



Joseph M. Ferguson  
*Inspector General*

## OFFICE OF INSPECTOR GENERAL *City of Chicago*

740 N. Sedgwick Street, Suite 200  
Chicago, Illinois 60654  
Telephone: (773) 478-7799  
Fax: (773) 478-3949

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October 10, 2013

To the Mayor, Members of the City Council, City Clerk, City Treasurer, and residents of the City of Chicago:

In September 2012, the City of Chicago Office of Inspector General (OIG) published an audit of the Chicago Police Department's (CPD) Evidence and Recovered Property Section (ERPS).<sup>1</sup> The purpose of the audit was to determine whether ERPS inventory was properly accounted for and related procedures were effective and accurate.

Based upon the results of our audit, we recommended that CPD management immediately design and implement internal controls to ensure that all physical inventory and records can be located. We also recommended that CPD management implement the recommendations made by the CPD Internal Auditing and Control Division in a 2005 audit and the necessary changes to ensure inventory is transported timely to ERPS and its location is accurately recorded. Finally, we recommended that CPD adopt the standards established by the International Association for Property and Evidence related to ventilation systems within the narcotics storage area. In its response to the audit, CPD described a number of corrective actions it would take.

In August 2013, we inquired with CPD regarding the current status of those corrective actions. CPD responded on September 24, 2013. The OIG's follow-up inquiry did not observe or test implementation of new policies and procedures and thus makes no determination as to their effectiveness, which would require a new audit with full testing of the procedures. We have summarized the four original audit findings, recommendations, and status of corrective actions below.

Based on the follow-up response, the OIG concludes that CPD ERPS has not yet fully implemented their corrective actions. However, once fully implemented the OIG believes the corrective actions reported by CPD ERPS may reasonably be expected to resolve the core findings noted in the original audit (i.e., inability to locate all ERPS inventory, lack of policies and procedures, ineffective implementation of prior internal audit recommendations, and ineffective enforcement of police directives). We urge the Department to implement the planned changes and institute regular inventory and process reviews of the ERPS facilities as part of their normal Inspections Division audits.

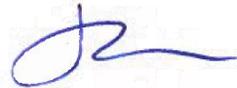
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<sup>1</sup> The 2012 audit report is available on the OIG website: <http://chicagoinspectorgeneral.org/publications-and-press/press-releases/OIG-publishes-audit-of-chicago-police-department-evidence-recovered-property-section/>.

In its follow-up response to the OIG, CPD stated that it plans to relocate the ERPS facilities to a single location. While the move would not occur for two years, CPD stated it would force them to ensure all inventory is reconciled to the eTrack system. The OIG recommends that CPD continue with their ongoing efforts (to convert all inventory to eTrack and audit them as part of their normal facilities audits) rather than waiting for that relocation.

We thank the staff and leadership of CPD ERPS for their cooperation during the original audit and responsiveness to our follow-up inquiries.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Ferguson', is positioned above the typed name.

Joseph M. Ferguson  
Inspector General  
City of Chicago

<b><u>Finding 1 Summary</u></b>	<b><u>OIG Recommendation</u></b>
<p>Inventory Could Not Be Located.</p> <ul style="list-style-type: none"> <li>• We were unable to locate 3.8% of items sampled in the Chicago Evidence Recovery Tracking System (CERTS) and 2.8% of records sampled in the electronic inventory system, eTrack.</li> <li>• CPD ERPS did not have written policies and procedures for day-to-day operations.</li> </ul>	<p>We recommended that CPD management design and implement internal controls to ensure that all physical inventory and records can be located.</p> <p>We also recommended that CPD provide ERPS personnel with written operations and procedures manuals in accordance with International Association for Property and Evidence (IAPE) standards</p>
<p><b>Status of CPD ERPS Corrective Action Taken</b></p>	
<p><i>Partially Complete.</i></p> <ul style="list-style-type: none"> <li>• CPD stated that it has determined what improvements must be made to the current eTrack inventory system in order to ensure records and inventory are accurately tracked. The estimated cost is \$689,000 and will take six to nine months to implement after funding is obtained. CPD expects to complete the eTrack modifications in the third quarter of 2014, assuming funding is approved.</li> <li>• CPD stated that the ERPS Standard Operating Procedure manual is approximately 80% complete. They expect to complete it by the end of December 2013 and will incorporate it into police officer training at that time.</li> </ul>	

