

**CONFIDENTIAL MEMO**

**To:** David Vitale, President, Chicago Board of Education  
Members, Chicago Board of Education  
Barbara Byrd-Bennett, Chief Executive Officer  
James Bebley, General Counsel  
Tim Cawley, Chief Administrative Officer  
Alicia Winckler, Chief Talent Officer  
Sébastien De Longeaux, Chief Procurement Officer

**From:** James M. Sullivan  
Inspector General

**Date:** October 26, 2012

**Re:** Investigation of School Furniture Contract:  
[REDACTED]

The OIG has completed an investigation that determined that the [REDACTED] [REDACTED] mistakenly shipped 111 Krueger International non-powered computer tables to Westinghouse when Krueger International powered computer tables had been ordered by CPS. That mistake set up a series of events that included the following:

- ♦ The [REDACTED] and relevant CPS personnel failed to recognize the simple fact that the wrong tables had been shipped and that appropriate powered tables already existed and were readily available from Krueger International. Based on the joint failure to realize that they merely had the wrong table, the [REDACTED] [REDACTED] and CPS personnel thought it was necessary to have a powered table built from scratch. They subsequently agreed to source a new powered table from the Agati design firm.
- ♦ CPS paid for two sets of computer tables at Westinghouse — the mistaken shipment of Krueger International non-powered tables and the replacement Agati set. The [REDACTED] however, charged CPS the powered computer table price for both sets, which means that CPS was overcharged \$8,715.

- ◆ In addition, the bulk of the \$90,000 that CPS spent on the first set of Krueger International non-powered tables was wasted, as Westinghouse does not need the non-powered computer tables, which are vastly underutilized.
- ◆ Without the knowledge or approval of anyone at CPS, the [REDACTED] subsequently decided to source the powered computer tables it was selling to CPS from two other manufacturers, Enworks and Invincible.
- ◆ The computer tables from all three of the alternate manufactures (Agati, Enworks and Invincible) were significantly inferior to the Krueger International tables that the [REDACTED] had contracted to provide.
- ◆ Despite the significant deficiencies with the alternate powered tables, the [REDACTED] always charged CPS the full contract price of \$811.09 per table.

The OIG further identified related problems with the furniture ordering and order verification process.

The OIG recommends appropriate sanctions for the [REDACTED] and Do Not Hire (DNH) classifications for two [REDACTED] employees. The OIG also recommends a review of and appropriate controls for the furniture buying process.

The OIG's Investigative Summary, which discusses the OIG's full findings and recommendations, along with the evidence, accompanies this memo.

## INVESTIGATIVE SUMMARY

OIG Case 11-00243

October 26, 2012

### SUBJECTS:

1. [REDACTED]  
Vendor ID [REDACTED]
2. [REDACTED]  
Employee ID [REDACTED]
3. [REDACTED]  
Employee ID [REDACTED]

### INTRODUCTION

The OIG initiated this investigation after it received a complaint that the [REDACTED] [REDACTED] was substituting inferior computer tables for the items that it had contracted to provide to CPS. This report proceeds as follows:

The OIG's full Findings and Recommendations are detailed beginning on page 2. The Findings and Recommendations section also serves as an Executive Summary.

The OIG's investigation is then summarized in three parts:

- ◆ Part One, which begins on page 8, contains background information regarding the bid, contract, and the computer tables that are at issue here, as well as a list of the people interviewed by the OIG in this investigation.
- ◆ Part Two, beginning on page 13, summarizes the problems and deficiencies with the computer tables.
- ◆ Beginning on page 36, Part Three discusses weaknesses in the purchasing process that were identified during the investigation.

Full page photographs of the tables at issue here follow the Investigative Summary as Attachments 1 through 8. Additionally, relevant smaller photographs are located at appropriate places throughout the report.

## FINDINGS AND RECOMMENDATIONS

### 1. OIG FINDINGS

#### A. DELIVERY OF INCORRECT TABLES AND FAILURE TO IDENTIFY THE PROBLEM

- ◆ In 2009, the [REDACTED] submitted a bid for, among other things, several computer tables manufactured by Krueger International. At the time of its bid, the [REDACTED] did not have a supplier for Krueger International furniture in place because of a pre-existing bad relationship between the [REDACTED] and Krueger International. Despite not having a dealer to supply Krueger International furniture, the [REDACTED] subsequently won the contract to supply the Krueger International tables.
- ◆ In June 2009, CPS ordered 111 powered computer tables (which were identified in the bid specification as “52 P” tables) for the new Westinghouse High School. Pursuant to the [REDACTED] bid, the [REDACTED] was to provide powered tables manufactured by Krueger International. Instead of providing powered computer tables — which have power and data outlets that can be directly hard-wired to the schools circuitry — the [REDACTED] shipped non-powered tables — which cannot be hard-wired — to the school.
- ◆ The improper shipment was caused by a mistake on the part of the [REDACTED]. The evidence shows that although Krueger International had provided a quote to Interior Investments (the middleman between Krueger International and the [REDACTED]) for the correct tables, the [REDACTED] ultimately ordered and delivered the wrong tables. The [REDACTED] was not able to explain why the wrong tables were ordered after its middleman had already received a quote for the correct tables. Statements, however, from the [REDACTED] to the OIG show the [REDACTED] was not familiar with the Krueger International product line it had contracted to provide. In addition, the [REDACTED] was confused about the differences between powered and non-powered tables in general. Based on this and other evidence, the OIG has determined that the mistake was due to the [REDACTED] unfamiliarity with Krueger International products it was selling and the differences between powered and non-powered computer tables.
- ◆ There is no question that the powered Krueger International computer tables that were ordered met the bid specification and could have been wired to code as intended at Westinghouse.
- ◆ After the electrician who was responsible for installing the computer tables discovered that they could not be hard-wired to meet the electrical code, the

[REDACTED] attempted to cure the situation by offering to supply a powered replacement beam for the tables. It is not clear whether the [REDACTED] offered to install the replacement beam or simply offered it to the electricians, who would then be expected to install it at added time and expense. The OIG notes that it could not determine the answer to this question despite multiple document requests from the [REDACTED] and three separate interviews with the owners of the company — [REDACTED]

- ◆ In any event, the replacement powered beam was rejected by the electrician and/or CPS personnel, including [REDACTED]. [REDACTED] Apparently unaware that the delivered tables were not the ones that were ordered, and that the ones that had been ordered met code, [REDACTED] advocated for a table using a metallic conduit raceway with which he was familiar, a product known as Wiremold 4000.
- ◆ In sum, the [REDACTED] and the relevant CPS employees failed to identify the simple problem at hand — *i.e.*, the fact that non-powered tables had been delivered when code-compliant, powered tables had been ordered. Because of that failure to distinguish between powered tables and non-powered ones, the [REDACTED] and CPS employees dismissed the possibility of using Krueger International computer tables. The OIG determined that the failure of both parties to identify the real problem — which was originally caused by the [REDACTED] — was due to a lack of attention to detail and unfamiliarity with the products in question.

#### B. DECISION TO SOURCE TABLES FROM A DIFFERENT VENDOR

- ◆ Because of the above-referenced failure to identify the simple problem they faced, the [REDACTED] and CPS employees, including [REDACTED] [REDACTED] and [REDACTED] did not quickly resolve the problem by returning the improper tables and having the correct ones shipped. Instead, the [REDACTED] and CPS employees compounded the problem by setting out to find a substitute table. [REDACTED] and [REDACTED] eventually approved the [REDACTED] decision to replace the specified Krueger International table with one that was assembled from parts by the Agati Company, a furniture design firm.
- ◆ The decision to modify the contract and supply the Agati table was an oral agreement. As such, the modification of the contract was a violation of the contract which states that any modification or amendment shall be in writing

and signed by the Board and the Bidder. Accordingly, CPS personnel had no authority to modify the contract without written Board approval.

- ◆ The problem with the Agati table, which incorporated the Wiremold 4000 metallic raceway favored by [REDACTED] is that it proved to be greatly inferior to the Krueger International powered table. Among other things, the Agati table lacked the following features of the Krueger International table:
  - An Underwriters Laboratory listing for the entire table (only the Wiremold 4000 conduit raceway for the Agati table was UL listed);
  - A dual door system to enclose computer cords and wires;
  - An interconnecting table and shared leg system that saves space and reduces the chance of electrocution;
  - Ergonomically-friendly rounded edging; and
  - Large, factory-cut grommets.
- ◆ Although other CPS personnel were involved with the decision to source the tables from Agati, [REDACTED] is responsible for the above-referenced failures because [REDACTED] represented [REDACTED] the user department. Accordingly, [REDACTED] was responsible for knowing what items were ordered and knowing when they had not been delivered.

#### C. OVERBILLING AND OVERPAYMENT FOR THE ORIGINAL SET OF TABLES

- ◆ CPS kept and paid for both sets of computer tables that were delivered to Westinghouse by the [REDACTED]. Purchasing records show that CPS paid \$90,030.99 (\$811.09 each) for the 111 non-powered computer tables that were initially delivered in June 2009. Westinghouse High School kept those tables even though they were not ordered.
- ◆ Purchasing records further show that the [REDACTED] charged — and CPS paid — another \$90,030.90 for the replacement set of Agati tables.
- ◆ Interview statements show that CPS decided to keep the original shipment of non-powered computer tables on the grounds that extra tables could always be used. An inspection by the OIG, however, showed that many of those tables either are being used as ordinary (non-computer) tables or not being used at all, which strongly suggests that CPS wasted all of the over \$90,000 it spent on the first shipment of tables that it did not need.
- ◆ Even without regard to the question of whether CPS should have kept the original shipment of computer tables, it is clear that CPS actually overpaid for

them. CPS should have only paid the contract price for the tables it received. Because those tables were the non-powered tables, the [REDACTED] should have only billed the contract price of \$81,316.38 (\$732.58 each) for them. Accordingly, CPS paid \$8,714.60 more than it should have because it was billed for — and paid for — powered tables (\$90,030.90 or \$811.09 each).

D. THE [REDACTED] ALSO PROVIDED TABLES FROM UNAPPROVED SOURCES

- ◆ The investigation further determined that due to supply problems, the [REDACTED] subsequently stopped using Agati as its source for the powered computer tables and began sourcing them from two other manufacturers: Enwork, Inc. and Invincible. The [REDACTED] made the switch to Enwork and Invincible without notice to or approval from CPS about what it was doing.
- ◆ Because the contract required modifications to be made in writing and have the approval of both parties, the [REDACTED] had no authority to unilaterally change manufacturers.
- ◆ The powered computer tables manufactured by Enwork and Invincible were inferior to the Krueger International tables for largely the same reasons that the Agati tables were inferior.

E. THE [REDACTED] CHARGED FULL PRICE FOR THE INFERIOR TABLES

- ◆ Records show that the [REDACTED] always charged CPS the full contract price of \$811.09, that is, the price for the Krueger International powered computer tables, regardless of what the substitute tables cost the [REDACTED] — and without regard to the significant deficiencies of the substitute tables.
- ◆ The evidence shows that the Agati table cost the [REDACTED] more than the Krueger International table that it was originally supposed to provide, which, of course, meant that it would make less money by selling the Agati table at the contract price, as compared to the Krueger International table.
- ◆ As stated above, the [REDACTED] subsequently switched to providing the Enwork and Invincible tables. Records further show that the Enwork and Invincible tables cost the [REDACTED] less than both the Agati and Krueger International tables. Thus, by switching to Enwork and Invincible, the [REDACTED] was able to bolster its profit margin on the tables. This is particularly important because — unlike the decision to go with the Agati table — the [REDACTED] never consulted with or obtained permission from anyone at CPS to begin providing the Enwork and Invincible tables.

