

City of Detroit

Office of the Inspector General

2019 2nd Quarterly Report

(April 1, 2019 – June 30, 2019)



Ellen Ha, Esq.
Inspector General

July 15, 2019

A Message from the Inspector General



This report will cover a summary of the work performed by the City of Detroit Office of the Inspector General (OIG) during the second (2nd) quarter of Calendar Year 2019. The report includes information pertaining to debarment of certain City contractors pursuant to the 2012 Charter of the City of Detroit (Charter) and the City's Debarment Ordinance.

In a historical move, during the fourth (4th) quarter of 2018, through the newly enacted City of Detroit Debarment Ordinance, our Office initiated debarment proceedings against several City contractors (two companies), including those individuals who were/are responsible for operating the companies. We did not report this in the 2018 4th Quarter Report, due to pending Debarment Appeals.

On February 19, 2019, for the first time in the City's history, the Detroit City Council held Debarment Appeals Hearings during a Special Session of the Council. Thereafter, on April 16, 2019, the Council upheld the OIG's debarment recommendations against each tow company and owners of those companies.

In addition, after an administrative hearing, on May 7, 2019, the OIG recommended debarment against an IT company and its former executive who pled guilty to charges of bribery. The debarment became final on June 4, 2019 when the IT company and the executive did not appeal the OIG's debarment recommendation to City Council.

Details pertaining to these debarments are contained in this report. It is important to note that debarment is a powerful tool that was granted to this Office by the Detroit City Council. The City's Charter and Ordinance require our Office to ensure that the City conducts its business with only those who are honest and have integrity. The Charter grants our Office with the authority to debar public servants, which by definition under the Charter includes contractors who work for and with the City; and the Ordinance provides our Office with the mechanism to debar those individuals.

In addition to debarments of contractors, during this quarter, our office conducted two (2) administrative hearings to provide persons, including companies, who are and would be affected by our report of findings or recommendations. Pursuant to the Charter, the affected persons are afforded an opportunity (via an administrative hearing and/or a written response) to provide additional information and/or testimonies which may cause our Office to reverse, supplement, or amend our initial findings.

Lastly, our Office has been assisting a federal law enforcement agency, which resulted in a recent guilty plea by an Ohio resident who submitted fraudulent invoices to multiple state and local government agencies for payment.¹ The case in Detroit originated from our Office, through a referral from the City of Detroit OCFO. Based on our review and examination of the evidence, we concluded this matter involved illegal activities. In accordance with the mandates of the Charter, we contacted the federal agents. Over the last year or so, we have been working closely with the

¹ See, *Detroit Free Press* article dated June 18, 2019.

City of Detroit OCFO and the federal agents until the criminal was apprehended and charged by the federal government.

Honesty and integrity are not just ideals or guiding principles of government. They are the ways in which we must govern and conduct our business in the City. Honesty garners trust and integrity yields respect. People must be able to trust and respect those who govern them. The OIG in the City of Detroit is the body created by the City Charter to ensure honesty and integrity in our government.

The following pages of this report contain a brief description of the duties and responsibilities of the Office of Inspector General (OIG) under the City Charter, including how the Office operates; how OIG complaints are processed and resolved; and relevant information pertaining to investigations initiated and resolved during the Second (2nd) Quarter of Calendar Year 2019 (April 1, 2019 – June 30, 2019).

Introduction

Prior to filing for bankruptcy in 2013, the City of Detroit suffered another negative historic moment in 2008. At the request of the Detroit City Council, then Governor Jennifer Granholm presided over a forfeiture hearing of then Mayor Kwame Kilpatrick, who was criminally charged with public corruption and eventually sentenced to a lengthy prison term.

Shortly thereafter, the 2009 Charter Commission was created to review and recommend certain revisions to the Charter. The people of the City of Detroit later adopted the Commission's recommendations on November 8, 2011 to ensure such negative history does not repeat itself. The 2012 Detroit City Charter therefore contains lessons learned in 2008 and the prior years.

