

# ANNUAL REPORT FOR 2010

*OF THE*

# OFFICE OF INSPECTOR GENERAL

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*April 15, 2011*

**CHICAGO TRANSIT AUTHORITY**



## Overview of OIG

- Established by Board Ordinance in 1999
- Mission: promote economy, efficiency, effectiveness and integrity in programs and operations of the CTA
- Granted law enforcement authority in 2000
- Investigations and Internal Audit function for the Authority

## Audits and Reviews Performed

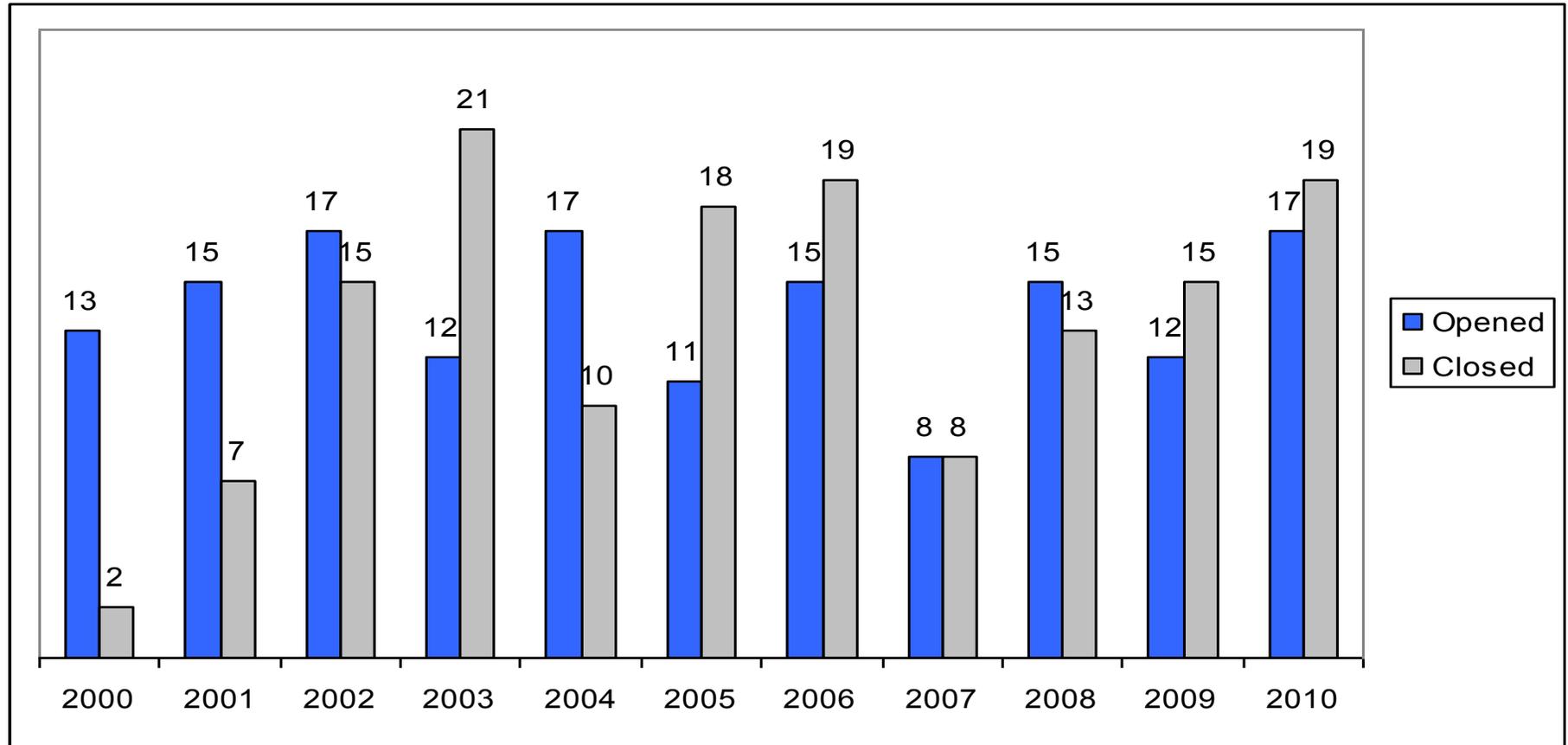
- 19 Audits Completed
- 85 Findings Resulting in 122 Recommendations
- 17 Audits Opened