## F. OTHER PROBLEMS WITH FURNITURE ORDERING AND ORDER VERIFICATION

- ◆ As stated above, the [REDACTED] contracted to provide specified furniture items, which are known as “core items”. In addition to the “core items”, the contract allows the [REDACTED] to provide additional items from other manufacturers as long as the [REDACTED] provided a discount of 10% or greater from the manufacturer’s suggest list price. (See Bid Specification No. 07-250037§ IV.8.) Such additional items are commonly known as “non-core” items. The OIG determined that there had been very little oversight regarding the practice of ordering non-core items, and that principals and architects on new school projects frequently ordered non-core items.
- ◆ The OIG determined that there is no structured or organized process for verifying that proper furniture items and quantities have been received. Instead, items are usually simply “receipted” unless an individual principal complains about the order. [REDACTED] and [REDACTED] were both responsible for the lack of process and, given their key roles as [REDACTED] for [REDACTED] [REDACTED] should have done more to ensure that that proper furniture items and quantities had been received.
- ◆ On at least three occasions, CPS ordered a large amount of furniture items from the [REDACTED] for new schools or school renovation projects. Each of those purchases was initially approved by either [REDACTED] or [REDACTED] [REDACTED] and purchase orders were properly issued for the furniture. In those four cases, the school’s principal later decided that it did not need much of the furniture that had been ordered and cancelled large portions of their order. The problem with that is that the principals did not notify anyone in Facilities or Purchasing about what they were doing. Instead, the items were cancelled and the principals then used the remaining balance of the purchase order — created by the cancellation — to purchase other items for the school. The OIG uncovered no evidence that the principals were ordering lavish or otherwise improper items, and there is no evidence of improper self-dealing in these transactions. Nonetheless, these situations are addressed here because principals were effectively purchasing thousands of dollars of items without any review or approval. Such practice is ripe for abuse.

## 2. OIG RECOMMENDATIONS

Based on the OIG investigation, which is detailed below, the OIG recommends the following:

- ◆ CPS appropriately sanction the [REDACTED] with possibilities ranging from a finding of not responsible on future bids to a period of debarment;



- ◆ CPS list [REDACTED] as ineligible for rehire (DNH);
- ◆ CPS list [REDACTED] as ineligible for rehire (DNH);
- ◆ CPS review its furniture ordering procedures to ensure that CPS personnel have enough knowledge about contract items so that they can recognize when improper items have been delivered;
- ◆ CPS review its furniture receipt process to ensure that personnel do not “receipt” any furniture until the quantity and quality have been verified; and
- ◆ CPS review its furniture return procedures to ensure that funds for items that are subsequently cancelled or returned are not used for subsequent purchases without proper authorization.

**PART ONE:  
BACKGROUND**

**1. THE CONTRACT AND TABLES AT ISSUE HERE**

**A. BID AND CONTRACT**

In March 2008, the CPS Department of Procurement and Contracts solicited a bid, Specification No. 07-250037, for a large number of office, classroom and library furniture items. A \$10,000,000 contract was subsequently awarded in April 2009 to two separate vendors: the [REDACTED] which was the low bidder to supply classroom furniture items, and the Lowery McDonnell Company, the low bidder on library furniture items.

This investigation mainly centers on two tables that were bid under Specification No. 07-250037. They are: (1) a 72" non-powered computer table (listed in the specification as Table 52); and a 72" powered computer table (listed in the specification as Table 52 P). The [REDACTED] was the low bidder for both the 52 P powered table and 52 non-powered table. The following table summarizes the [REDACTED] winning bid response for the 52 P powered table and the 52 non-powered table:

<b>Table</b>	<b>Description</b>	<b>Dimensions</b>	<b>Unit Price</b> (w/ shipping and union assembly)	<b>Mfr.</b>	<b>Product No.</b>
52 P	Powered Computer Table	30" W x 72" L	\$811.09	KI	IWS3072 <b>PB</b> -ITSB72/ <b>HC</b> /DC-(2)ITCL3027  PB=powered beam  HC=hard-wired beam
52	Non-Powered Computer Table	30" W x 72" L	\$732.58	KI	IWS3072 <b>NB</b> -ITSB72/ <b>NN</b> /DC-(2)ITCL3027  NB=non-powered beam  NN=no-power in beam

Price Difference:  
\$78.51

Additionally, the contract expressly states that no modification or amendment to the contract shall be effective unless it is in writing and signed by the Board and the bidder.

#### B. POWERED VS. NON-POWERED COMPUTER TABLES

As the terms “non-powered” and “powered” suggest, the main difference between the two tables is the manner in which the computers and accessories are plugged into electrical outlets and data ports. With powered tables, the electric (high voltage) and data (low voltage) lines are connected directly to the table, via segregated conduit lines. Those lines are contained in a “powered beam” that runs the length of the table. The powered beam contains electrical outlets and data ports, and computers and accessories are plugged directly into those outlets and ports via large grommets cut into the table surface.

In addition, two large doors on the front and back of the beam enclose the computer’s wires and plugs and allows for easy access for maintenance or reconfiguration. The ability to store all of the loose cables and cords within the two closed doors is known as “wire management” capability, which eliminates tripping and electrocution hazards from dangling wires, and presents a clean and aesthetically pleasing presentation.

The following photograph shows the Krueger International table with its powered beam and front access door open.

#### **KI Powered Table (Table-52 P)**



Powered beam with front access door open

In contrast, the non-powered Krueger International tables do not bring power or data to the computers through hard-wiring in the tables themselves. Instead, computers must be plugged into outlets or data ports that are located somewhere near the tables, usually on adjacent walls or floors. Non-powered tables do not have

any conduit but simply have grommets located in the table surface, which allow computer power and data cords to be fed from computers into an empty space between the access doors under the table and out to adjacent electrical outlets or data ports. Because they still have the doors that enclose a center channel, the non-powered tables have “wire management” capability, which eliminates hazards posed by dangling cords and offers a cleaner appearance. In short, with the exception of the powered beam, the Krueger International non-powered tables are basically the same as the powered tables, and both are built from the same table platform.

The following photographs illustrate the lack of the powered beam on the non-powered tables.

### KI Non-Powered Tables (Table-52)



No powered beam; only empty space to hide wires



Computers plug into wall or floor (not table)

#### C. REQUIREMENTS AND SPECIFICATIONS FOR COMPUTER TABLES

Pursuant to the bid specifications, all of the computer tables provided (whether powered or non-powered) are required to have the following key design elements:

- ◆ A post formed (*i.e.*, ergonomically rounded) front edge;
- ◆ Two standard grommets;
- ◆ A wire management area enclosed by two access doors (front and back); and
- ◆ Shared leg capability (*i.e.*, one leg can support the ends of two adjoining tables).

In addition, all of the powered computer tables required the following additional design elements:

- ◆ All electrical components shall meet the Chicago electrical code; and

- ◆ The entire system shall be listed by Underwriter’s Laboratory.

**D. SUBSEQUENT CONTRACT HISTORY AND CURRENT STATUS**

The contract originally authorized \$10 million in expenditures and was subsequently increased six times. Over the life of the contract, purchase orders for over \$22 million have been opened for the [REDACTED]

**E. THE KRUEGER INTERNATIONAL POWERED TABLE IS CODE COMPLIANT**

In August 2012, a City of Chicago electrician inspected an example of the Krueger International powered table (the table 52 P), and he stated that it was compliant with the City of Chicago’s electrical code.

**2. PEOPLE INTERVIEWED IN THIS INVESTIGATION**

The following table lists the key people interviewed (or attempted to be interviewed) in this investigation, along with their relevant positions and employment status.

Name	Position	Department/Company	Status
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] [REDACTED]	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED]

Name	Position	Department/Company	Status
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]

## **PART TWO: IDENTIFICATION OF PROBLEMS AND DEFICIENCIES WITH TABLES**

Based on the complaint in this case, the OIG identified numerous problems involving powered computer tables supplied by the [REDACTED]. Those problems and the evidence relating to them are discussed in this section.

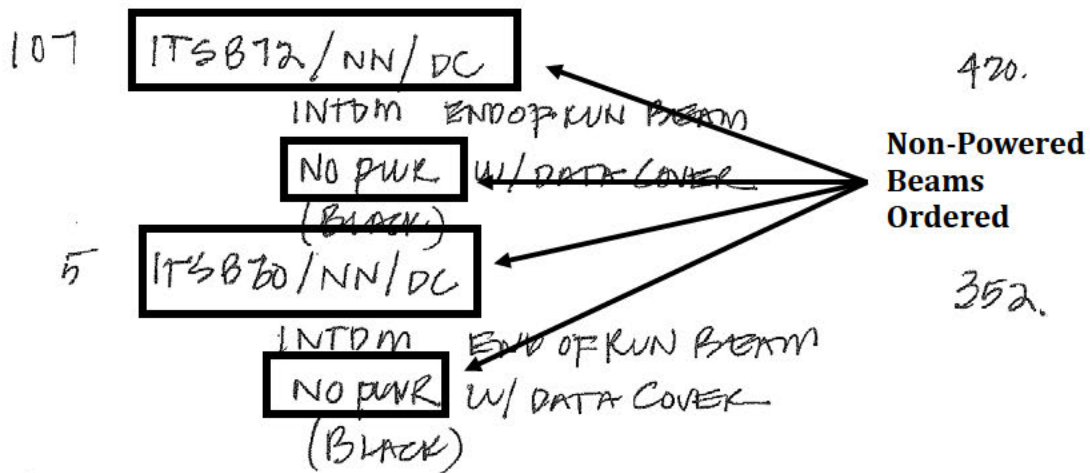
### **1. WESTINGHOUSE HIGH SCHOOL**

Purchasing documents show that in June 2009, CPS ordered 111 table 52 Ps (powered) for Westinghouse High School from the [REDACTED]. As explained further below, the [REDACTED] however, delivered 111 table 52s (non-powered). Sometime after the delivery, the electrician assigned to wire the tables discovered that the tables were non-powered and refused to install them because they were not compliant with Chicago's electrical code.

After the electrician's refusal to install the new tables, apparently neither the [REDACTED] nor the CPS personnel involved in the matter realized that the tables that had been delivered were the wrong ones and that the correct ones were code compliant and appropriate for the intended use. Thus, instead of simply sending the wrong tables back and shipping the correct ones, the [REDACTED] — with the knowledge and consent of the relevant CPS personnel — worked with furniture design firm Agati Company to assemble and produce a substitute table. The end results were that (1) the [REDACTED] eventually shipped 111 of the specially-built Agati replacement tables to Westinghouse; (2) the original shipment of non-powered tables remained at Westinghouse; and (3) the [REDACTED] billed — and CPS paid for — two full sets of powered tables.

#### **A. DOCUMENTS AND TIMELINE RELATING TO THE INITIAL ORDER OF WESTINGHOUSE TABLES**

The OIG asked the [REDACTED] for documents related to its purchase of the tables at Westinghouse, specifically asking for documents showing how the [REDACTED] placed its order to its dealer, Interior Investments. Among the documents it produced, the [REDACTED] submitted an undated, handwritten document that apparently shows that it originally ordered 112 (*i.e.*, 107 (72") tables and 5 (60") tables) non-powered computer tables. The portion of that document which clearly shows that the [REDACTED] ordered tables with non-powered beams is included here:



Several other documents obtained by the OIG shed further light on the sequence of events. In short, the earliest known document shows that Krueger International (the manufacturer) provided a quote for the correct, powered tables to Interior Investments (a KI dealer — and the middleman between KI and the [REDACTED]). Despite the early quote for the correct tables, Interior Investments subsequently gave a proposal to the [REDACTED] for non-powered tables — which is consistent with the undated notes discussed immediately above.

The sequence of events based on the known purchasing documents is summarized in the following table. The reader will note that there are some gaps in the ordering timeline. The OIG was not able to identify additional documents that would help fill in the gaps. In particular, the documents do not show why Krueger International originally provided a quote for the correct powered.

