribute the complete manual to the PPMs. DPC sent a memo to leadership on 1/23/25 with procurement procedures. The CEO and DCPO have reiterated adherence to procedures in meetings. The OIG report has been placed in the respective personnel files.

**Property and Asset Management, Abuse of Discretion in Managing Contract Sanction Provisions in PPM Contracts, OIG #2024-0654 (A)**

An OIG investigation found that a former senior executive and former senior director in the PAM division abused their discretion in the arbitrary rescission of contract sanctions imposed against two of CHA's private property management firms. The senior managers undermined their subordinates' efforts to enforce CHA's contract terms without any review of the underlying facts and only after the protest of PPM management.

The OIG recommended that the PAM Division review the current use of contract sanctions for PPMs and ensure that both the imposition of a sanction and the rescission of a sanction are reviewed by supervisors and require detailed written justification and supervisory approval for any formal action. The OIG further recommended the report be placed in the relevant personnel files.

**CHA Management Response:** The PAM Division agrees with the OIG's findings and recommendations. PPM performance is primarily evaluated through various reports generated in Yardi, which tracks data in every applicable area. It is important to use an objective tool such as Yardi when evaluating performance and utilizing contract management remedies, such as sanctions, to ensure a fair and unbiased review. Negotiating sanction amounts is not part of our contract management strategy or any established procedure.

Moving forward through the end of the current contracts, the practice of utilizing Yardi reporting to assess sanctions will remain in place and will not be altered. Monthly reporting will be used to determine any sanctions, and those sanctions will be approved by the Deputy Chief of Property Operations. Any reversals will require a detailed written justification and approval from the Chief Property Officer.

Although sanctions will not be part of the new contracts, PPM performance will continue to be reviewed monthly and any contractual defaults will be generated through PAM's newly created Asset Management department. PAM will use all available contractual remedies to ensure satisfactory performance, up to and including contract termination. The OIG's report was added to the former employees' personnel files.

**Former Senior Executive Knowingly Violated CHA Check Request and Insurance Policies, OIG #2023-0571**

An OIG investigation found that in March 2023, a former senior executive knowingly circumvented the CHA's procurement and insurance policies by approving a check request to contract with a charter bus company that did not meet CHA insurance requirements, thereby putting the CHA at risk of liability and undermining the CHA's culture of compliance with procurement policies. The OIG recommended that CHA management review existing check request procedures and take steps to prevent similar violations in the future. CHA management may consider revising the check request form to require proof of insurance, where appropriate. The OIG further recommended the report be placed in the former employee's personnel file for future reference.

**CHA Management Response:** Per the Chief Financial Officer, an updated check request process has been put into place and includes proof of insurance. The OIG report has been placed in the former employee's personnel file.



**Inappropriate CHA Vehicle Usage, Lack of Management Oversight, and Time and Attendance Violations, OIG #2024-0254**

An HCV inspector engaged in a long-running pattern of taking a CHA vehicle out to the field but then traveling home for a significant amount of time during work. The employee's supervisor failed to adequately supervise the inspector and the rest of their team.

The OIG recommended CHA terminate the inspector's employment and impose discipline up to and including termination of the supervisor. The OIG noted that the supervisor was the subject of similar OIG findings in November 2021. Finally, the OIG recommended that CHA review the management, staffing, and position expectations for the HCV Inspectors to ensure consistent standards and appropriate oversight.

**CHA Management Response:** HCV agreed with the OIG recommendations. A complete review was conducted of the work requirements for the Program Integrity team. In order to facilitate increased oversight of staff, the Program Integrity team has been divided into two teams, the HCV Program Compliance and HCV Inspections Compliance teams. Both teams will have a manager assigned, who is responsible for supervising and reviewing the work of the employees on the team and overseeing the work being done by HCV program contractors.