More specifically, the 2012 Charter of the City of Detroit created the Office of Inspector General (OIG); and provided the OIG with independent authority "to ensure honesty and integrity in City government."

Although the creation of the OIG appears to make the Inspector General (IG) omnipotent over all branches of City government and contractors, its powers are limited under the Charter.

Specifically, Section 7.5-305 of the Charter limits the jurisdiction of the IG to "the conduct of any Public servant and City agency, program or official act, contractors and subcontractors . . . business entities . . . and persons" seeking certification or who are participating in "any city programs."

Section 7.5-306 of the Charter further restricts the power and the authority of the IG to "investigate. . . in order to detect and prevent waste, abuse, fraud and corruption;" and to report such matters and/or recommend certain actions be taken in accordance with Sections 7.5-308 and 311.

To conduct such investigation, Section 7.5-307 of the Charter provides the IG with the power to subpoena witnesses and evidence; to administer oaths and take testimony of individuals; to enter and inspect premises; and to enforce the same.

The Charter further mandates that every public servant, contractor, subcontractor, licensee, applicant for certification to fully cooperate in the IG's investigation, as failure to do so would subject that person "to forfeiture of office, discipline, debarment or any other applicable penalty." See, Section 7.5-310.

To encourage individuals to report "waste, abuse, fraud and corruption," Section 7.5-313 requires confidentiality where all OIG investigative files are deemed confidential except where production is required by law. Moreover, Section 7.5-315 prohibits retaliation against any persons who participate in the IG's investigation.

In keeping with due process, Section 7.5-311 of the Charter requires that when issuing a report or making recommendations "that criticizes an official act," the affected party be allowed "a reasonable opportunity to be heard at a hearing with the aid of counsel."

Since all governmental bodies must be held accountable in their role, the Charter requires that the IG issue quarterly reports to the City Council and the Mayor, which shall be made public and published on the City's website. See, Section 7.5-306.

The Detroit Office of Inspector General is a proud and active member of the Association of Inspectors General (AIG). The Association is the professional organization for offices dedicated to government accountability and oversight. The Detroit Office of Inspector General was founded on the model principals of the Association. One of the most important roles the AIG plays is establishing and encouraging adherence to quality standards through its certification program. Each OIG staff member has participated in AIG training and received their certification in their area of discipline.

The Detroit Office of Inspector General joins a growing community of municipal Inspector General Offices across the country including Chicago, Baltimore, New Orleans, New York, and Philadelphia. What used to be a tool for good government for Federal and State Agencies is now making its way to local government.

Office of the Inspector General Organizational Structure:

Second Quarter of 2019

Between April 1, 2019 and June 30, 2019, the City of Detroit Office of the Inspector General (OIG) personnel consisted of:

Ellen Ha, Esq., **Inspector General (IG);**
Kamau Marable, **Deputy IG;**
Jennifer Bentley, Esq., **OIG Attorney;**
Edyth D. Porter-Stanley, **Forensic Auditor*;**
Beverly L. Murray, **Forensic Auditor*;**
Jacqueline Jackson, **Investigator;**
Kelechi Akinbosede, Esq., **Investigator;**
Derek Miller, **Investigator;**
Kasha Graves, **Executive Assistant;**
Tracey Neal, **Administrative Assistant; and**
Logan Cholody, **2019 Summer Intern .**

It is important to note the City of Detroit has three (3) different agencies which employ auditor(s) who perform unique function for each agency. With three (3) different types of auditors performing different functions, it is common to confuse their activities and purpose.

OAG Auditors

The OAG, like the OIG, is an independent agency pursuant to Article 7.5, Chapter 1 of the 2012 Charter of the City of Detroit (Charter). The Charter provides the OAG the authority to “make audits of the financial transactions, performance and operations of City agencies based on an annual risk-based audit plan prepared by the Auditor General, or as otherwise directed by the City Council. . . .” Therefore, the OAG provides internal audits of the City.