Date	Action	Product No. Listed	Problem
3/25/09	Quote from KI (manufacturer) to Interior Investments (dealer/middleman): \$70,282.80 for 112 (72") computer tables with powered beams	ITSB72/HC/DC (powered table 52 Ps)	None: quote for correct table 52 Ps

**Note:** No documents preceding this quote were identified.



Date	Action	Product No. Listed	Problem
Unknown	Handwritten order note from the [REDACTED] showing that 112 tables with non-powered beams were ordered	ITSB72/NN/DC (107 non-powered 72" table 52s)	For unknown reasons, the [REDACTED] orders tables with non-powered beams
	<b>Note:</b> Although the date of this document is not known, it logically (and probably) fits into the sequence of events at this point.	ITSB60/NN/DC (5 non-powered 60" table 51s <sup>1</sup> )	
3/30/09	Proposal from Interior Investments to [REDACTED] \$59,921 for 112 computer tables: (107) 72" tables and (5) 60" tables	ITSB72/NN/DC (72" non-powered table 52s)	Proposal for non-powered tables and some shorter tables included
		ITSB60/NN/DC (60" non-powered table 51s)	
3/31/09	Purchase Order from the [REDACTED] to Interior Investments: \$59,921 for 112 tables: (107) 72" tables and (5) 60" tables	ITSB72/NN/DC (72" non-powered table 52s)	Purchase order is for non-powered tables
		ITSB60/NN/DC (60" non-powered table 51s)	
4/8/09	Acknowledgement from KI to Interior Investments: \$53,928 for 112 tables: (107) 72" tables and (5) 60" tables	ITSB72/NN/DC (72" non-powered table 52s)	Acknowledgement is for non-powered tables
		ITSB60/NN/DC (60" non-powered table 51s)	
4/28/09	Change Order from the [REDACTED] to Interior Investments: \$2,147 for 4 more computer tables <b>Note:</b> This change brings the total number of 72" tables to 111.	ITSB72/NN/DC (72" non-powered table 52s)	Purchase order is for non-powered tables

<sup>1</sup> Table 51s are a separate bid item.

Date	Action	Product No. Listed	Problem
4/28/09	Invoice from KI to Interior Investments: \$53,928.90 for 112 tables (107) 72" tables and (5) 60" tables	ITSB72/NN/DC (72" non-powered table 52s)  ITSB60/NN/DC (60" non-powered table 51s)	Invoice is for non-powered tables
4/30/09	Invoice from Interior Investments to the [REDACTED] \$59,921 for 112 tables: (107) 72" tables and (5) 60" tables	ITSB72/NN/DC (72" non-powered table 52s)  ITSB60/NN/DC (60" non-powered table 51s)	Invoice is for non-powered tables
06/12/09	Purchase Order from the [REDACTED] to CPS: \$90,030.99 for 111 computer tables (\$811.09 each)	No product number listed	Powered or non-powered tables is not specified  Per table price corresponds to bid/contract price for KI powered 52 P tables
06/12/09	CPS Purchase Order: \$90,030.99 for 111 computer tables (\$811.09 each)  <b>Note:</b> Essentially mirrors the [REDACTED] Purchase Order from the same date	No product number listed	Powered or non-powered tables is not specified  Per table price corresponds to bid/contract price for KI powered 52 P tables
06/15/09	Invoice from [REDACTED] to CPS: \$90,030.99 invoice for 111 powered tables  <b>Note:</b> invoice marked as paid by [REDACTED] on 7/28/09	ITWS3072/NB-PL <b>Note:</b> this is not a model number used in the bid spec., but a KI catalog indicates that this is the table with the non-powered beam	Non-powered tables are ordered  As discussed below, non-powered table 52s were delivered

**B. STATEMENTS REGARDING THE DECISION TO BUILD A NEW TABLE**

The relevant interview statements regarding the shipment of non-powered tables and their subsequent replacement follow.

1. [REDACTED]

[REDACTED] related the following in summary. After the electrician said the delivered tables would not work, [REDACTED] worked with the [REDACTED] to find a new table that met the 52 P specifications. The decision to go with the Agati computer tables was informal and not documented, but Agati was an approved manufacturer of non-core items. CPS presumed that Agati computer tables would be provided whenever 52 P computer tables were subsequently ordered.

[REDACTED] also said that the Agati tables cost the [REDACTED] approximately \$652, excluding union labor and delivery fees, which was more than the Krueger International 52 P tables would have cost the [REDACTED]. Nonetheless, the [REDACTED] still only charged CPS the bid price.

2. [REDACTED]

[REDACTED] related the following, in summary. [REDACTED] was involved with the construction of the new Westinghouse High School from the beginning. The electrician contracted to wire Westinghouse felt that the Krueger International computer tables delivered to Westinghouse did not meet code because they lacked the dual-trough conduit. [REDACTED] said that CPS could not locate a ready-made table that met CPS and City of Chicago electrical requirements.

CPS approached Krueger International and Agati to inquire about creating a custom table, as they were conveniently located in Chicago. Krueger International did not want to create a custom table, as it was satisfied with its current business model.<sup>2</sup> Agati, however, agreed to design a computer table that met Chicago electrical code. [REDACTED] CPS employees [REDACTED] and [REDACTED] were also involved in the discussions to create a custom table. [REDACTED] of Wiremold, and an Agati representative were also involved in the process.

After agreeing to design a custom computer table, Agati proposed a design that CPS accepted. Agati installed the Wiremold, but did not manufacture the actual table. Instead, Agati assembled parts from several suppliers in order to build their proposed computer table.

---

<sup>2</sup> Krueger International [REDACTED] later told the OIG that KI was confident that its powered tables meet code because it was specifically designed in 2004 to meet the stringent bid specs for such a table under the previous contract. For further details see the summary of [REDACTED] interview on page 21.

3. [REDACTED]

[REDACTED] with Elite Electric. He related the following in summary. Elite Electric was contracted to perform the entire electrical job for the construction of the new Westinghouse High School. [REDACTED] remembered an issue regarding the wiring of computer tables at Westinghouse. [REDACTED] stated the contract called for Elite Electric to connect the computer tables to a power source. [REDACTED] stated the computer tables were not powered and each would have required additional wiring. [REDACTED] stated that if that had been done, the tables would not meet electrical code because they would lack a continuous metallic raceway. [REDACTED] stated one solution would have been to install the Wiremold 4000 metallic raceway.

4. [REDACTED]

[REDACTED] stated he was Elite Electric's [REDACTED] for the Westinghouse project. [REDACTED] stated the computer tables delivered to Westinghouse lacked a raceway that divided high and low voltage wiring. [REDACTED] stated he was willing to surface-mount conduit to the computer table's underside. However, [REDACTED] stated a woman working with the Public Building Commission objected because the exposed conduit was potentially dangerous. [REDACTED] stated he stopped attempting to wire the computer tables at that point.

[REDACTED] stated he eventually left the Westinghouse project [REDACTED]. [REDACTED] stated another Elite Electric electrician replaced him on the project, but he does not recall the electrician's name.

[REDACTED] stated he does not recall a meeting during which computer table issues were discussed with the furniture vendor. [REDACTED] stated he does not recall the furniture vendor offering a replacement computer table beam. (As discussed below, [REDACTED] stated that he offered a replacement beam, which was rejected.)

5. [REDACTED]

[REDACTED] stated that he oversaw the project at Westinghouse High School following [REDACTED] departure. [REDACTED] stated the project called for computer tables to be wired on the second floor. [REDACTED] stated he does not recall attending a meeting in order to discuss issues with the computer tables. [REDACTED] stated he does not recall attending any meetings with a furniture vendor.

6. *Statements of [REDACTED] and [REDACTED]*

[REDACTED] and [REDACTED] both represented the [REDACTED] at three separate OIG interviews. Their combined statements are summarized here. Where relevant, the dates on which statements were made are indicated.

a. Lack of Dealer for Tables at Time of Bid

[REDACTED] stated that his company is not an authorized dealer of Krueger International products. [REDACTED] stated that because of its close allegiance with Lowery McDonnell's company, Krueger International refuses to sell its products to the [REDACTED]. [REDACTED] stated this refusal posed a problem for the [REDACTED] because the performance specifications seemed to strictly target Krueger International computer tables. Upon submitting its bid, [REDACTED] stated that his company did not have a Krueger International supplier in place. [REDACTED] stated that his company planned to search for a Krueger International dealer if the [REDACTED] was awarded the contract.

The [REDACTED] eventually purchased the Krueger International computer tables supplied to Westinghouse from Interior Investments, LLC, an authorized Krueger International dealer. [REDACTED] said that [REDACTED] is his contact at Interior Investments.

b. The [REDACTED] Original Order

[REDACTED] stated he was contacted by [REDACTED] who informed him that Westinghouse would soon be in need of furniture. As a result, [REDACTED] stated he, along with a Westinghouse assistant principal and school counselor, held a meeting at Westinghouse and selected furniture. At the meeting, [REDACTED] stated he compiled a list of items he later forwarded to [REDACTED] for approval.

[REDACTED] stated he received architectural drawings from [REDACTED] that called for powered computer tables at Westinghouse. [REDACTED] stated he based the order off of the quantity reflected in the architectural drawings. [REDACTED] stated [REDACTED] wanted the computer tables delivered first, as they needed to be wired by the electricians working to wire Westinghouse.

[REDACTED] stated the [REDACTED] purchasing department handled the computer table order from Interior Investments, LLC. [REDACTED] stated he recalls forwarding a list of necessary parts to a purchasing clerk at the [REDACTED]. [REDACTED] stated the purchasing clerk subsequently ordered the parts from [REDACTED] at Interior Investments, LLC.

[REDACTED] stated the [REDACTED] picked up the computer tables from Interior Investments, LLC. [REDACTED] stated the tables were assembled at Westinghouse by a contractor, Modular Installations. [REDACTED] stated that the price of assembly, along with freight and storage, is included in the bid's markup price.

---

c. Discovery of the Problems with the Tables

[REDACTED] said that his company's bid to supply furniture included a proposal to provide the 52 P computer tables, which would be manufactured by Krueger International, as the specs for the tables matched the Krueger International cut sheets. His company's bid also included the non-powered 52 computer table. The non-powered 52 computer tables lack the conduit that allows the 52 P to be powered. [REDACTED] stated that his company sells very few 52 tables. [REDACTED] stated there are only a few practical reasons to buy non-powered computer tables. [REDACTED] stated that the non-powered table 52s are used primarily for rehabilitation projects where conduit is already installed on the wall.

[REDACTED] stated that the first 52 P tables supplied by his company were sent to Westinghouse High School in 2009. Shortly after they were delivered, [REDACTED] learned that the electric company could not wire the tables without doing an additional \$30,000 to \$40,000 worth of conduit prep work. [REDACTED] was told that the computer tables lacked the ability to separate high and low voltage wiring.

[REDACTED] said that in an attempt to remedy the situation, he acquired a sample Krueger International powered beam from [REDACTED] of Interior Investments and offered it as a solution.

He further said that CPS rejected the replacement beam and wanted to obtain a computer table equipped with Wiremold 4000. According to [REDACTED] the electrician rejected the replacement beam because it also would not have met City of Chicago electrical code.

[REDACTED] did not contact Krueger International after learning the computer tables were not code compliant. At first, he wondered if he had ordered the incorrect beam for the table (*i.e.*, powered or non-powered). After the replacement beam was also rejected, however, [REDACTED] said that he assumed the table as a whole failed to meet code.

OIG Notes:

- ♦ It is unclear whether [REDACTED] was offering to install the beam on the tables or whether he wanted the electricians to install the beam, which would have incurred significant additional costs related to the electricians' time. If the latter, the electricians would have been justified in rejecting the beam, as they were under no obligation to install a part that was already supposed to be installed on the tables at delivery.
- ♦ Additionally, the OIG investigation did not determine exactly what beam (among the several offered in KI's catalog) [REDACTED] provided as a

possible cure. Via email, the OIG subsequently asked the [REDACTED] which beam it offered to remedy the situation. In response, the [REDACTED] asserts that it submitted the correct beam (ITSB72/HC/DC), but it also acknowledges that it has no records regarding the replacement beam that it offered, and further stated that its assertion that it offered the correct beam was made solely by referring to the KI price list in response to the OIG's inquiries.

- ◆ Because it is not known which beam was offered as a cure, the OIG cannot determine whether it would have met the Chicago electrical code. As discussed above, the electricians interviewed were not able to shed further light on this subject.

d. The Agati Table

[REDACTED] said he subsequently consulted the Agati Company about designing a table that met CPS' needs. [REDACTED] stated the Agati tables are equipped with a conduit product called Wiremold 4000, which successfully encloses and separates high and low voltage wiring. [REDACTED] subsequently approved the Agati design.

e. Direct Questions to [REDACTED] and [REDACTED]

In response to questions about whether he had ordered the wrong computer tables, [REDACTED] said that he was never told his company had ordered the wrong computer tables. He said that, all along, he believed powered Krueger International computer tables were delivered to Westinghouse.

