



City of Chicago



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Committee(s) Assignment:



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VIA ELECTRONIC MAIL

David Reynolds
Commissioner
30 North LaSalle Street, Suite 300
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Dear Commissioner Reynolds:

The Office of Inspector General (OIG) writes to bring to your attention to concerns regarding the City of Chicago Department of Assets, Information and Services (AIS) inventory and management of municipal license plates issued and registered to City vehicles. An OIG review found that the municipal license plate inventory AIS manages does not match the Illinois Secretary of State (ILSOS) database of municipal plates issued to the City. Approximately 7,000 municipal license plates issued by ILSOS for City vehicles are unaccounted for at AIS. Without an accurate database and regular audit of the City's municipal license plates, AIS is unable to account for and track the possession and use of all municipal license plates assigned to the City, resulting in, among other things, a significant risk of abuse and misconduct with municipal plates and vehicles within the City's fleet.

I. AIS MANAGEMENT AND INVENTORY OF MUNICIPAL LICENSE PLATES REGISTERED TO THE CITY OF CHICAGO

To understand AIS' management and inventory of City vehicles and assigned municipal license plates, OIG reviewed AIS records and interviewed a manager of vehicle services, director of maintenance, and two vehicle registration coordinators. Vehicle registration coordinators handle registration for all City fleet vehicles, including Chicago Police Department (CPD) vehicles and non-CPD City fleet vehicles issued to other City departments. When the City registers a new fleet vehicle, it completes an application for a vehicle transaction and mails it to ILSOS; within approximately four to six weeks, ILSOS issues and mails a license plate, registration, and title to the City for the newly registered vehicle. For CPD vehicles, AIS stores and maintains the titles and registration; for non-CPD vehicles, the City department using the vehicles stores and maintains the titles and registration.

Once AIS receives the license plate, registration, and title from ILSOS, the vehicle registration coordinators enter the information into AIS' M5 database, where license plate information is

documented in the notes section.¹ However, according to AIS, more than one plate may be associated with a vehicle in the M5 database if a City department assigned it an existing plate before receiving the permanent plate. AIS provided, as an example, a salt spreader truck that is ordered and delivered prior to a snowstorm. The truck would typically be stored until the vehicle is registered with ILSOS and new license plates are delivered. However, if a snowstorm occurred before the plates arrived, AIS may affix another license plate to the truck until the registration process is completed. The vehicle registration coordinators would note in M5 that the vehicle has been assigned a plate temporarily until the permanent license plate arrives and is affixed to the vehicle. In addition to AIS, vehicle rental or leasing companies may order municipal plates for vehicles rented or leased by the City, register the plates, and affix them to the rental or leased vehicle. Those vehicles and plates are not necessarily entered into the M5 database or immediately updated in the database.

Municipal license plates stay affixed to an assigned vehicle for its entire service life, but may be transferred to a different vehicle if, at the end of the originally assigned vehicle's life, the plate is still in serviceable, good condition.² The vehicle registration coordinators keep license plates from out-of-service vehicles waiting to be transferred to a different vehicle at their desks. If a license plate is to be destroyed, the vehicle registration coordinators arrange for it to be destroyed at the AIS sheet metal shop. However, there is no centralized location where unused, old plates are stored prior to destruction.

When AIS destroys or transfers a license plate, the vehicle registration coordinators email ILSOS a change request, which takes approximately four to six weeks to process.³ The vehicle registration coordinators then update a "running plate list," a separate list maintained outside of M5 containing all the plate change requests. However, a vehicle registration coordinator clarified that the list only contains destroyed plates. AIS maintains the running plate list and a spreadsheet containing title information on a shared drive, along with change requests and any other documentation provided to ILSOS.

AIS does not complete a regular, periodic audit of the City's inventory of license plates and does not conduct data validation exercises with its lists and data. Plates are checked when vehicles arrive at AIS for service, where a technician notes the plate and vehicle markings. When vehicles arrive for service and are missing plates or have mismatched plates, mechanics notify the vehicle registration coordinators and new plates are affixed to the vehicle. AIS also services and fuels

¹ M5 is the City of Chicago's fleet management system and is the primary system of record for fleet vehicles and maintenance. See: https://fleetfocus.assetworks.com/m5web/presentation/common/CSILogon.aspx?m5site=chi_prod.

² A vehicle's service life ends when a vehicle is damaged, sold, or removed due to age. AIS estimates that on average license plates are kept on passenger vehicles for approximately 10 years and up to 20 years for large trucks.