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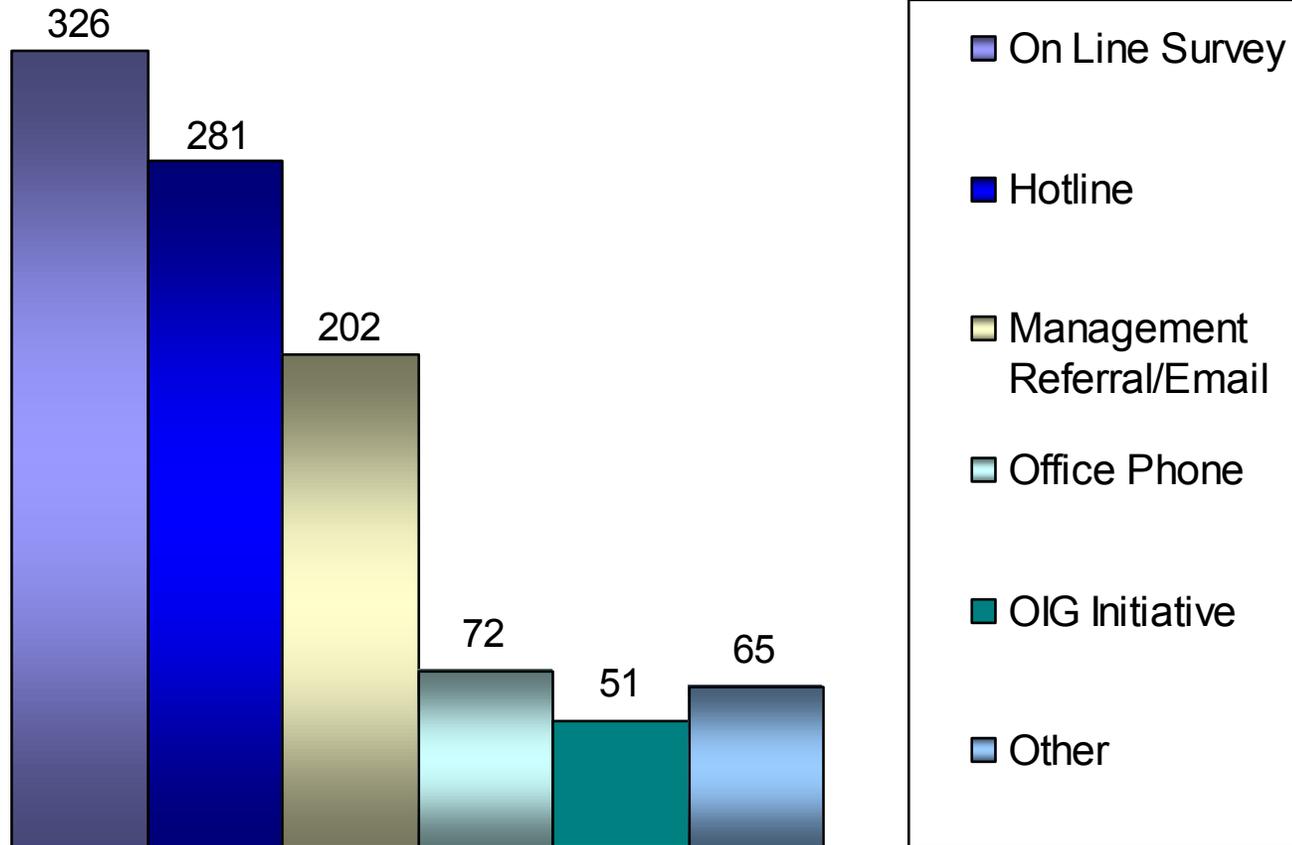
Focus	Noteworthy Areas Reviewed
Operational Controls	Hiring and Promotion Processes Fleet Management Inventory Controls
Financial Controls	Employee Expense Reports Workers' Compensation Program Customer Refunds Premium Pay Codes
Management Succession	Finance Department
Ethics	Reporting of Statements of Financial Interests
Fraud	Unauthorized Use of Fare Cards
Construction / Capital	Dearborn Subway Project Howard Station Block 37
Audit Follow-Up	Warranty Claims Process