When asked if the 52 P computer table included in his company's bid met Chicago electrical code, [REDACTED] stated that he no longer knows if the table meets code. [REDACTED] further stated that he is not familiar with Chicago's electrical codes and that he relied solely upon Krueger International's price lists when choosing Krueger International's computer tables for his bid submission.

When asked to describe the difference between a powered and non-powered computer table, [REDACTED] stated non-powered computer tables are ordered under the assumption that they will never be wired by an electrician. [REDACTED] stated powered computer tables do not need to be wired by an electrician as they arrive already wired.

[REDACTED] stated that powered computer tables arrive with wires already running through the table's powered beam. After the OIG stated that powered computer tables must also be wired by an electrician, [REDACTED] stated that he does not know the difference between powered and non-powered computer tables. When asked by the OIG if it was fair to state that neither [REDACTED] nor [REDACTED] knows

the difference between a powered and non-powered computer table, both [REDACTED] and [REDACTED] stated that it would be a fair statement.

When asked if it was fair to state that the [REDACTED] incorrectly ordered 111 computer tables for Westinghouse, both [REDACTED] and [REDACTED] stated that it would be a fair statement.

7. [REDACTED]

[REDACTED] with Interior Investments, LLC. [REDACTED] is listed as the salesman on the [REDACTED] invoice for 111 Krueger International tables. He related the following in summary. He works for Interior Investments, and the [REDACTED] is one of his several clients. He does not work for Krueger International.

The [REDACTED] is not an authorized dealer for Krueger International, so the [REDACTED] contacted him in order to acquire approximately 111 computer tables in 2009, but he was not sure what the [REDACTED] wanted to do with them.

[REDACTED] told the OIG that the [REDACTED] did not contact him regarding electrical issues with the tables, and it did not contact him about returning the tables.

8. [REDACTED]

[REDACTED] for Krueger International. According to him, the Krueger International table with the powered beam should not have been rejected by CPS or the electrician, because it was specifically designed to meet the stringent Chicago electrical code and had previously been sold to CPS. More specifically, [REDACTED] said that before 2004, CPS had been unhappy with the computer tables it had been receiving and decided to rewrite its furniture specifications in 2004. [REDACTED] said that Krueger International worked with Chicago electricians and a CPS architect to create a computer table that met the Chicago code. [REDACTED] stated that the Lowery McDonnell Company was subsequently awarded the furniture bid in 2004 and supplied CPS with Krueger International computer tables from 2004 to 2008. [REDACTED] stated there have been zero issues with the Krueger International computer tables supplied by Lowery McDonnell. [REDACTED] further stated that once [REDACTED] was awarded the contact, Krueger International was under the assumption that its computer tables would no longer be supplied to CPS, as the [REDACTED] is not an authorized Krueger International dealer.



According to [REDACTED] the [REDACTED] knew that it could not provide any other table than a Krueger International table if it wanted to meet CPS specifications, which require that the electrical and data be separately entombed and that computer tables be accessible from both front and back via doors.

C. REGARDING BILLING AND OVERPAYMENT FOR THE ORIGINAL SET OF TABLES

The OIG's investigation also determined that CPS kept and paid for both sets of computer tables that were delivered to Westinghouse by the [REDACTED]. Purchasing records show that CPS paid \$90,030.99 (\$811.09 each) for the 111 table 52s (non-powered) that were initially delivered in June 2009. Westinghouse High School kept those tables even though they were not ordered.

In addition, purchasing records show that CPS paid another \$90,030.90 for the replacement set of Agati tables.

As discussed further below, interview statements show that CPS decided to keep the original shipment. An inspection by the OIG, however, showed that those tables are being used as ordinary (not computer) tables, which raises the important question of whether CPS wasted over \$90,000 for specialty tables it did not need. In short, CPS paid for:



Even without regard to question of whether CPS should have kept the original shipment of computer tables, it is clear that CPS actually overpaid for them. CPS

should have only paid the contract price for the tables it received. Because those tables were the non-powered Krueger International tables (table 52s), the [REDACTED] [REDACTED] should have only billed \$81,316.38 (\$732.58 each) for them. Accordingly, CPS paid \$8,714.60 more than it should have because it was billed for — and paid for — table 52 Ps (\$90,030.90 or \$811.09 each).

Relevant interview statements, further discussion of the OIG on-site inspection at Westinghouse, and details of the overbilling and overpayments follow.

*1. Interview Statements*

a. [REDACTED]

[REDACTED] related the following in summary. CPS initially intended to return the original Krueger International non-powered computer tables to the [REDACTED] [REDACTED] but [REDACTED] [REDACTED] asked to keep them. The Krueger International non-powered computer tables are in use at Westinghouse, but they are not being used as computer tables. CPS could have returned the computer tables and purchased cheaper ordinary tables, considering the capacity in which the tables are currently being used.

b. [REDACTED] and [REDACTED]

[REDACTED] stated CPS never asked his company to return the non-powered computer tables initially delivered to Westinghouse. [REDACTED] stated that [REDACTED] from CPS Operations informed him that with close to six hundred schools, [REDACTED] could find a use for the tables. [REDACTED] said that his company would have taken the tables back if it had been asked.

Regarding the issue of CPS being charged for 52 P powered tables when it actually only received non-powered 52 tables, [REDACTED] stated that his company charged CPS \$811.09 per table (the 52 P price) because the company was under the impression that it had ordered and shipped 52 P computer tables.

When asked if it is fair to state that the [REDACTED] charged CPS \$811.09 for 111 non-powered computer tables, when CPS should have been charged \$732.58 per table, both [REDACTED] and [REDACTED] stated that it would be a fair statement.

[REDACTED] stated any overcharging on the part of the [REDACTED] was not deliberate. [REDACTED] further stated that his company routinely undercharges

CPS and cited to a [REDACTED] cost savings report, which purports that the company has saved CPS approximately \$300,000.<sup>3</sup>

c. [REDACTED]

[REDACTED] related the following, in summary. [REDACTED] did not recall any issues regarding the computer tables initially delivered to Westinghouse. [REDACTED] did not recall a second Westinghouse computer table order. [REDACTED] assumes [REDACTED] lack of recall is because [REDACTED] usually just moved on to [REDACTED] next project after ordering furniture for a new school.

*2. Inspection Confirms that the Computer Tables are Underutilized*

The OIG inspected Westinghouse High School to determine how the non-powered computer tables were being used. The OIG found numerous examples of the computer tables being used as ordinary tables. The following photographs are representative of what the OIG found at Westinghouse.



Mailboxes on KI 52 tables



Microwave and refrigerator on KI 52 table



A KI 52 table unused in empty room



Two unassembled KI 52 tables in storage closet

<sup>3</sup> The "report" that [REDACTED] was referring to consists of an email and accompanying spreadsheet that he sent to [REDACTED] on December 7, 2011. In that email, [REDACTED] asserts that a review by his company of a dozen random orders of non-core catalog items shows that his company charged CPS \$293,644.19 less than it actually could have under the contract.

3. Summary Tables of Overcharges and Overpayments

a. Overcharge by the [REDACTED]

The following chart details the amount of money that the [REDACTED] overcharged CPS for the 111 non-powered table 52s that it delivered to CPS.

111 Powered Table 52-Ps (Amount Charged by [REDACTED])	111 Non-Powered Table 52s (Contract Value of Tables Actually Received)	Amount Overbilled (Difference)
\$90,030.90 (\$811.09 each)	\$81,316.38 (\$732.58 each)	\$8,714.60 (\$78.51 each)

b. Money Wasted by CPS on the First Set of Tables

The following table shows the spectrum of possibilities regarding the money that CPS wasted on the 111 computer tables. The table compares what CPS actually paid for the tables to (1) the cost of the least expensive 72" non-computer table available under the bid/contract; and (2) the money that would have been saved if all the tables were returned. As discussed above, the OIG's inspection at Westinghouse showed that the tables were either being used in very non-specialized and ordinary situations (*i.e.*, supporting mailboxes) or, in some cases, not being used at all. The fact that some of the tables are not being used in a dedicated classroom setting and others are not being used at all strongly suggests that none of them were actually needed. That in turn suggests that CPS wasted the entire \$90,030.90 that it spent on the first set of non-powered table 52s. Nonetheless, some of the computer tables are being used in some capacity and the rest conceivably could be put to use somewhere. Thus, allowing for the possibility that ordinary tables were needed (or will be needed), the OIG also looked at what ordinary tables should have cost CPS. Ordinary tables were, in fact, available under the contract. The 30" x 72" classroom activity table (bid/contract table 30) manufactured by Artco Bell has a contract price of \$206.63. The Artco Bell table is used in the below comparison.

Assumption	Amount Actually Paid for Tables	Cost that should have been Incurred under Assumption	Wasted Money (Difference)
Westinghouse needed ordinary tables (bid/contract table no. 30)	\$90,030.90 (\$811.09 each)	\$22,934.82 (206.63 each)	\$67,096.08 (\$604.46 each)
Westinghouse did not need tables at all	\$90,030.90 (\$811.09 each)	\$0 (\$0 each)	\$90,030.90 (\$811.09 each)

---

D. THE AGATI TABLES ARE SUBSTANTIALLY INFERIOR TO THE KRUEGER INTERNATIONAL TABLES

Aside from the issues related to initial shipment of the wrong tables and the unnecessary substitution of the Krueger International tables with the Agati tables, the OIG's investigation revealed that the Agati tables are significantly inferior to the Krueger International powered tables that the [REDACTED] had contracted to provide.

1. *Side-by-Side Comparison of Krueger International and Agati Tables*

The following chart details the major reasons why the Agati tables are inferior to the Krueger International tables. In most cases, photographs have been included to further illustrate the deficiencies.

---

**KI Powered Table (52 P)**

**Lacking Attribute of Agati Table**

---

1. Front and Rear access doors for both wire maintenance and management

Lacks required lack dual door system and corresponding wire management trough



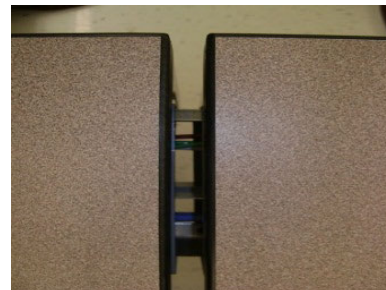
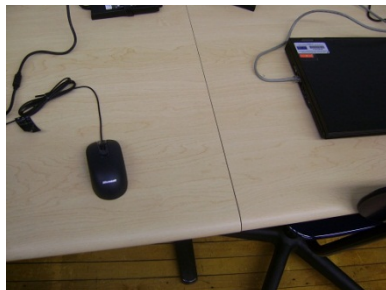
**Significance of Deficiency:**

No wire management system leaves wires and plugs exposed to students, posing an electrocution risk; exposed wires are less aesthetically pleasing

---

2. Direct table-to-table connection, linked tables are routed without gaps that expose the wires

No direct table-to-table connection



**Significance of Deficiency:**

Unprotected hot wires running across gap

---

**KI Powered Table (52 P)**

**Lacking Attribute of Agati Table**

3. Utilizes a shared leg system, which allows one leg to support the ends of two tables

No shared leg system

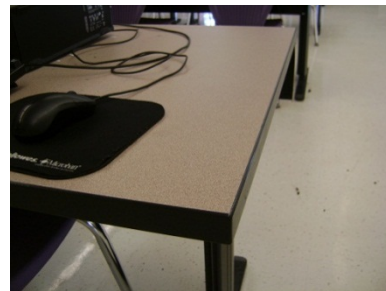


**Significance of Deficiency:**

Less space for student and gaps between tables

4. Post formed edge, which has a rounded profile on the user side

No post form edging and edges are wrapped with PVC banding



**Significance of Deficiency:**

Minimizes the table's ergonomic benefit and creates a sharp angled edge for typing

5. Factory cut grommets

Grommets appear to be hand cut



**Significance of Deficiency:**

Smaller and less aesthetically appealing

**KI Powered Table (52 P)**

**Lacking Attribute of Agati Table**

6. **UL Listed as a Powered Table**

This category covers tables intended to be electrically interconnected with each other (two or more) and frequently reconfigured. These tables are provided with receptacles for communication, power and/or video connection. They are used in conference rooms, in an office, library, or school setting.