The OAG’s internal auditors conduct reviews of City of Detroit departments and programs, usually on regular time intervals. They report on internal control weaknesses, lack of compliance with policies and procedures, laws and regulations that result in project inefficiencies, and financial abnormalities.

External Independent Auditors

The City of Detroit, through its Office of the Chief Financial Officer, is also required to perform an audit of the City by external auditors on an annual basis.

The external auditors perform the annual financial audit to certify the accuracy of the financial information presented in the City's Comprehensive Annual Financial Report (CAFR). They accomplish this with an approach similar to that of the OAG, but the external auditors examine the financial accuracy of the CAFR, rather than a specific program or department.

OIG Forensic Auditors*

The American Institute of Certified Public Accountants (AICPA) and the Institute of Internal Auditor (IIA) both state that the primary purpose of external and internal audits is not to detect and identify fraud. However, ***detecting and identifying fraud is the primary purpose of the OIG forensic auditors.***

The OIG's forensic auditors are specially trained to examine various financial records, reveal fraudulent activities, and identify criminal suspects. They are able to use this expertise to identify missing funds, and the reasoning for these missing funds, in conjunction with fraud investigations. As such, the auditors from the OIG often work with the auditors from the OAG; and audits performed by respective agencies complement one another. Some of the OIG investigations which are assigned to the OIG auditors are referrals from the OAG.

The OIG is currently working on policies and procedures to proactively identify fraudulent trends that can help spawn additional OIG investigations and cases for criminal prosecution.

How OIG Complaints Are Received

The OIG receives complaints in the following manner:

Via Internet: www.detoig.org or www.detroitmi.gov/inspectorgeneral

(The website is on a secure server, which allows individuals to provide information on a secure electronic report form 24 hours a day, 7 days a week.)

Via Telephone Hotline: 313-964-TIPS or 313-964-8477

Via OIG Telephone Line: 313-628-2517 or 313-628-2114

Via Facsimile: 313-628-2793

Via Mail: City of Detroit Office of the Inspector General
65 Cadillac Square, Suite 3210
Detroit, Michigan 48226

Via Personal Visit to the OIG Office at the above address.

Some complaints are referrals from the City's various departments and agencies. The OIG is proud of the professional relationship it maintains with its fellow public servants.

How OIG Complaints Are Resolved

All complaints submitted via the website automatically generate an OIG File with a complaint number.

Most complaints, either audio or on paper will result in an OIG File with a complaint number.

Some complaints received over the telephone directly by OIG personnel may result in a referral to another City department or agency, or to another legal entity. For example, the OIG does not handle matters involving private parties, such as identity theft, land-lord tenant dispute, or personal injury. In these cases, the OIG will refer the complainant to the appropriate entity without creating an OIG File.

Based on initial review of the complaint, one or two of the following may occur:

- 1) An investigative file may be opened and a new file number will be assigned;
- 2) An OIG employee may follow up with the complainant to obtain additional information pertaining to the complaint;
- 3) The OIG will send a letter stating that we have decided not to investigate your complaint or that we have closed your complaint (*sometimes, we are not able to obtain additional information from the complainant which may assist us in determining whether we are able to investigate the allegations made in the complaint*);
- 4) A referral to another department, agency, or legal entity, such as the City's Ombudsman's Office, Detroit Police Department, City of Detroit Buildings, Safety Engineering, and Environmental Department, Wayne County Sheriff or Prosecutor's Office, FBI, Michigan Department of Health and Human Services, or a legal aid office; or
- 5) The OIG will close the complaint without notifying the complainant. This usually occurs when the complainant has not left contact information or if the OIG does not believe it is appropriate to contact the complainant.

Based on the OIG's historical data, the majority of complaints received by the OIG do not result in an investigation. However, all of the complaints are carefully reviewed before the complaint is rejected or referred to another agency.