- The HCV Program Compliance Manager will be responsible for supervision and managing/reviewing the work of four (4) QC File Reviewers, coordinate HCV departments audits, uphold the HCV Procedure Guide, and provide oversight of both HCV contractors to ensure program compliance.
- The HCV Inspections Compliance Manager will be responsible for supervision and managing/reviewing the work of two (2) HCV HQS QC Inspectors and one (1) PBV HQS QC Inspector, uphold the CHA HQS Guidebook, maintain a condensed monthly inspections caseload, and provide oversight of HCV Inspections contractor to ensure program compliance. One inspector position has been eliminated.
- HCV Compliance staff will coordinate with General Services to regularly obtain Geotab reports to monitor vehicle usage.
- The number of inspections and HQS Enforcement reviews conducted weekly will be structured to accommodate the modified staffing structure and encourage more oversight. The Manager will also conduct monthly HQS QC Inspections and periodically shadow the QC Inspectors to review their work.

**Commissioner Conduct and Confidentiality, OIG #2023-02-00035**

Per the OIG Charter, allegations of misconduct by a CHA Commissioner received in January 2023, were referred to outside counsel. After unrelated delays, outside counsel determined in late 2024, that a CHA Commissioner had engaged in inappropriate conduct by having a sexually graphic conversation in the presence of employees and "may have communicated inappropriately with multiple employees in public forums, which, ... if proven, likely breached the Ethics Policy by sharing confidential information."

However, counsel's review of CHA policies determined that, there is no harassment policy applicable to the Board. The Employee Handbook applies only to employees, and while the Ethics Policy applies to Commissioners, it generally prohibits behavior that inhibits equal opportunity for protected classes. Outside counsel recommended amendments to the Board By-Laws and Employee Handbook, and annual Ethics training for Commissioners.

The OIG referred the findings to the Board Chair, noting that repeated inappropriate behavior by a Commissioner toward CHA employees could put the CHA at risk of civil liability if the conduct is known and unaddressed. The OIG recommended the Board Chair admonish the Commissioner and seek a commitment that such actions will not be repeated. The OIG further recommended the Chair work with CHA's Office of General Counsel or outside counsel to amend the Board Bylaws to include:

- A code of conduct, including anti-harassment and bullying, among others.
- A formal reporting and review process to address commissioner misconduct, with appropriate sanctions, including but not limited to censure, up to and including a recommendation for removal.
- A requirement that Commissioners attend annual training on the CHA Ethics Policy, Board Bylaws, and other topics, including discrimination and harassment.

**Management Response:** The CHA Interim Board Chair agreed with the OIG's recommendations and reported that the CHA has engaged outside counsel to assist in drafting amendments to the Board By-Laws, which will incorporate a code of conduct, confirm that the Commissioners are subject to Board's Ethics Policy and the harassment and discrimination policies in the Employment Handbook, and include a process to hold Commissioners accountable for violations. The By-Laws will also incorporate annual training requirements.

The Chair noted that for the last few years, Commissioners have participated in annual ethics and sexual harassment training, and future training will include the code of conduct. Finally, the Chair met with the Commissioner to discuss the findings and admonished the Commissioner. The Commissioner committed to the Chair that they would not engage in similar behavior in the future.



## Updates to Previously Reported Administrative Investigations and Recommendations

### **Former Senior Manager's Relationship with HCV Vendor, Update: OIG #2024-0367**

As reported in the OIG's Q3 2024 Report, a former senior manager in the PAM division maintained a direct financial relationship with an active HCV vendor, and engaged in a scheme to conceal the vendor's real estate assets from ongoing criminal proceedings by briefly taking legal ownership of the HCV properties. In response to the OIG's recommendation that the HCV division review the vendor landlord's actions for potential violations of HCV program policies and pursue administrative enforcement action, the HCV Division reported that it intends to initiate suspension of the vendor from participation in the HCV program for changing the ownership of the business entity without reporting to the CHA.