³ ILSOS also allows AIS to mail change requests to 501 S. Second St., Room 520, Springfield, Illinois. Historically, AIS was also permitted to visit any ILSOS location and submit applications and change request forms in person.

sister agency vehicles, in addition to recording and storing their plate and registration in M5. However, sister agencies are responsible for obtaining their own vehicle registrations.⁴

OIG's review of AIS' records discovered disjointed datasets and lists and multiple outdated recordkeeping practices. For example, AIS produced multiple Microsoft Excel spreadsheets dating as far back as 1995 that contain separate, unrelated lists of destroyed plates that do not correlate with each other.⁵ Some spreadsheets contain no dates or references to when plates were destroyed or which department utilized the destroyed plates. In another instance, a transferred plate list created in 2013 was used to record transfer requests, however, it was abandoned after 2016.

II. OIG AND ILSOS JOINT REVIEW OF MUNICIPAL PLATES REGISTERED TO THE CITY OF CHICAGO

OIG, in conjunction with staff in the ILSOS Inspector General's Office and Vehicle Services Department, attempted to identify and account for all municipal plates registered to the City of Chicago. ILSOS provided its records of municipal plates assigned to the City and believed to be in the City's possession. As ILSOS is responsible for all license plates issued and registered within Illinois, its data encompasses all municipal plates assigned within the City limits, including City sister agencies outside of AIS jurisdiction, such as Chicago Public Schools. ILSOS attempted to produce a subset of these records limited to municipal plates assigned to the City and managed by AIS with the corresponding vehicle identification numbers (VIN), including inactive vehicles designated as junked, sold, or salvaged; however, ILSOS could not limit the records to only vehicles registered by AIS and within its jurisdiction.⁶

OIG analyzed ILSOS' data and attempted to compare it with AIS City fleet records. AIS provided OIG with electronic copies of its license plate lists as well as AIS policies and procedures related to license plate management. AIS also provided ILSOS license plate applications and records along with documentation submitted to ILSOS when plates were to be removed from circulation.⁷ However, OIG could not reconcile both sets of data as they did not match and contained too many inconsistencies.

⁴ In the data provided to OIG for analysis, AIS included municipal plates from the Chicago Transit Authority, Chicago Park District, City Colleges of Chicago, Chicago Public Schools, and other sister agencies. In order to maintain data integrity to compare the AIS database and ILSOS database, the municipal plates issued to sister agencies and recorded within AIS' database were maintained and kept within the dataset prior to analysis.

⁵ In one example, during OIG's attempts to analyze the data, we learned a spreadsheet of plates destroyed between 1995 and 2015 had been maintained and stored by a recordkeeper on their own network drive and was inaccessible or unused by other employees. The recordkeeper had since retired from AIS and the City. After the recordkeeper's retirement, the AIS vehicle registration coordinators no longer used the recordkeeper's spreadsheet.

⁶ Due to limitations of its database system and search ability, ILSOS could not remove all plates attributed to sister agencies within the City, nor could ILSOS remove old license plates registered to legacy or defunct City departments from its dataset.

⁷ Specifically, AIS provided any documentation related to a license plate that was sent to ILSOS when the plate was transferred, destroyed, sold, salvaged, or replaced.

OIG's analysis of ILSOS and AIS data found that numerous issues in both databases make reconciliation of the data impossible. Based on ILSOS' records, as of January 2020, 24,044 municipal license plates were registered to City vehicles. AIS' records, including running lists and data from M5, as of January 2020, reflected that 23,906 municipal license plates were registered to City vehicles. OIG compared both sets of records and found that only 16,591 license plates matched between ILSOS and AIS. There are 7,093 license plates which exist in the ILSOS database but do not exist in the AIS database, with 3,638 (51.29%) of those license plates unassigned to a specific department, 1,649 (23.25%) assigned to CPD, 541 (7.63%) assigned to the Department of Streets and Sanitation, 266 (3.75%) assigned to the Department of Aviation, 193 (2.72%) assigned to AIS, and the remaining plates assigned to other departments. Moreover, 6,955 license plates exist in AIS' database but do not exist in ILSOS' database, with 2,772 (39.86%) of those plates assigned to CPD, 1,152 (16.56%) assigned to leased City vehicles, 570 (8.20%) assigned to City corporate fleet vehicles, 400 (5.75%) without an assigned department, and the remaining 2,061 (29.63%) assigned to other City departments or sister agencies such as the Chicago Transit Authority and Chicago Park District.