One of the primary reasons we do not initiate investigations into all complaints is a common misunderstanding of the OIG's jurisdiction. People often mistake the OIG as an agency which performs inspection of buildings, or as an agency which enforces the law. Therefore, we typically receive an inordinate amount of requests for building inspections. Other common complaints involve parking ticket resolutions, identity theft, and property owner disputes. The OIG attempts to aid each complainant in finding the appropriate entity to resolve their problems. In particular, our administrative support staff works tirelessly to ensure that each complaint is

addressed appropriately in a professional manner. Therefore, the initiated investigations-to-complaints ratio should not be confused with the OIG's workload.

How OIG Investigations Are Conducted and Resolved

The OIG may initiate an investigation based on information received in the complaint or on its own initiative.

An investigation is initiated when an Investigative File is opened and an auditor(s) and/or investigator(s) is/are assigned to the file.

An investigation would generally involve one or more of the following:

- 1) Interview of complainant(s) and/or witness(es);
- 2) Acquisition of evidence and/or documents and review of the same; and
- 3) Analyses of the evidence and/or documents reviewed, including forensic audit or review.

An OIG investigation would result in findings by the OIG, which may substantiate the complainant's allegation of waste, abuse, fraud or corruption in the City's operation or personnel or that of its contractors and/or subcontractors.

In some instances, although the complainant's allegations do not equate to waste, abuse, fraud or corruption, during the investigation of the allegations, the OIG may find other instances of waste, abuse, fraud or corruption. In such instances, the OIG will launch a separate investigation on its own initiative.

Likewise, if the investigation reveals that criminal activity may be involved, pursuant to Section 7.5-308 of the 2012 Charter of the City of Detroit (the Charter), the Inspector General is required to "promptly refer the matter to the appropriate prosecuting authorities."

The OIG summarizes the findings of the investigation in the OIG's final report. However, pursuant to Section 7.5-311(1) of the Charter, "no report or recommendation that criticizes an official act shall be announced until every agency or person affected [by the report or recommendation] is allowed a reasonable opportunity to be heard at a hearing with the aid of counsel."

The Inspector General conducts the hearing pursuant to Sections 2-111 and 7.5-311 of the 2012 Charter, and in accordance with the OIG Administrative Rules for Hearings.

Lastly, Section 7.5-311(2) of the Charter requires "after the hearing, if the Inspector General believes it necessary to make a formal report, a copy of any statement made by an agency or person affected shall accompany the report."

2019 SECOND QUARTER OIG STATISTICS

(April 1, 2019 – June 30, 2019)

Sources of Complaints Received by the OIG in the 2nd Quarter

Complaint Source	Number Received
Internet (Website)	31
Telephone Hotline	3
OIG Telephone	3
Mail	1
Personal Visit	5
Email	13
Other	1
Total	57

Categories of Complaints Received by the OIG in the 2nd Quarter

Categories of Complaints	Number Received
Waste	2
Abuse	15
Fraud	4
Corruption	5
Other	31

How Complaints Were Resolved by the OIG in the 2nd Quarter

Open investigative files	13
Decline investigation or Referral	44

Categories of OIG Investigations Initiated by the OIG in the 2nd Quarter

Categories of Investigations	Number Received
Waste	1
Abuse	7
Fraud	1
Corruption	1
Other	3

Status of OIG Investigations in the 2nd Quarter

Opened	Closed
13	33

Short Summary of Investigations Closed in the 2nd Quarter of 2019

The following reflects the thirty-three (33) investigations the OIG closed in the 2nd Quarter of 2019 with an accompanying synopsis for each investigation.

2013-DA-0031

The complainant alleged that a Detroit Fire Department (DFD) employee was abusing the Work Relief Policy by not working the minimum number of hours required by the DFD contract. The OIG was able to confirm the complainant's allegations. However, the OIG did not find it appropriate to pursue an administrative case against the employee because of the amount of time that passed. Therefore, the OIG made the DFD aware of the situation, and provided additional recommendations to prevent a similar situation in the future.