**Only Metal Raceway is UL Listed**

Only the Wiremold 4000 is UL listed, and only as a "Surface Metal Raceway". This category covers surface metal raceway intended for installation in accordance with the National Electrical Code.

**Significance of Deficiency:**

Whole table not tested as safe for use as electrically interconnected with each other

*2. Krueger International's Opinion of the Agati Tables*

On April 25, 2012, the OIG visited Skinner West Elementary in order to inspect the Agati computer tables supplied by the [REDACTED]. The OIG was accompanied by Krueger International representatives [REDACTED] and [REDACTED] who made several observations regarding the differences between the Krueger International and Agati powered tables. Specifically, they related that the Agati tables were inferior for the following reasons:

- ◆ Agati tables lack Krueger International's shared leg system.
- ◆ Agati tables lack factory-cut grommets and appear to have hand-cut grommets.
- ◆ Agati tables lack post formed edging and instead have edges that are wrapped with PVC banding, which minimizes the table's ergonomic benefits.
- ◆ Agati tables use Wiremold 4000 to house the electrical and data wiring. [REDACTED] [REDACTED] said that he has never seen Wiremold 4000 used on a computer tables, as it designed to run wiring along walls.
- ◆ Agati tables lack an enclosed wiring system as required by City of Chicago electrical code. Specifically, hot wiring is both visible and accessible as a result of space between computer tables.
- ◆ The Agati wire management trough, which was intended to hide the many cords and cables coming from the computer, is unusable as a result of the placement of the Wiremold 4000. In short, there is effectively no wire management feature on the Agati tables.
- ◆ The Agati tables are missing several electrical outlet faceplates.

- ◆ In the opinion of [REDACTED] and [REDACTED] the Agati tables are definitely not compliant with City of Chicago electrical code.

Additionally, [REDACTED] and [REDACTED] estimated the value of the Agati tables at \$350 each, excluding the strip of Wiremold 4000. They explained that they were not familiar with the cost of Wiremold 4000, so they did not include its cost in their estimate.

3. [REDACTED] *Response to the Agati Table's Deficiencies*

In summary, [REDACTED] told the OIG that the Agati computer table was approved by [REDACTED] who decided on the components. [REDACTED] also said that when [REDACTED] was working with Agati to come up with the table, [REDACTED] said that post formed edging was not necessary and that wire management running through the leg of the table was not necessary. [REDACTED] stated that the original specifications were thrown out the window when the new table was designed.

4. *Without Authorization, [REDACTED] Began Using Still Other Manufacturers*

The investigation further determined that in approximately August 2009, the [REDACTED] subsequently stopped using the Agati company as its source for the powered computer tables and began sourcing them from two other manufacturers: Enwork, Inc. and Invincible. As discussed further below, Agati did not actually manufacture the table parts, but instead shipped parts from several different manufactures to the [REDACTED] for assembly by the [REDACTED]. Supply problems with the various parts suppliers caused delays, which ultimately caused [REDACTED] to switch to Enwork and Invincible.

As the evidence also shows, the [REDACTED] made the switch to Enwork and Invincible without notice to or approval from CPS about what it was doing.

The following relevant interview statements explain this sequence of events in further detail.

a. [REDACTED]

[REDACTED] related the following, in summary. The Enwork computer tables that were supplied to South Shore are cheaper than Agati computer tables, but [REDACTED] still charged the bid price for Enwork computer tables. [REDACTED] stated that, as far as [REDACTED] knows, [REDACTED] did not have approval to supply the Enwork computer tables. [REDACTED] understanding is that whenever CPS ordered powered computer tables, [REDACTED] would supply the Agati computer tables pursuant to the arrangement that had been worked out previously.



b. [REDACTED]

[REDACTED] related the following, in summary. [REDACTED] stated that to manufacture the Agati table, Agati ordered parts from several different companies and shipped them to the [REDACTED] facilities. The tables were then assembled in the [REDACTED] warehouse, which eventually caused problems as the parts began arriving sporadically.

Because of the supply problems, the [REDACTED] approached other companies about manufacturing the table. Eventually, the [REDACTED] decided to have the Enwork Company and the Invincible Company each manufacture substitute tables and provide them to the [REDACTED]. [REDACTED] said that because the table was a custom design, he did not inform CPS Operations of his decision to shift production of the custom design to Enwork and Invincible.

E. THE ENWORK AND INVINCIBLE TABLES ARE ALSO INFERIOR TO THE BID-LISTED AND CONTRACTED KRUEGER INTERNATIONAL TABLES

The OIG conducted inspections at schools where the [REDACTED] delivered the Enwork and Invincible powered-computer tables. Those inspections found that both of those tables were inferior to the contracted Krueger International tables in much the same way that the Agati tables were deficient.

1. *Chart Illustrating Deficiencies*

The following chart details specific examples of how the tables are deficient.

**ENWORK AND INVINCIBLE DEFICIENCIES**

**Enwork Tables**

**Invincible Tables**

1. Tables lack dual door system and accompanying wire management trough; fails to protect power and data cables



---

**ENWORK AND INVINCIBLE DEFICIENCIES**

**Enwork Tables**

**Invincible Tables**

---

2. No direct table-to-table connection



Top View



Top View



Bottom View



Bottom View

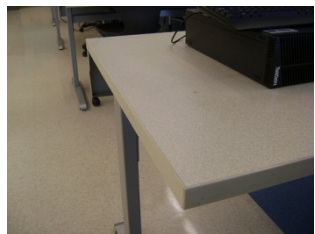
---

3. No shared leg system



---

4. No post formed edge



2. [REDACTED] *Statement Regarding the Deficiency of the Enwork Table*

[REDACTED] told the OIG that the table portion of the Enwork table is not UL listed, but the Wiremold conduit is.

F. OIG ALSO FOUND EXAMPLES OF ENWORK AND INVINCIBLE TABLES BEING UNDERUTILIZED

The following are examples of underutilized tables at South Shore and Brooks. Such examples raise questions about whether CPS should be ordering fewer computer tables.

**Enwork Table**



Tables without computers at South Shore

**Invincible Table**



Used to store paper and mail at Brooks

G. THE [REDACTED] STATEMENTS ABOUT THE DEFICIENCIES IN GENERAL

[REDACTED] stated that he does not know the process for gaining Underwriters Laboratory approval for a product, and stated: "That is over my head." [REDACTED]

[REDACTED] stated that the Wiremold 4000 that is on the computer table is probably UL listed and there might be a sticker on Wiremold 4000, but he has never looked.

The OIG showed [REDACTED] and [REDACTED] photographs of Enwork computer tables at South Shore High School. [REDACTED] and [REDACTED] were asked why these tables do not have a wire management trough. [REDACTED] and [REDACTED] stated that the beam running under the table is a wire management trough. Additionally, [REDACTED] and [REDACTED] stated that based on the pictures, they agreed that some of the beams were apparently installed upside down or are totally missing. [REDACTED] stated that the issue of the beams being installed improperly, or not installed at all, is their problem and responsibility.

OIG Note:

- ♦ Via email, the OIG subsequently contacted Enwork [REDACTED] and asked him about the part that the [REDACTED] had claimed was a wire management trough. Relevant photos were attached to the email. [REDACTED] said that the part in question was a brace and not a wire management trough, although he speculated that the "brace could be used to run a few cables through it". [REDACTED] further stated that Enwork had many cable management options, including an appropriate cable trough. In addition, [REDACTED] explained that the open part of the brace should face

up when installed. Accordingly, that means that the braces on the tables in the photos shown to the [REDACTED] were installed upside down.

H. ALTHOUGH THE SUBSTITUTE TABLES BECAME LESS AND LESS EXPENSIVE TO THE [REDACTED] OVER TIME, IT CONTINUED TO CHARGE FULL PRICE

Records show that the [REDACTED] always charged CPS the full contract price of \$811.09 regardless of what the substitute tables cost the [REDACTED] — and without regard to the significant deficiencies of the substitute tables. The evidence shows that the Agati table cost the [REDACTED] more than the Krueger International table that it was originally supposed to provide, which, of course, meant that it would make less money by selling the Agati table at the contract price, as compared to the Krueger International table. As previously discussed, however, the [REDACTED] subsequently switched to providing the Enwork and Invincible tables. Records further show that the Enwork and Invincible tables cost the [REDACTED] less than both the Agati and Krueger International tables. Thus, by switching to Enwork and Invincible, the [REDACTED] was able to bolster its profit margin on the tables. This is particularly important because — unlike the decision to go with the Agati table — the [REDACTED] never consulted with or obtained permission from anyone at CPS to begin providing the Enwork and Invincible tables.

The following subsections provide further information about how much the respective tables cost the [REDACTED] and it compares the sales margins on the tables.

1. *Documentary Evidence*

Through purchasing records, the investigation was able to determine the amount that the [REDACTED] paid each of its vendors for the various tables at issue here. The following chart summarizes the key purchase price details.

Mfr.	[REDACTED] Vendor	[REDACTED] per Table Price	Source	Price Charged to CPS	Source
1. KI	Interior Investments	\$536.75	[REDACTED] Purchase Order	\$811.09	Oracle Records (Westinghouse)
2. Agati	None (direct sale)	\$640.00	Agati Invoice	\$811.09	Oracle Records (Westinghouse)
3. Enwork	None (direct sale)	\$456.82	Enwork Quote	\$811.09	Oracle Records (South Shore)
4. Invincible	None (direct sale)	\$425.00	Invincible Invoice	\$811.09	Oracle Records (Brooks)

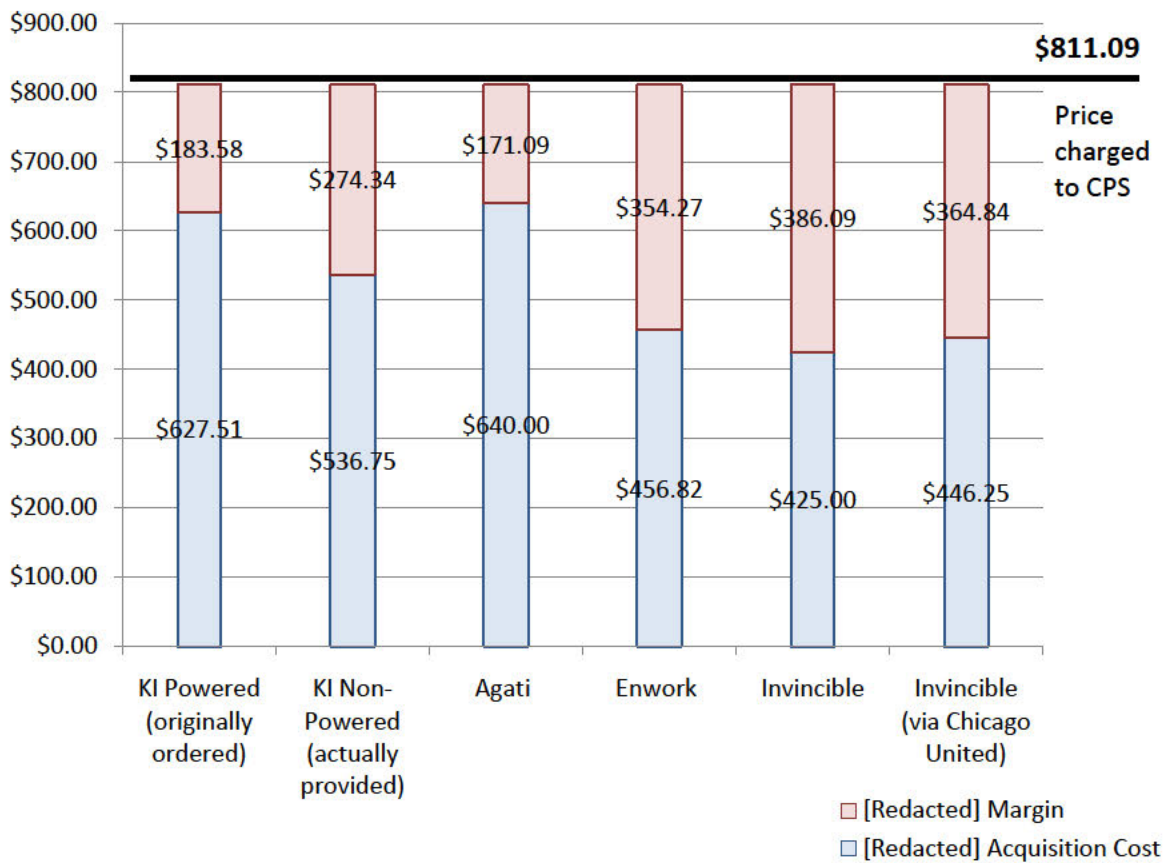
Subject: [REDACTED]

Mfr.	Vendor	per Table Price	Source	Price Charged to CPS	Source
5. Invincible	Chicago United (MBE)	\$446.25	[REDACTED] Purchase Order	\$811.09	Oracle Records (Brooks)

2. Sales Margins: Side-by-Side Comparison

Based on the information regarding the [REDACTED] per table costs, the OIG was able to determine the [REDACTED] relative sales margin for the tables.