# Audits/Initiatives 2000-2010



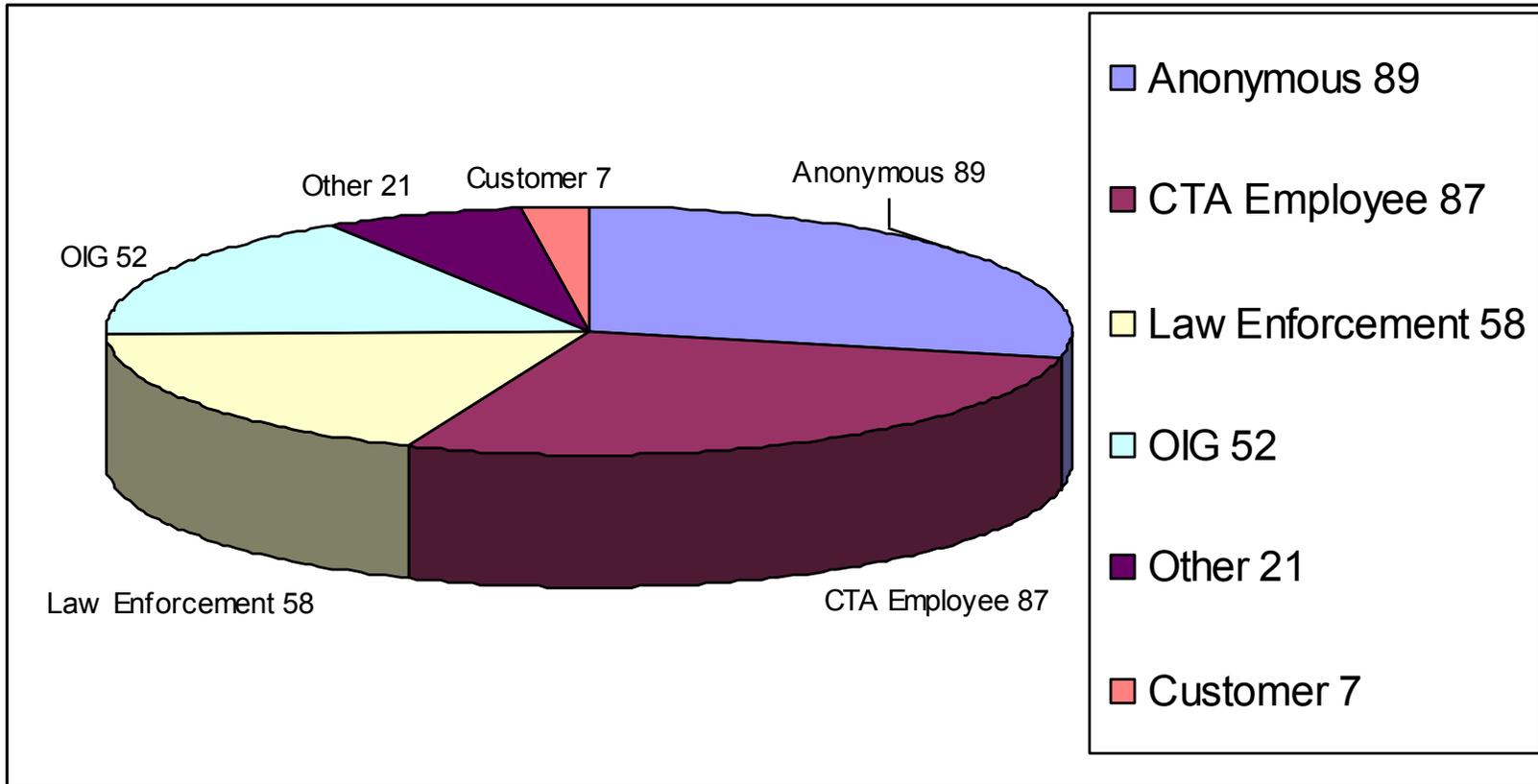
# 997 Contacts and Leads in 2010



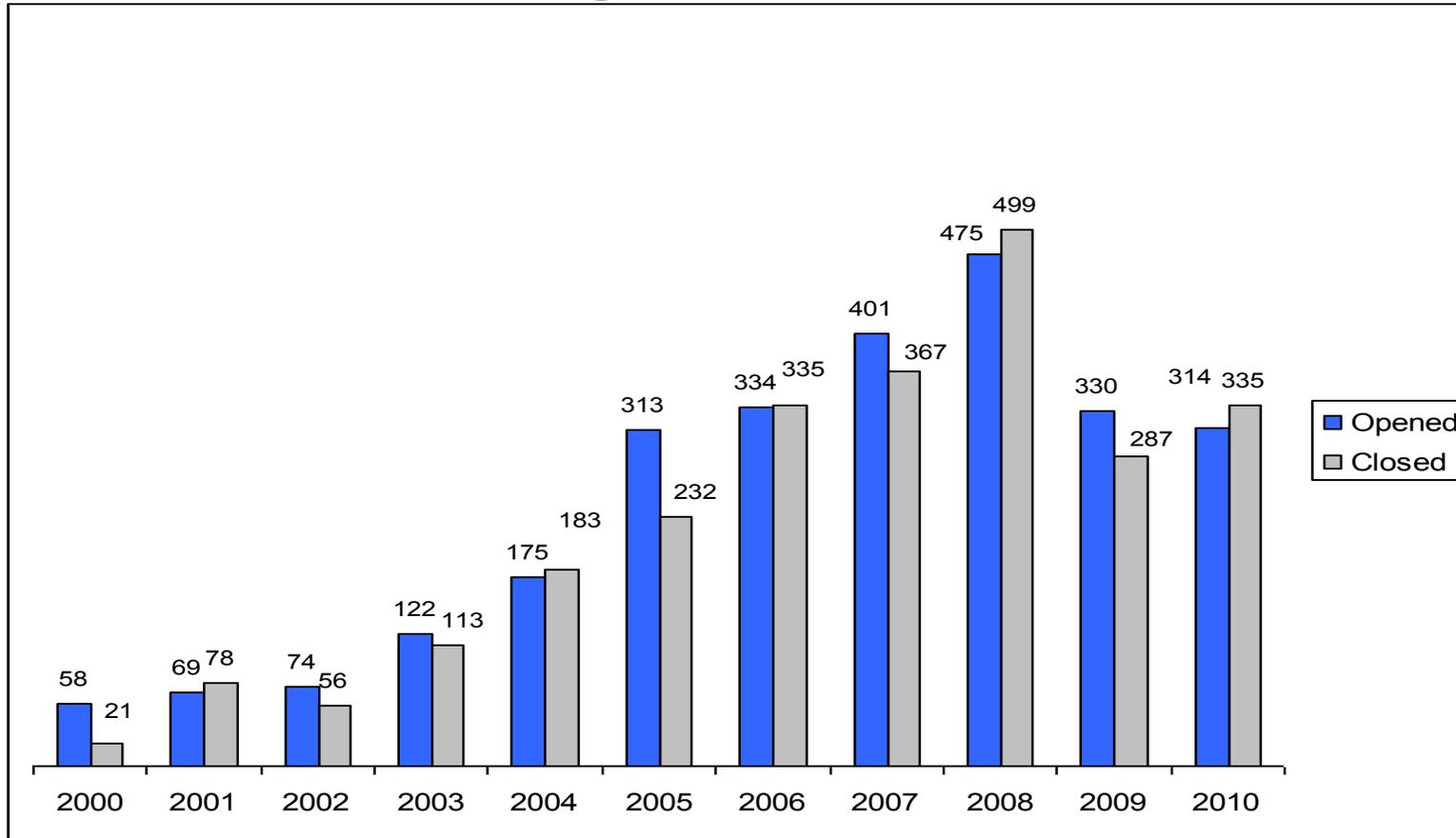
## Disposition of Contacts and Leads

Case Opened	314
Referred to Management	189
Provided Requested Information	104
Referred to Customer Service	105
Not Actionable or Declined Case	237
	<hr/>
<i>Total Contacts and Leads</i>	997

# Sources of Opened Cases



# Investigations 2000-2010



## Nature of Allegation / Case

***Six categories accounted for more than half of opened cases in 2010:***

FMLA / Time Abuse
Assist Law Enforcement
Secondary Employment Violation
Driver's License Violations
Arrest of Employee
Misuse of CTA Resources

## Nature of Allegation / Case

***The remaining opened cases varied widely:***

Drug Violations	Fare Card Related
Theft	Residency
Procedural Violations	Conflict of Interest
Check / Credit Card	Harassment
Assist of CTA Department	Falsified Documents
Improper Conduct	Other

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Issue	Benefit Resulting From OIG Activity
Purchasing Controls	Improved controls covering “under-money” purchases
Vendor Administration	Corrective action in the administration of debarred vendors
Testing of New Rail Cars	Updated procedures to ensure proper documentation of test results
Inventory Controls	Improved controls for the receipt and distribution of materials, as well as for rush orders
Grant Administration	Enhanced monitoring of under-utilized grants

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Issue	Improvement Resulting From OIG Activity
Drug and Alcohol Testing	Tightened accountability over selection procedures
Credit Card Fraud	Improved identification and monitoring of fraud indicators for purchases on the CTA website
Human Resource Policy	Clarified and expanded Authority policies related to sexual harassment
Fare Card Fraud	Enhanced monitoring of the unauthorized use of free fare cards; updated procedures related to the confiscation and deactivation of fare cards

## Administrative Actions Related to OIG Activities

*January 1 – December 31, 2010*

<b>Employee Discharges</b>	<b>12</b>
<b>Employee Suspensions</b>	<b>12</b>
<b>Employee Retirements/Resignations</b>	<b>3</b>
<b>Employee Reprimands/Warnings</b>	<b>7</b>
<b>Contractor Debarments</b>	<b>0</b>
<b>Total</b>	<b>34</b>

## Look Ahead for 2011

- **New legislation takes effect July 1, 2011**
- **Who “audits the auditors?” – external peer review**
- **Major technology initiatives**
- **Management turnover and succession**

## Contact Information

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