DFD noted that they had already implemented changes, such as requiring employees to complete an authorization form, obtain supervisor approval for the authorization form and time code entry, as well as maintaining records of all work reliefs and their approvals. The OIG believes these changes are sufficient to reduce abuse of the Work Relief Policy. Therefore, the OIG closed the case.

2014-DA-0013

The Southeastern Michigan HIV/AIDS Council (SEMHAC) alleged that the Health Department's former director abused her authority by exercising more control over SEMHA and the Ryan White Funds than allowed by the grant and the Memorandum of Understanding. This director has not been a City employee since 2015. Because the OIG no longer has jurisdiction over the former director, the OIG closed the case with no action.

2014-0272

The Chairman of the City's Board of Review (BOR) notified the OIG about a citizen's application for a reduction/elimination of their property taxes that the Chairman believed was fraudulent. The OIG reviewed the application documents and attended the applicants BOR hearing. However, the BOR decided not to consider the application for a property tax reduction/elimination, and one of the household members passed away. Therefore, the OIG closed the case with no action.

2015-0033

The Human Resources Department (HRD) alleged an employee violated the City's Leave of Absence Rule #14 (Rule). The Rule states that an employee who is on a leave of absence cannot "be remuneratively employed". The OIG contacted the employer and was told that the employee was not paid for duties performed. Therefore, the OIG found that the employee did not violate the Rule and closed the case.

2015-0183

The complainants alleged that the Public Lighting Authority (PLA) director (now a former director) abused his authority when he engaged in private business practices that conflicted with

his official duties. The complainants also alleged that there was criminal misconduct when he hired a former colleague as Executive Director. The director resigned before the OIG concluded its investigation.

The OIG found that the former director violated PLA's conflict of interest policy during two (2) private business ventures outside of his official duties: first, when he solicited a contract from a PLA contractor, and second when he submitted a Request for Quotations (RFQ) to Wayne State University (WSU). Both interfered with his official duties, as the PLA contractor was still active, and the PLA has authority over street lights within WSU.

However, the OIG did not substantiate that there was any misconduct when he hired an associate as Executive Director. The PLA has since upgraded their Ethic's Policy and the OIG closed the case.

2016-NA-0008

The Detroit Water and Sewerage Department (DWSD) notified the OIG that fraudulent bank accounts were used to pay DWSD bills. The OIG requested additional information to identify the fraudsters. Unfortunately, the fraudsters used different names and bank accounts to make the payments. However, a continued lack of information on the group itself prevented the OIG and DWSD from taking additional action. Therefore, the OIG closed the case.

2016-CF-0026

A Detroit resident alleged that construction employees working on the Little Caesars Arena project were providing false residency information. Per the agreement between Olympia Development and the City of Detroit, at least 51% of the construction employees were required to reside in the City. The OIG investigation sought to determine whether there was any fraudulent activity committed by the arena employees in an effort to bypass this residency requirement. The OIG concluded that there was insufficient evidence to conclude that construction workers violated the residency requirements and closed the case.

2016-DF-0054

Experis US, Inc. provided the OIG a copy of a special report regarding the Hardest Hit Funds (HHF) Blight Elimination Program managed by the Detroit Land Bank Authority (DLBA). The report showed that Experis reviewed DLBA demolition documents to determine whether a redistribution of costs occurred between original bid prices and the final contract price. The report stated that there were some irregularities between the demolition contracts. The City requested this report after it was made aware of a likely Michigan State Housing Development Authority (MSHDA) audit finding highlighting this issue. The OIG was advised that a copy of the report was provided to a federal law enforcement agency. Pursuant to this submission, the federal agency initiated an investigation. Because the investigation was started prior to any possible referral, the OIG closed the case.