Those results are summarized in the following table.



### **PART THREE: WEAKNESSES IN THE PURCHASING PROCESS**

#### **1. ORDERING OF NON-CORE ITEMS**

The [REDACTED] contracted to provide specified furniture items, which are known as “core items”. In addition to the “core items”, the contract allows the [REDACTED] to provide additional items from other manufacturers as long as the [REDACTED] provides a discount of 10% or greater from the manufacturer’s suggested list price. (See Bid Specification No. 07-250037§ IV.8.) Such additional items are commonly known as “non-core” items.

During the course of its investigation, the OIG discovered that there had been very little oversight regarding the practice of ordering non-core items and that principals and new school architects frequently ordered non-core items.

The relevant portions of related interview statements are included below.

A. [REDACTED]

[REDACTED] stated the following, in summary. [REDACTED] stated items listed on a bid tabulation page are referred to as core items. [REDACTED] stated that vendors can also provide non-core items from approved manufacturers listed in the bid specification.

[REDACTED] said that [REDACTED] works with a furniture coordinator to get furniture into schools, but [REDACTED] is not involved in the furniture selection process. Furniture is ordered by principals in conjunction with the furniture coordinator and the vendor. [REDACTED] stated that although schools are allowed to order non-core items, they should primarily be ordering core items. [REDACTED] stated that non-core items may be supplied if the vendor obtains a specified minimum discount from the manufacturer.

[REDACTED] stated that [REDACTED] conducted an audit of South Shore High School’s furniture, and [REDACTED] found that the furniture in the administrative offices was made by LaCasse, a manufacturer which is not found on the approved list. [REDACTED] stated a principal had yet to be assigned to South Shore when it opened in the fall of 2010. [REDACTED] stated that [REDACTED] an architect contracted by the Public Building Commission, ordered South Shore’s furniture. [REDACTED] stated that in conjunction with [REDACTED] ordered the LaCasse furniture. [REDACTED] stated [REDACTED] forwarded the order to CPS furniture coordinator, [REDACTED] for processing. [REDACTED] stated the order should have been blocked because LaCasse is not an approved manufacturer.

[REDACTED] stated CPS implemented new procedures in order to prevent similar problems in the future. [REDACTED] stated that non-core catalogue ordering will be limited and core items will be stressed.

B. [REDACTED]

[REDACTED] related the following, in summary. Regarding the furniture for new schools, [REDACTED] said that [REDACTED] used to begin the process by calling an initial meeting with the principals and the vendor. Initial meetings were mostly introductory and [REDACTED] used them to review plans and discuss furniture needs. The meetings were often held at a CPS facility on 35th Street, but sometimes they were held at schools. Later they were held at the [REDACTED] showroom near the Merchandise Mart. When dealing with the [REDACTED] [REDACTED] always dealt with [REDACTED] [REDACTED] occasionally attended meetings. The [REDACTED] provided principals with catalogs and samples during the furniture meetings.

With regard to creating orders, [REDACTED] stated [REDACTED] was mainly concerned about dollar amounts, as [REDACTED] had to work within budgets allocated to specific projects. [REDACTED] was less concerned about the items being ordered, and [REDACTED] did not have enough time to check each item individually to ensure it was a core item.

C. [REDACTED]

At the time of [REDACTED] interview, [REDACTED] worked in the Department [REDACTED] [REDACTED]. At times relevant here, [REDACTED] was the [REDACTED] [REDACTED] [REDACTED] has since been laid off. [REDACTED] related the following, in summary. [REDACTED] reported to [REDACTED] in [REDACTED] and [REDACTED] oversaw build outs, space configuration and any construction at Central Office or other administrative sites. [REDACTED] primarily handled large quantity purchases over \$10,000.

[REDACTED] stated that before [REDACTED] took over, there were problems with principals ordering items that were not on the [REDACTED] contract. When invoices were coming through the Purchasing Department, there was no way to flag an item that was not listed on the contract. Accordingly, purchases were being made on a number of non-core items. [REDACTED] stated that in addition to the non-core items being purchased, no one was monitoring the contract and CPS was overspending, which resulted in an amended Board Report to add more money to the contract.

At the time of [REDACTED] interview, [REDACTED] worked directly with [REDACTED] in [REDACTED]. According to [REDACTED] [REDACTED] is responsible for ensuring that invoiced items are all core items from the contract. [REDACTED] goes line by line through the invoice and if [REDACTED] does find a non-core item, [REDACTED] notifies [REDACTED] [REDACTED] stated that there has not been a problem with the wrong merchandise being purchased since this new process started in spring 2011.

As part of the new school process, [REDACTED] said [REDACTED] and the principal of the new school meet with a representative of the [REDACTED]. The [REDACTED] creates a furniture order and then forwards it to [REDACTED] upon the conclusion of a meeting. [REDACTED] said [REDACTED] then entered the order into Oracle using only the document given to [REDACTED] by the [REDACTED].

[REDACTED] said that before the media attention surrounding the [REDACTED] dealings with CPS, [REDACTED] did not check to determine whether the items listed on the [REDACTED] orders were non-core or core. [REDACTED] stated [REDACTED] assumes that [REDACTED] also now verifies that each item listed on the [REDACTED] order appears as a contract or core item. After [REDACTED] verifies an order, [REDACTED] enters the data on Oracle.

D. [REDACTED]

[REDACTED] is a [REDACTED]. [REDACTED] related the following, in summary. [REDACTED] stated that only recently did [REDACTED] begin checking for special or non-core items. Due to a small change in how [REDACTED] processed paper work, [REDACTED] began noticing that some item unit numbers included the letters "SP" or "SPE". [REDACTED] stated [REDACTED] was informed by Facilities that "SP" or "SPE" meant "special" non-core items. [REDACTED] stated [REDACTED] should not enter orders from vendors without first ensuring the items are all core.

[REDACTED] stated schools are no longer allowed to order non-core items. [REDACTED] stated [REDACTED] will not process an order if [REDACTED] finds that it includes non-core items. However, [REDACTED] stated Facilities still orders non-core items. [REDACTED] stated [REDACTED] assumes non-core items on Facilities orders are necessary items because Facilities has its own in-house approval process. [REDACTED] stated the requisitions [REDACTED] creates must also be approved by another member of Facilities. In addition, [REDACTED] in Facilities also approved orders in the past. As a result, [REDACTED] stated Facilities should be held accountable for the items it orders because it pays for the items with its own budget.

E. [REDACTED]

[REDACTED] is a [REDACTED]. [REDACTED] stated he handles IT for [REDACTED]. [REDACTED] stated he reports directly to [REDACTED]. [REDACTED] stated he has both requestor and approver rights within Oracle. [REDACTED] stated he is a default approver for every department falling under the supervision of [REDACTED]. [REDACTED] stated there are several employees designated as approvers in Oracle, including [REDACTED] and [REDACTED].



[REDACTED] stated furniture expenses are approved via unit projects within Oracle. [REDACTED] stated [REDACTED] initiates the process by entering data from a quote [REDACTED] receives from the vendor into Oracle in the form of a requisition. [REDACTED] stated he is often chosen by [REDACTED] to approve because he is consistently in the office. [REDACTED] stated [REDACTED] often chooses those who [REDACTED] knows are present that day in order to expedite the process. In order to approve an order, [REDACTED] stated he clicks the "Check Funds" button and sees if the project is approved. He also ensures a board report exists.

[REDACTED] stated staff members listed as approvers within Oracle are not familiar with the contract for which they are approving orders. [REDACTED] stated he is not familiar with the furniture contract nor the items found within the contract. [REDACTED] stated he does not know the difference between a core and non-core item. [REDACTED] stated the system in place does not call for him to be familiar with the items found in orders before he can approve.

[REDACTED] stated the individual managing the contract should be held responsible for items being ordered. [REDACTED] stated staff members should not simply enter an order handed directly to them by a vendor into a requisition. Instead, [REDACTED] stated the individual managing the contract should be familiar with the vendor, and whether the items it is offering are approved.

[REDACTED] stated furniture ordering has morphed into a shared responsibility between Facilities and Purchasing. Although there should be communication between the two departments, [REDACTED] stated that [REDACTED] should serve as the third check, after [REDACTED] and [REDACTED] chosen approver. [REDACTED] stated [REDACTED] should know whether or not the items [REDACTED] enters into the requisition are approved. [REDACTED] stated [REDACTED] along with [REDACTED] placed [REDACTED] and [REDACTED] in charge of furniture ordering. [REDACTED] stated [REDACTED] and [REDACTED] were instructed not to exceed their budget limits.

F. [REDACTED]

[REDACTED] related the following, in summary. To order furniture, [REDACTED] typically arranged meetings with him, [REDACTED] and principals or school staff members. Meetings were held at schools, in [REDACTED] office, or in the [REDACTED] showroom. [REDACTED] stated the meetings were used to discuss what principals wanted in their schools. In addition to brochures, [REDACTED] brought furniture samples with him to meetings held at schools.

[REDACTED] stated that principals are not aware of the difference between core and non-core items. He initially shows principals the core items, but they often ask to see additional options. When that happens, [REDACTED] shows principals non-

core items from approved vendors. If a principal wants a non-core item, [REDACTED] informed [REDACTED] (and, in the past, [REDACTED]) who decided whether to process the orders for non-core items [REDACTED] however, rarely stopped non-core item orders.

[REDACTED] said that his company can provide non-core items so long as they do so at a specified discount and the orders are approved by Operations.

[REDACTED] stated that his company provided South Shore High School with furniture for its administrative offices. [REDACTED] stated South Shore had not yet been assigned a principal when it came time to furnish the school. [REDACTED] stated [REDACTED] a [REDACTED] interior designer, and an architect from the [REDACTED] firm decided to use LaCasse furniture for South Shore's administrative offices. [REDACTED] stated they chose LaCasse because it could provide a reception counter, a feature South Shore's administrative office lacked. [REDACTED] stated his company provided LaCasse furniture to CPS at a 40% discount. [REDACTED] stated LaCasse is a middle- to high-end furniture brand that is not listed on the core catalogue list. [REDACTED] stated all LaCasse furniture was specially labeled on the order sheet that was forwarded to and approved by [REDACTED]

## **2. VIRTUALLY NO CONFIRMATION OF ITEMS SHIPPED TO SCHOOLS**

Statements from several people show that there is no real process for verifying that the proper furniture items and quantities have been received at schools. Relevant interview summaries follow.

### **A. [REDACTED]**

[REDACTED] related the following, in summary. [REDACTED] stated that [REDACTED] "receipts" the furniture purchase order and forwards it to accounts payable after delivery. [REDACTED] tries to verify that all items were received, but said [REDACTED] cannot visit each school in order to do so. [REDACTED] stated principals typically call [REDACTED] in order to report missing items. [REDACTED] stated [REDACTED] calls [REDACTED] if a problem with an order arises.

