2008 ANNUAL REPORT

March 11, 2009
The mission of the Office of Inspector General is to promote and ensure economy, efficiency, effectiveness, and integrity in the administration of the programs and operations of the CTA.
Audit Highlights
Peer Review Conducted September 2008

• Performed by American Public Transportation Association using three transit professionals (LA, DC and Atlanta)

• Tested for compliance with the Government Auditing Standards

• OIG received the highest possible rating—was found to be in full compliance with the standards

• Certain aspects found to be industry “best practices”

• Link to APTA’s report on CTA website
Audit and Reviews Performed

- 13 Audits Completed
- 15 Audits Opened
- Areas reviewed included: Brown Line, Legacy Payroll Conversion, Express Vending Machines, Bus and Rail Car Cleanliness, Customer Parking Facilities, Fuel Purchase and Distribution Controls, and Controls Related to the Purchase of Electric Service
Audits/Initiatives 2000-2008

2000-2008 Audit Comparison

- **Opened**
- **Closed**

Year | Opened | Closed
--- | --- | ---
2000 | 13 | 3
2001 | 15 | 7
2002 | 17 | 15
2003 | 12 | 21
2004 | 17 | 10
2005 | 18 | 11
2006 | 19 | 15
2007 | 8 | 8
2008 | 15 | 13
Investigation Highlights
Fare Media Theft by Vendor

• CTA fare media vendor defaulted on payments to CTA for fare cards

• CTA halted distribution of new cards to vendor

• Vendor created three fictitious business identities which were approved as distributors of fare media

• Vendor received additional fare media and defaulted on payments totaling over $200,000

• Vendor arrested and charged with felonies—case pending

• CTA seeking monetary recovery
Investigations 2000-2008

2000-2008 Open/Closed Investigations Comparison

- **Opened**
- **Closed**

<table>
<thead>
<tr>
<th>Year</th>
<th>Opened</th>
<th>Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>58</td>
<td>21</td>
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<tr>
<td>2001</td>
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<td>122</td>
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<td>2004</td>
<td>175</td>
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<td>2005</td>
<td>313</td>
<td>334</td>
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<tr>
<td>2006</td>
<td>335</td>
<td>335</td>
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<td>2007</td>
<td>401</td>
<td>367</td>
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<tr>
<td>2008</td>
<td>475</td>
<td>499</td>
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</table>
### Administrative Actions

**January 1– December 31, 2008**

<table>
<thead>
<tr>
<th>Action</th>
<th>Count</th>
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<tr>
<td>Employee Discharges</td>
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<tr>
<td>Employee Suspensions</td>
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<tr>
<td>Employee Retirements/Resignations</td>
<td>23</td>
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<tr>
<td>Employee Reprimands/Warnings</td>
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<tr>
<td>Contractor Debarments</td>
<td>3</td>
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<tr>
<td><strong>Totals</strong></td>
<td>92</td>
</tr>
</tbody>
</table>
Statistics
Hotline Contacts-2006-2008
2008 Contacts

Cases Opened: 475
Online Survey: 147
Customer Commendations: 7
Referrals to Management: 145
Cases Declined: 9
Request for Information: 18
Hotline Calls: 360
Hotline-Nature of Allegations

- Assist Law Enforcement: 22
- Assist CTA Department: 40
- Bribery/Kickbacks/Bid Rigging: 2
- Conflict of Interest: 2
- Criminal Record: 14
- DBE Violations: 2
- Drug Violations: 3
- Falsifying Documents: 4
- Fare Card Related: 12
- FMLA/Time Abuse: 123
- Harassment: 5
- Misuse of CTA Resources: 2
- Mismanagement: 5
- Procedural: 17
- Official Misconduct: 2
- Residency: 2
- Secondary Employment: 74
- Theft: 15
- Fraud: 4
- Other: 161
- Customer Service: 631
Source of Referrals

- Manager 258
- Employee 35
- Law Enforcement 55
- OIG Initiative 56
- Anonymous 27
- Contractor 1
- Customer 19
- Other 34
Other Significant Accomplishments

• Implemented AutoAudit—an interactive real-time database for OIG staff and CTA Management

• Improved communications with the Chicago Police Department regarding arrested employees and contractors

• Designed and implemented an electronic hotline survey form

• Developed and published a brochure for CTA employees on how to respond to OIG findings
Look Ahead for 2009

- Completion of Risk Assessment/Process Mapping by Crowe Horwath—a joint project with the Comptroller’s Office
- Augment audit services through use of IT specialist as recommended by the APTA Peer Review Team
- Enhancement of audit QA processes
- Additional staff professional certifications
Contact Information

Phone       (773) 282-8463
E-Mail    hotline@ctaoig.net
U.S. Mail  P.O. Box 641075
           Chicago, IL 60664-1075
Fax         (312) 681-3797