### **Duplicate Unit Turn Work, Requisition Splitting, Update: OIG #2023-0615**

In 2024 the OIG found that a PPM incorrectly contracted for additional unit-turn construction just four months after a full unit-turn, in a misguided attempt to make the unit ADA compliant. The OIG recommended that PAM review this matter for appropriate action against the PPM for failure to appropriately manage the unit-turn process and waste of CHA funds; review existing asset management procedures and tracking of unit turn costs to ensure such waste does not occur in the future; and develop procedures or guidelines for the CHA Accessibility Program to provide clear requirements for PPM and CHA personnel regarding construction and unit turn work that involves accessibility modifications.

**CHA Management Response:** The PPM was sent a memo stating that a refund of \$19,343.53 was required by 2/15/25. The PPM delivered the payment at the end of February.

Property is working with IT to implement Yardi Maintenance and Inspections IQ (MIQ) modules. This new Yardi module provides the appropriate software and tracking tools to prevent waste as experienced in this report. Draft procedures for PPM unit turns have been created and are being reviewed. Procedures and guidelines for accessibility will be developed in Q2 2025.

**Procurement Violations, Senior Manager's Alteration of Evaluation Committee Recommendation Memo, Update: OIG #2024-0389**

In 2024 the OIG recommended the Department of Procurement and Contracts (DPC) clarify the role and importance of an internal Evaluation Committee's (EC) recommendation in the procurement process and prohibit the exercise of executive management discretion, particularly as it relates to vendor selection after the EC has concluded its work. The OIG also recommended that HR provide additional training for all supervisory and management staff on the importance of enforcing CHA policies, how to appropriately respond to reports from subordinates of policy violations, and the prohibition against retaliation for making a complaint or participating in any official investigation.

**CHA Management Response:** DPC sent Procurement reminders to executive leadership team on January 23, 2025. Human Resources facilitated a training session with Property & Asset Management staff on procurement policies to reiterate policy enforcement.



# Management Advisories and Memos

---

OIG management advisories and memos seek to notify the CHA of various management and operational issues identified by OIG through analytics, audits, or investigations. This quarter, the OIG issued one advisory.

## **OIG Advisory #32 CHA Public Housing Resident Leadership Engagement in CHA Contracting and Construction Management**

On March 7, 2025, the CHA OIG issued an advisory to CHA management, which detailed the significant risk to the Authority posed by CHA employees and contractors allowing public housing resident leaders and/or non-employees to become inappropriately involved in CHA construction projects. Resident leaders, including elected representatives of the various Local Advisory Councils (LACs) and the Central Advisory Council (CAC), play a critical and necessary role in advocating on behalf of CHA residents with CHA management. Nevertheless, the CHA must maintain clear boundaries between the role of resident leaders providing community input and the role of CHA employees and contractors making decisions on the use of federal funds.

CHA employees who delegate their decision-making authority to non-employees expose the agency to significant legal liability and jeopardize the safety and welfare of CHA tenants. CHA construction projects are subject to federal, state, and local laws. Such laws regulate the CHA's public procurement process and vendor selection, prohibit discrimination, require fair labor standards, prevent conflicts of interest, and ensure work meets all building codes and life safety requirements. Individuals not employed by the CHA are not subject to the CHA's Employee Handbook or Ethics Policy nor do they hold a fiduciary duty that would require them to prevent fraud, waste, or abuse of CHA resources.

The OIG recommended that CHA management immediately communicate to CHA Property and Asset Management (PAM) employees, active CHA contractors, and the CAC Board that resident leaders must direct their communications and input regarding CHA construction, vendor selection, and materials to the relevant CHA senior managers and not the CHA's contractors. CHA contractors should be advised to take direction only from designated CHA employees. All parties should be advised of the appropriate outlets for communication to prevent any appearance or misunderstanding that a resident leader speaks on behalf of the CHA. All such information should be further documented in Standard Operating Procedures for reference by CHA construction managers going forward.