[REDACTED] said that [REDACTED] performs spot checks to see whether items were correctly delivered to schools. [REDACTED] explained that the vendor leaves a packing slip on the door of each room that received furniture, and [REDACTED] compared the packing slips to furniture orders in order to reconcile orders. [REDACTED] however, stated [REDACTED] did not confirm quantities or brands, but [REDACTED] might just have quickly glanced into the room.

B. [REDACTED]

[REDACTED] stated that [REDACTED] "receipted" furniture orders in Oracle. If [REDACTED] had not heard from a principal complaining about the order, [REDACTED] receipted the order. [REDACTED] stated [REDACTED] overwhelming job responsibilities prevented [REDACTED] from verifying each order in the field. [REDACTED] stated [REDACTED] had no complaints regarding the [REDACTED]. [REDACTED] stated [REDACTED] is not aware of any instances in which the [REDACTED] substituted inferior products on its orders.

[REDACTED] was occasionally present when furniture was delivered by the [REDACTED]. The [REDACTED] typically delivered furniture in late summer, as the new school year approached. As a result, furniture was often delivered simultaneously at several different locations throughout CPS. [REDACTED] said [REDACTED] could not have been present for each delivery, as [REDACTED] was the sole employee tasked with furniture. When [REDACTED] was present for a delivery, it was probably at a turnaround school, which demanded the majority of [REDACTED] time.

Problems only arose when expected quantities were not met. For example, a principal would call [REDACTED] if file cabinets were not delivered. Although they were involved in the ordering process, principals usually did not know the difference between different brands and models. [REDACTED] stated principals were mainly concerned with furniture quantities and colors. [REDACTED] stated principals also called the [REDACTED] directly when problems arose.

C. [REDACTED]

[REDACTED] stated CPS will now closely inspect all furniture orders. [REDACTED] stated [REDACTED] does not know if the furniture coordinator performs spot checks on furniture orders. [REDACTED] stated if neither a Facilities employee nor a CPS employee is at a school when furniture is delivered, the vendor should reconcile the order and ensure that it was delivered to its intended location.

D. [REDACTED] AND [REDACTED]

[REDACTED] related the following in summary. He stated that they do not typically do a walk through at the completion of a project. The OIG pointed out the provision in Specification No. 07-250037, which states that upon completion of the delivery of the products, a walk through must be performed by the Bidder and Board or school representatives. [REDACTED] stated that they were not aware of this policy.

Regardless of the policy, [REDACTED] stated that he does not believe that during a walk through they would notice items such as missing wire management troughs or troughs that were installed incorrectly (which had happened on some of the tables

at South Shore High School). On such a tour, they would simply be looking at the layout of the rooms. [REDACTED] stated that if he saw something significant, like a table that did not have legs, he may question it.

### **3. RETURNED ITEMS CREDITED AND OTHER ITEMS PURCHASED WITH THE CREDIT**

#### **A. INTRODUCTION: RETURNS FOR CREDIT AT OGDEN AND PHILLIPS AND WHITTIER SCHOOLS**

The OIG’s investigation also determined that on at least three occasions, CPS ordered a large amount of furniture items from the [REDACTED] for new schools or school renovation projects. Each of those purchases was initially approved by either [REDACTED] or [REDACTED] and purchase orders were properly issued for the furniture. In those four cases, the school’s principal later decided that it did not need much of the furniture that had been ordered and cancelled large portions of the order. The problem with that is that the principals did not notify anyone in Facilities or Purchasing about what they were doing. Instead, the items were cancelled and the principals then used the remaining balance of the purchase order — that was created by the cancellation — to purchase other items for the school.

In each case, the amount of the new purchase exceeded the balance created by the returns, ranging from a few cents to thousands of dollars. As discussed further below, the [REDACTED] claims that it “wrote off” the difference, and referenced the situations as examples of how the company adds value in its business dealings.

The OIG uncovered no evidence that the principals were ordering lavish or otherwise improper items, and there is no evidence of improper self-dealing in these transactions. Nonetheless, these situations are addressed here because principals were effectively purchasing thousands of dollars of items without any review or approval. Of course, the better practice would have been to notify Facilities and Purchasing of the cancellations and return the encumbered funds to their budget lines. When and if it was decided that new furniture was needed, proper Central Office approval and new purchase orders would then follow. Such procedures would ensure that CPS knew what it was paying for and why. Under the practice discovered here, only school principals and the [REDACTED] knew what was ultimately ordered and delivered. That practice is ripe for abuse.

The following table summarizes the relevant cancellations and returns.

Subject: [REDACTED]

School	Date	Amount of Cancelled Furniture	Date	Amount of Furniture Subsequently Purchased	Difference ( [REDACTED] Claimed Write Off)
Ogden	8/15/11	\$83,872	1/31/12	\$83,8879.16	\$6.39
Phillips	8/1/10	\$93,207.02	9/1/11	\$96,614.08	\$3,407.16
Whittier	8/31/10	\$13,788.53	9/1/10	\$13,788.64	\$0.11

B. [REDACTED] AND [REDACTED]

[REDACTED] stated that he was involved with the ordering of furniture for Ogden Elementary. The school was initially intended to have two computer labs and only ended up with one. When he was working with [REDACTED] and [REDACTED] they decided to order computer tables for two labs. [REDACTED] told him to “plan for the worst”, as [REDACTED] would rather have too many tables than not enough. [REDACTED] stated that when it was determined that only 18 tables were needed, and not 36, the order was changed.

[REDACTED] stated that he does not recall whether the tables were delivered to the school and then returned. In any event, an internal credit was issued for the Ogden project and the credit was used to order additional items. [REDACTED] stated that the principal decided on the additional items. [REDACTED] stated that a credit was given for the sizing of the tables also, because originally the computer tables ordered were 30” x72” and the tables that were supplied were 30” x 60”.

[REDACTED] stated that he did not get permission from CPS Operations or Purchasing to create an internal credit that would be used for additional items. [REDACTED] stated that his feeling was that as long as the original purchase order dollar amount was not exceeded, there was no need to create a new invoice or go through the process of reimbursing CPS and creating a new Purchase Order. [REDACTED] stated that they would even write off any difference there would be after ordering additional items.

[REDACTED] stated that he was involved in the Phillips High School order. [REDACTED] gave him a list of items needed, which included the number and type of computer tables. [REDACTED] stated that 52 P tables were ordered at the price of \$811.09. [REDACTED] stated that the principal decided that these tables were not needed for the room and they needed a much simpler table. [REDACTED] stated that all that was necessary was a regular table with a trough.

---

The OIG then showed [REDACTED] and [REDACTED] copies of the Purchase Order and the “recap”<sup>4</sup> from Phillips High School. Both of these documents describe a non-powered computer table, and the recap specifically refers to the table 52 (non-powered). The OIG asked why the [REDACTED] September 1, 2011 invoice shows that CPS was charged \$811.09 (the powered table price) for non-powered table 52s. [REDACTED] stated that if the price is listed as \$811.09, then they definitely provided a powered 52 P table — regardless of what the documents otherwise suggested. [REDACTED] acknowledged that it could be possible that a non-powered 52 should have been delivered to Phillips. [REDACTED] further stated that regardless of what tables were delivered, it did not matter in the end because the tables were ultimately returned by the principal and the \$811.09 purchase price was credited to the account, thus there was no harm. He further explained that \$270 tables were ordered in place of the \$811.09 ones, so CPS ultimately saved money because it bought less expensive tables.

[REDACTED] stated that the same situation happened at Phillips that occurred at Ogden where there was an in-house credit given to the school and additional items were ordered. [REDACTED] stated that no one at CPS ever questioned how they handled this. [REDACTED] stated that no one at CPS gave them the authority to do this, but no one stopped them. [REDACTED] stated that they did not talk to anyone in Purchasing regarding the in-house credit. [REDACTED] stated that since the school was already given the money, it really does not matter how it is spent. [REDACTED] stated that the principal decided on the additional items, which were mostly music related.

---

<sup>4</sup> The [REDACTED] creates a document known as a “recap” after its initial meeting with school officials and/or architects about specific projects. The document lists the items agreed upon at the meeting.