Based on this analysis, OIG further found that neither database has a one-to-one relationship between license plates and VINs, license plates and unit numbers, or VINs and unit numbers.⁸ OIG discovered numerous issues in the ILSOS database, including VINs for City vehicles that had more than one license plate assigned to the vehicles, as well as some VINs and license plates with no unit number.

Similarly, OIG discovered numerous issues that greatly affected the accuracy of AIS' license plate data and inventory. For example, there were license plates marked as active that did not have a unit number or VIN assigned, and some license plates with more than one VIN. Some VINs and license plates were associated with multiple unit numbers, and some unit numbers had no VIN.

With thousands of missing license plates unaccounted for in the ILSOS and AIS databases, OIG could not comprehensively compare the inventories. Due to significant differences in the records between both agencies, it is impossible to definitively account for all municipal license plates registered to and within the City's possession, and it is impossible for ILSOS to determine an accurate inventory of municipal license plates properly issued to the City.

In response to this review, ILSOS staff proposed a possible solution: for the City to provide its inventory to ILSOS to be reviewed against the VINs registered within ILSOS' system for a larger one-time audit, and going forward, submit its municipal plate data to ILSOS on a specified periodic basis, to allow ILSOS to validate the City's municipal plates in real-time and allow AIS to reconcile and maintain its inventory more accurately.

As part of this larger reconciliation, ILSOS proposed that AIS submit every City-issued municipal plate number, associated VIN for the vehicle, vehicle year, make and model, and assigned

⁸ In the M5 database, a City vehicle is assigned a unit number to identify the specific vehicle within the system.

department and vehicle location address to the ILSOS vehicle services department. ILSOS would then compare this data with the registration information for each municipal plate in their records to determine whether the plate belongs to the City. In the event the City is not the registered owner, ILSOS would note the discrepancy and contact AIS to verify whether the municipal plate belongs to the City and is within their possession. If the municipal plate belongs to the City, ILSOS would then verify the VIN for the City vehicle associated with the plate to the title information on file with ILSOS. If the City is not listed as the title owner of the vehicle in the ILSOS records, AIS could verify the associated City vehicle's VIN to confirm it is within their possession and whether it is in use.⁹ Once ILSOS can verify the municipal plate with the correct City vehicle, ILSOS can ensure the City is the appropriate registered vehicle owner, and ILSOS and AIS can update their records to reflect the most accurate vehicle and plate information.¹⁰

III. OIG RECOMMENDATIONS

OIG's investigation found that AIS' municipal license plate records are incomplete and inaccurate or outdated. AIS' current practices also lack effective quality control and auditing measures to ensure that license plates are properly registered and affixed to City vehicles or properly destroyed after the end of service. Without regular audits of the municipal plate inventory, thousands of discrepancies between ILSOS and AIS records have developed over time. Accordingly, AIS is unable to accurately account for all the license plates within its physical possession and is unable to verify that all license plates currently registered to City vehicles are properly affixed to the correct vehicle within the M5 database.

The existence of thousands of unaccounted municipal license plates poses serious safety and security issues for the City. Lost or misplaced license plates could be attached to non-City vehicles, allowing those vehicles to be illegally driven and improperly used. With improperly registered plates, City vehicles involved in traffic accidents or violations could create liability issues. Furthermore, allowing plates to be registered to multiple vehicles and failing to account for when the plates are swapped between vehicles provides ripe opportunity for City vehicles to be abused, misappropriated, or misused in violation of City policies or rules.

In order to mitigate the safety and security risks, OIG recommends that AIS take the following steps to improve their municipal license plate data:

1. AIS should undertake efforts to audit, as soon as practical, all municipal license plates within its possession, and upload every plate and its identifying information into the M5 database, including the vehicle's VIN, make, model, and other relevant fields, as well as the plate and vehicle's current status. Such an audit would include a review of the M5 database and any active lists to verify license plates in the system are currently in its possession, including all license plates that are inactive, marked for destruction,

⁹ ILSOS does not allow any municipal plate to be assigned and attached to a vehicle without also being registered to the City.

¹⁰ ILSOS would seek to utilize the same plan to audit and verify municipal plates throughout all jurisdictions within the state to more accurately account for all the municipal plates it has issued.