**CHA Management Response:** Property and Asset Management (PAM) has reviewed the subject summary report and agrees with the OIG's recommendations. As noted in the advisory, CHA appreciates the valuable role resident leaders, including elected representatives of the various Local Advisory Councils (LACs) and the Central Advisory Council (CAC), play in advocating on behalf of CHA residents. PAM agrees CHA must maintain clear boundaries between the role of resident leaders providing community input and the role of CHA employees and contractors making decisions on the use of federal funds.

The OIG Advisory #32 and a cover memo from the Interim Chief Property Officer were distributed to PAM staff, contractors, and CAC leadership. Additionally, PAM staff conducted targeted outreach to resident leadership and contractors at ABLA, where CHA's largest renovation project is underway.

### **Follow Up to OIG Advisory #26 – Employee/Participant Conflicts of Interest**

In December 2024, the OIG issued a follow up memo to its 2023 advisory regarding employees with potential conflicts of interest as participants in CHA programs. In 2024, OIG again found individual employees with conflicts of interest, Statement of Financial Interest (SFI) issues, and underreported income by CHA employees, who are also participants in CHA's housing programs.

The OIG recommended that CHA management ensure that CHA employees and/or relatives participating in HCV be ported out to HACC as soon as practicable. For CHA employees residing in public housing, the OIG recommended Property and Asset Management ensure that PPMs have updated income information for any CHA employees. To the extent the memo identified potential employee violations of CHA policies, the OIG referred those matters for review by HR and CHA management. Finally, the OIG recommended that the OGC revise the CHA Ethics Policy and SFI form to require employees disclose participation in any federal housing program, in addition to the current HCV disclosure.

**CHA Management Responses:** The Ethics Officer and Office of General Counsel sought, and the Board approved, an amendment to the CHA's Ethics Policy requiring CHA employees to disclose participation in any federal housing program.

The HCV Division reported that it is more closely monitoring the time it takes to get individuals with conflicts of interests (COIs) ported out and has improved relationships with HACC Senior management to assist with expediting these portability cases. Additionally, HCV was working on an advisory to be issued by February 24, 2025, directing contractor staff to notate Yardi to identify when a participant household includes a CHA employee.

The PAM Division responded that, because of the ability for residents to have biennial recertifications, there is currently a disconnect with ability to have updated income information. The property office is evaluating whether to return to annual recertifications.

Finally, CHA Human Resources stated it has set up new tracking mechanisms on applications for residents and participants, and if there is a trigger, HCV and Resident Services is notified of the potential conflict.

## **Audits and Reviews**

---

### **Closed Audits**

The OIG issued no new closed or draft audits this quarter.

### **Pending Audits**

This quarter the OIG initiated an audit of the CHA Unit Turn Process. The OIG will review Unit Turns to determine whether CHA's PPMs:

1. Complied with HUD regulations, CHA's Procurement Manual, PPM Financial Policies and PPM Procedural Manual; and
2. Evaluate the risk environment and control to mitigate fraud, waste, and abuse.

The PAM Division and PPMs have responded to OIG document requests, and the audit is underway.

The OIG had one audit pending at the close of the first quarter, the Contractors System Access Audit.

### **Update: Public Housing Capital Construction Change Orders and Supplemental Contracts Audit**

CHA Management provided additional response to OIG's recommendations for improved oversight of the capital construction program.

**CHA Management Response:** As part of Property's re-organization, quality control and compliance are emphasized through the investment in the structure. Within Capital Construction, a new group focused on quality assurance and quality control is being assembled and will be led by the Director of Capital Construction Quality. Within Asset Management, a Financial Controls group is being created to provide greater financial oversight and budget management.



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.

For more information regarding this report, please contact  
Chicago Housing Authority  
Office of the Inspector General  
60 E. Van Buren St. 7th Floor  
Chicago, IL 60605

Or visit our website at [www.thecha.org/fraud](http://www.thecha.org/fraud)

**Contact Us**

(800) 544-7139  
Fraud@thecha.org  
[www.thecha.org/fraud](http://www.thecha.org/fraud)

Follow us on X, LinkedIn, and Facebook

