



**Public Building  
Commission** of Chicago

**OFFICE OF THE INSPECTOR GENERAL**  
*Public Building Commission of Chicago*

**QUARTERLY REPORT**

**THIRD QUARTER 2013**

**September 30, 2013**

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## A. Overview

This report provides an overview of the operations of the Office of the Inspector General ("OIG") of the Public Building Commission of Chicago ("PBC") from March 31, 2013 through June 30, 2013. This report includes statistical and narrative descriptions of the activity of the OIG, as required by the Public Building Commission of Chicago ("PBCC") *Inspector General Function Policies and Procedures*.

Two of eight investigations underway at the beginning of the third quarter are near completion. These investigations are currently being documented for presentation to the Audit Committee. The remaining six investigations are expected to progress during the fourth quarter as the earlier mentioned matters are formally closed out.

During the third quarter, the OIG continued working to develop guidance to alleviate the presence or appearance of pass-through fraud within the MBE/WBE program. The OIG's efforts are designed to clarify the standards required for compliant participation in the PBC's MBE/WBE Program, deter occurrences of fraud or abuse within the construction program, and strengthen the culture of compliance among all contractors and business partners.

## **B. New Investigations**

No new investigations commenced this period.

## **C. Ongoing Investigations**

There are currently eight ongoing investigations involving fraud within the MBE/WBE Program. Two of the ongoing interviews are in their final stages of report preparation. The remaining six investigations are still in the fact-finding stage.

### PBC-1-2012.11

The investigation of a minority-owned supplier of mechanical, electrical, and plumbing supplies has concluded.

The OIG has obtained final responses from the Prime Contractor and is prepared to deliver the final investigation report to the Audit Committee for final acceptance during fourth quarter.

### PBC-2-2012.11

The investigation of a minority-owned supplier of construction materials has concluded.

The OIG has obtained final responses from the Prime Contractor and is prepared to deliver the final investigation report to Audit Committee for final acceptance on October 31, 2013.

### PBC-3-2012.12

The OIG's investigation of a woman-owned supplier of construction materials in a 2010 PBC project is ongoing.

### PBC-6-2012.12

The OIG's investigation of a minority-owned subcontractor joint-venture member providing masonry services for a 2010 PBC project is ongoing.

### PBC-7-2012.12

The OIG's investigation of a minority-owned subcontractor performing demolition services for a 2010 PBC project is ongoing.

PBC-8-2012.12

The OIG's investigation of a woman-owned supplier of construction materials in a 2010 PBC project is ongoing.

PBC-9-2013.2

The OIG's investigation of a woman-owned supplier of electrical supplies for a 2009 PBC Project in February 2013 is ongoing.

PBC-10-2013.3

The OIG's investigation of improper payments practices by a minority-owned subcontractor performing security services for a 2010 PBC project is expected to commence at the issuance of a request for documents.

**D. Closed Investigations**

No investigations were closed this period.

**E. Program Management**

**Debarment and Impositions of Sanctions**

Throughout the third quarter, the OIG worked in conjunction with the PBC General Counsel and the Audit Committee to develop the current version of the Procedural Guidelines for Debarment and Imposition of Sanctions for the Public Building Commission of Chicago.

**MBE/WBE Program**

The OIG anticipates delivering clarifying guidance on fraud and the "commercially-useful function" contractual requirement of PBC construction contracts during the fourth quarter.