<b><u>Finding 2 Summary</u></b>	<b><u>OIG Recommendation</u></b>
<p>CPD 2005 Internal Audit Report Recommendations Were Not Implemented.</p> <p>Those recommendations were related to four findings reported by the CPD Auditing and Internal Control Division:</p> <ol style="list-style-type: none"> <li>1. "Approximately 66% of the CERTS inventories have not been converted to the eTrack inventory system due to manpower constraints."</li> <li>2. "The fact that ERPS is using a dual inventory system often creates delays in tracking the status of inventories and physically locating them."</li> <li>3. "Based on the age of many of the inventories, indications in the computer system that some of the inventories have already been destroyed and the massive amount of paper files, it is highly probable that documentation has either been misfiled through the years or destroyed in accordance with the rules of</li> </ol>	<p>We recommended that CPD implement the recommendations made by the Auditing and Internal Control Division in its 2005 audit and take any additional actions that would alleviate the storage space constraints at ERPS facilities.</p>

<p>record retention.”</p> <p>4. “Factors contributing to ERPS property backlog are: 1) failure to properly categorize the property when initially completing the inventory; 2) the failure of the courts to formally release inventoried property for disposal; and 3) lack of an adequate tracer system. As a result, the Homan Ave. facility is nearing its current maximum capacity level for inventory storage.”</p>	
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**Status of CPD ERPS Corrective Action Taken**

***Partially Complete.***

1. CPD stated that CERTS inventory conversion is on-going. Inventory conversion at the Homan Avenue facility is expected to be completed by December 2014 at which time the Bulk Storage Warehouse will be targeted for any remaining conversion that has not been completed as of that date.

2. CPD has determined that the impact of having CERTS inventory on daily operations is minimal because the unconverted CERTS inventory is over ten years old. They acknowledge that the major impact is the volume of space taken up by the CERTS property that could be removed. CPD stated that the conversion work is done on Saturdays when ERPS is closed.

3. As the CERTS conversion is ongoing, selected sections of the ERPS facilities are being audited to confirm the presence of eTrack and CERTS inventory. The entire process is expected to be completed late 2014 or early 2015.

4. (1) CPD is working with the City attorneys handling litigation involving property and seizures to develop directives that clearly define categorization parameters as well as duties and accountabilities for field personnel. The final drafts are expected to be ready the first week of December 2013. As for the supervisory responsibilities, daily bulletins—which are informational postings and monthly ERPS memos—are being sent to commanders identifying operational deficiencies. Additional supervisor responsibilities will be addressed in the new draft directives expected in December 2013.

(2) CPD met with the State’s Attorney’s Office to determine if an electronic interface could be created between the agencies to provide case disposition information needed to release inventory for disposal. They determined that a direct electronic interface is not possible at this time, but are developing an alternative method to share information. The target date for implementation is June 2014.

(3) CPD has not implemented an automated tracer system to remind officers about inventory items requiring their attention. A tracer system is being integrated in the eTrack modification project and expected to be completed by the third quarter of 2014.

<b><u>Finding 3 Summary</u></b>	<b><u>OIG Recommendation</u></b>
<p>Police Directive Designed to Promote Timely Transfer of Evidence and Property to ERPS and Accurate Recordkeeping Was Not Being Followed.</p> <ul style="list-style-type: none"> <li>A report obtained from CPD showed that 38,394, or 93% of the 41,302 items in approved status, were past the seven day period required by the directive to be transferred to ERPS.</li> </ul>	<p>We recommended that CPD management enforce compliance with the directive and implement any additional actions necessary to ensure that inventory is transported timely to ERPS facilities and accurately recorded.</p>
<b>Status of CPD ERPS Corrective Action Taken</b>	
<p><i>Partially Complete.</i></p> <p>CPD reported that as of September 10, 2013, 18,475 inventories appeared on the approved status list over seven days old. ERPS sends monthly reports to all CPD bureaus identifying open inventories. Additionally new directives are being drafted to address the issue of accountability by CPD executive officers.</p> <p>CPD also stated that after the new orders and directives are completed, the Inspections Division will incorporate the audit of ERPS inventory processes into the normal facilities audits.</p>	

<b><u>Finding 4 Summary</u></b>	<b><u>OIG Recommendation</u></b>
<p>Ventilation in Narcotics Storage Area Had Not Been Tested for Compliance with Industry Standards.</p> <ul style="list-style-type: none"> <li>ERPS personnel complained of respiratory problems and stated no air quality testing had been done to their knowledge to verify if ventilation standards complied with IAPE standards</li> <li>CPD management was unaware of IAPE standards for narcotics room ventilation and believed the issue was the responsibility of the Department of Fleet and Facilities Management (2FM).</li> </ul>	<p>We recommended that CPD adopt the IAPE standards for ventilation systems in narcotics storage area and immediately work with 2FM to implement them.</p>
<b>Status of CPD ERPS Corrective Action Taken</b>	
<p><i>Complete.</i></p> <p>An evaluation by 2FM and a mechanical vendor concluded that the room required corrective actions to balance the room pressure and doors needed to be sealed to reduce air leakage. All required actions were completed by June 2013.</p>	