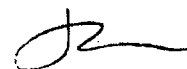
temporarily waiting to be reassigned, and any other status within their database or active lists, so that M5 is the sole repository for all municipal plate information.

2. Once AIS has conducted a full, complete audit of the municipal plates within its possession, AIS should partner with ILSOS to reconcile its M5 database with ILSOS' database and develop ongoing communication and verification with ILSOS. AIS can periodically share its data and audit results with ILSOS by uploading its data via a secure network or electronic file delivery system, thereby permitting ILSOS to review and confer on the accuracy of AIS' M5 data.
3. After its first full audit of municipal plates, AIS should conduct regularly scheduled audits of all municipal license plates and fleet vehicles within the City's possession to ensure the M5 database remains accurate.
4. AIS should develop a system in partnership with ILSOS to allow for direct access to each department's databases for real-time analysis and rigorous inventory control to mitigate future risks from incomplete or missing municipal plate data. A system that allows ILSOS to directly access AIS' database and system would ensure ILSOS could quickly identify issues with the City's municipal plates and registration and directly communicate with AIS to resolve the problems.
5. AIS should register and assign all City vehicles—including rental and leased vehicles which require a municipal plate—to ensure that municipal plates are properly issued to the appropriate vehicle and remain with the vehicle until it is returned or at the end of its service. Maintaining control and possession of municipal plate registration and assignment will prevent external parties from potentially abusing or misusing municipal plates.

AIS has a unique opportunity to collaborate and work with ILSOS to restore its municipal plate database and create a system that ILSOS can utilize to accurately manage and audit all municipal plates issued to the City as well as other government agencies throughout the State of Illinois. OIG recommends AIS take the necessary steps to perform a systematic audit of its municipal plate data and recordkeeping processes, and partner with ILSOS to ensure their records are verified and accurate in the present and for the foreseeable future. Only then can AIS ensure accountability of its fleet in order prevent the potential for abuse and misuse of the City's municipal plates and vehicles.

We ask that you inform us of any actions that the Department takes in response to these recommendations. Any such response will be made public along with this advisory.

Respectfully,



Joseph M. Ferguson
Inspector General
City of Chicago

cc: Maurice Classen, Chief of Staff, Office of the Mayor
Celia Meza, Acting Corporation Counsel, Department of Law



CITY OF CHICAGO

DEPARTMENT OF ASSETS, INFORMATION & SERVICES

May 27, 2021

Joseph M. Ferguson
Inspector General
City of Chicago
740 N. Sedgwick, Suite 200
Chicago, IL 60654

Dear Inspector General Ferguson,

In response to your Advisory on the Inventory and Management of Municipal License Plates, dated April 1, 2021, I respectfully submit the following:

Over the course of several weeks last year, Department of Assets, Information and Services (AIS) personnel met with your Investigators and provided all requested documents and information pertaining to license plate management. During these meetings, it was mutually agreed that large-scale municipal license plate management is a challenging endeavor. With a managed fleet well in excess of 10,000 vehicles, many of which are acquired and controlled by outside agencies, there are certain instances regarding license plate management which are outside the control of AIS.

Compounding this issue is the closure several years ago of the Illinois Secretary of State's (IL SoS) Chicago municipal license plate office, thereby necessitating that all transactions occur by mail through the Springfield office. With the large volume of transactions the City requires, this has resulted in logistical issues and delays for AIS, and we look forward to working with the IL SoS to find processes that enable us to proactively manage our municipal plate operation.

We welcome the opportunity to update our records to more closely match the IL SoS database. All of the recommendations in your advisory will likely move us in the direction of increased accuracy, and we look forward to implementing them.

Of special concern to AIS is the statement in your advisory that "6,955 license plates exist in AIS' database but do not exist in IL SoS' database". As IL SoS is the sole issuer of license plates in the state, this issue requires immediate investigation and rectification.

In addition to the joint effort with IL SoS, AIS will endeavor to audit the existing license plate inventory by implementing a campaign to check vehicle license plates against M5 records when units come in for service, and to correct discrepancies. We will report our findings to your office and to the IL SoS.

We will work with your office to identify the appropriate IL SoS personnel with whom to engage on this project, and we will provide a status summary by year's end.

I am hopeful that this response adequately conveys the intent of AIS to take all necessary actions to rectify the issues with our license plate inventory and database. If you have any questions, or if you need more information, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Reynolds", with a long horizontal flourish extending to the right.

David Reynolds
Commissioner
City of Chicago
Department of Assets, Information & Services (AIS)