Office of the

## **Inspector General**

Chicago Board of Education

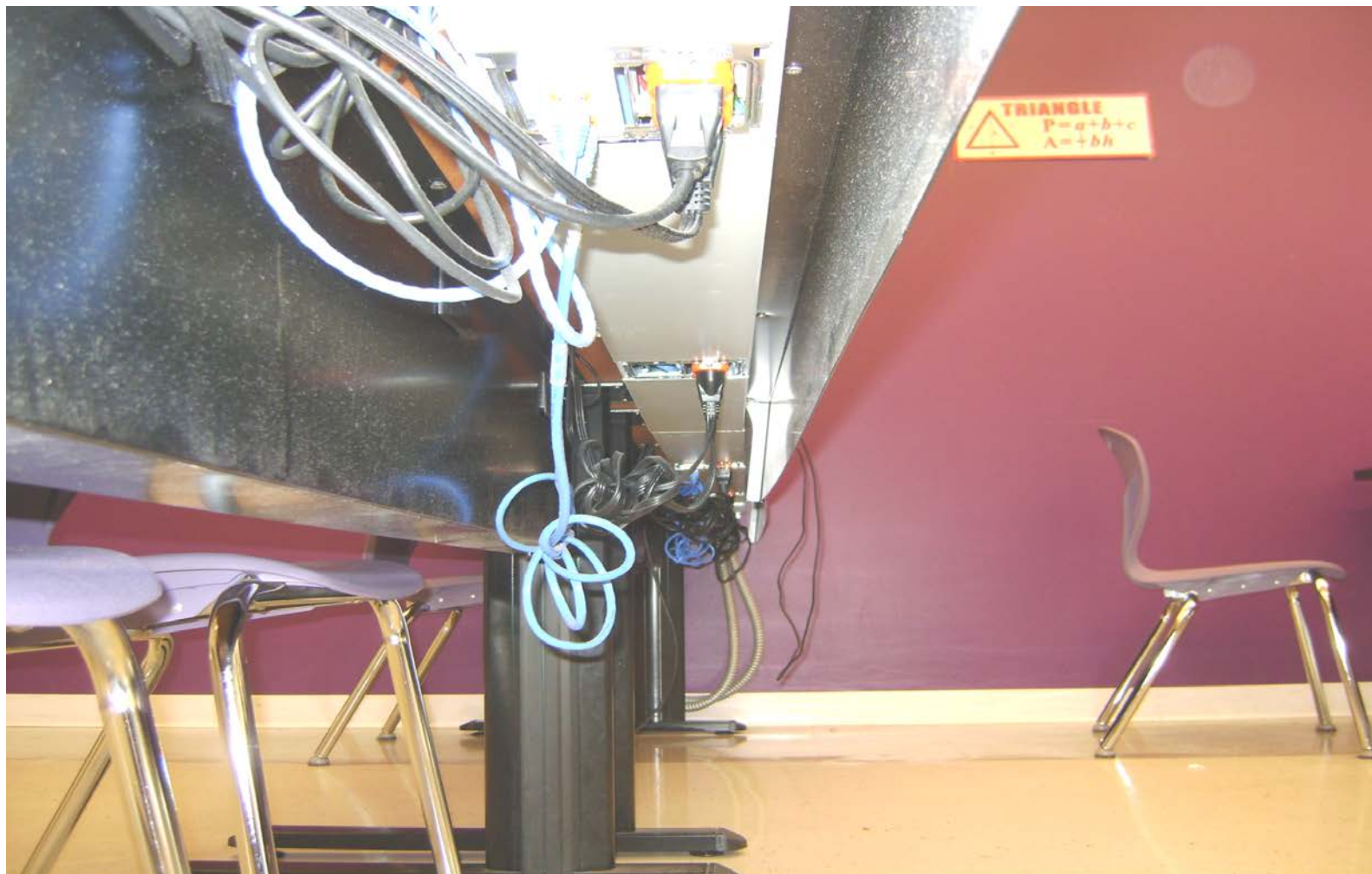
James M. Sullivan, Inspector General

---

### **ATTACHMENT 1: Underside of KI Tables — note wires are secured behind closed access doors**

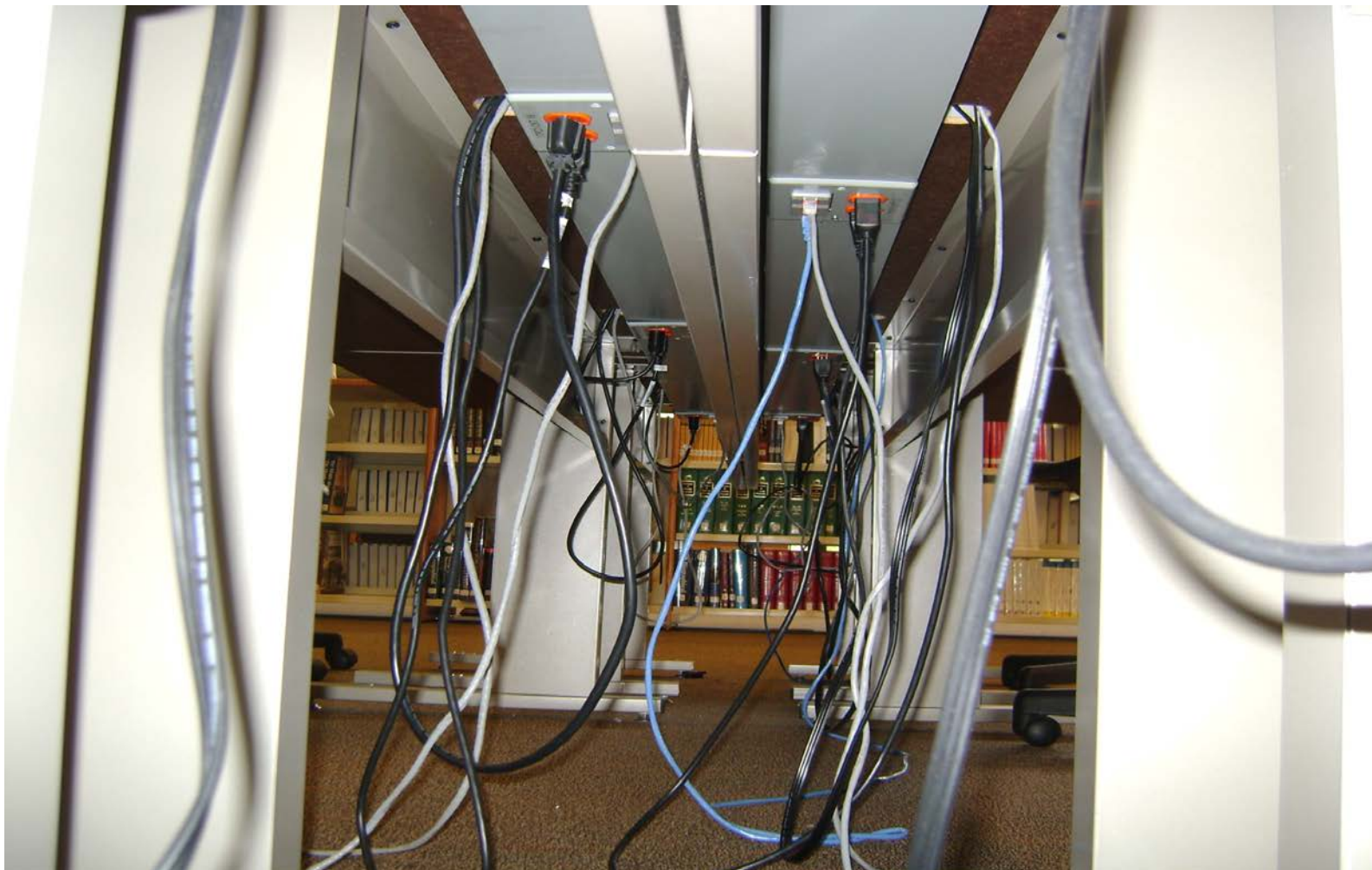


**ATTACHMENT 2: Agati Table — note exposed hanging cords and wires**





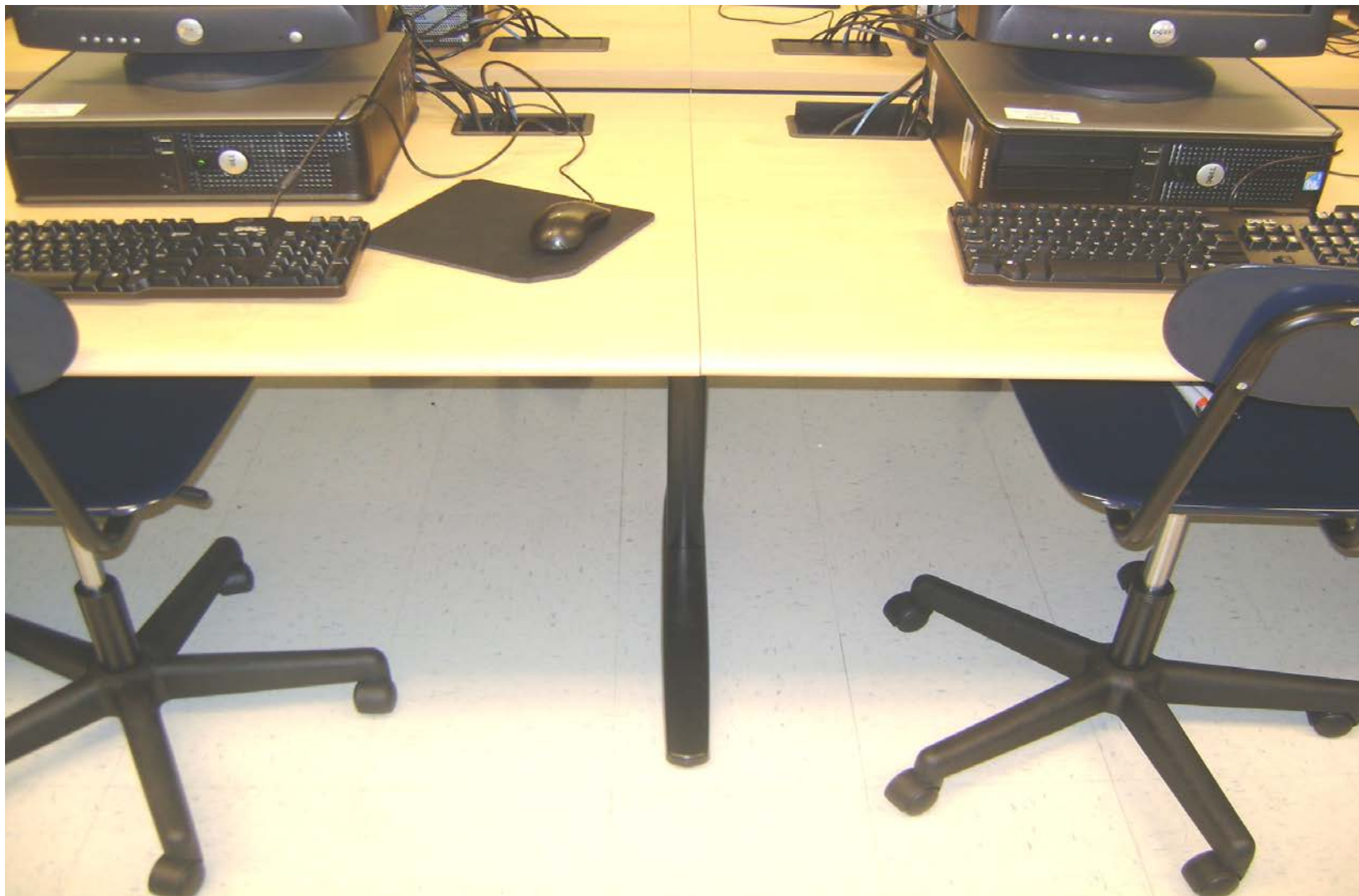
**ATTACHMENT 3: Invincible Table — note hanging cords and wires**



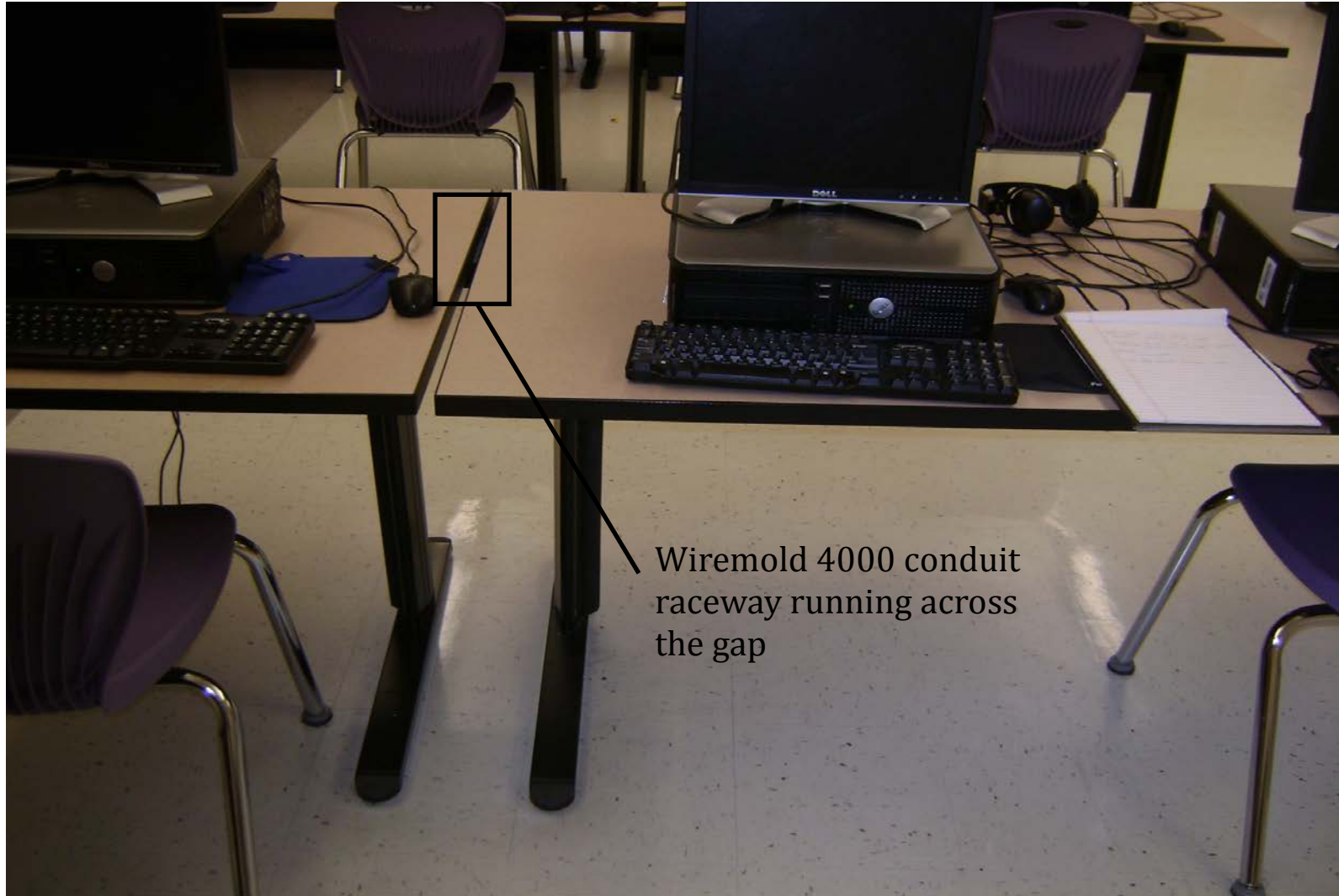
**Attachment 4: Enwork Table — note hanging wires**



**Attachment 5: Krueger International Tables — note single shared leg and no gap between tables**



**ATTACHMENT 6: Agati Table — no shared leg and gap with conduit running across**



**ATTACHMENT 7: Kruger International tables with cords running into large, factory-made grommets**



**ATTACHMENT 8: Invincible Tables with smaller grommets**