17-0026-INV

A City contractor alleged that a former Director of the Detroit Department of Transportation (DDOT) abused his authority during a bid process. He contested that the director did not offer valuable information to all bidders, and that he failed to recuse himself from the bid process when he had a conflict of interest. The OIG determined that he abused his authority by failing to disclose his communication with select bidders to the Office of Contracting and Procurement (OCP), and the evaluation team. Because the former director is no longer with the City, we were not able to recommend any disciplinary action. However, the OIG advised OCP to (1) develop a policy addressing communication with prospective bidders prior to the bid release date, and (2) provide adequate training and conflict of interest checks to everyone involved on an evaluation team.

17-0027-INV

The complainant filed two (2) complaints with the OIG and the DFD's Chief of Operations. First, the complainant alleged that a DFD firehouse had mishandled their Internal Operating Expense (IOE) account. Second, the complainant alleged DFD supervisors retaliated against him/her for his complaint by reporting his/her response to a fire while off-duty against departmental regulations.

DFD's Chief of Operations conducted an investigation into the allegations. The Chief found no evidence that the firehouse misused IOE funds. However, he did find that the complainant violated DFD policies by responding to a fire while off-duty. The OIG reviewed Chief of Operations investigative documents and found no reason to doubt the conclusion reached by the DFD. Therefore, the OIG closed the case with no action.

17-0035-INV

The Detroit Police Department (DPD) Public Integrity Unit requested the OIG's assistance in their investigation of an emergency response City contractor. The OIG provided the DPD with the emergency response contract. After the investigation, DPD forwarded its findings to the Law Department. The OIG determined that no further investigative actions were required by the OIG and closed the case.

17-0045-INV

A local business owner alleged that a Department of Public Works (DPW) employee was harassing him, and encouraging other employees to do the same. He believed that the public servants were abusing their authority by denying him the opportunity to maintain a permanent outdoor café at his two (2) restaurants. The OIG reviewed internal documents from DPW, Department of Appeals and Hearings (DAH), and the Health Department. There was no evidence that the complainant's businesses received an inordinate amount of tickets or violations. The evidence suggested that multiple City departments have attempted to work with the complainant, but he did not maintain conditions required for a permanent outdoor café. Therefore, the OIG closed the case with no action.

17-0072-INV

The complainant alleged that a Board of Zoning Appeals (BZA) Board Member abused her authority at a Buildings, Safety Engineering, and Environmental Department (BSEED) Special Land Use (SLU) hearing. She allegedly appeared at this hearing as a representative of her neighborhood association. However, the complainant alleged that she abused her authority by wielding her official position as a BZA board member, thus unduly influencing the decisions made by hearing arbitrators.

It is not entirely clear what was said at this SLU hearing as BSEED does not record audio. But the board member's effort to deny the application was unsuccessful. A competing business filed an appeal and the issue was set to appear before the BZA. Likewise, it is not clear what the board member's intention was, as she was not reappointed to her seat.

Therefore, the OIG was unable to determine if the board member abused her authority before the end of her term, which placed her outside of the OIG's jurisdiction. As such, the OIG closed this case with no action.

17-0075-INV

A Detroit resident alleged that a BSEED inspector abused his authority by issuing the resident a building violation ticket. Furthermore, the inspector ignored an opportunity to rectify his mistake.

A resident has the right to appeal a BSEED violation to the Department of Appeals and Hearings (DAH). This is the correct forum for this type of complaint. Therefore, the OIG closed this case with no action.

18-0004-INV

An anonymous complainant alleged that a BSEED inspector was abusing her authority by harassing and ticketing her neighbors. The OIG reviewed the ticket history for the thirty-nine (39) standing structures on the inspector's home block. From July 2017 to the present, the inspector did not issue any tickets to these properties. Therefore, the OIG closed this case with no action.

18-0018-INV

BSEED Director David Bell forwarded a complaint from a Detroit resident. The resident claimed that she had an agreement to repair a building over time with a BSEED inspector. But the inspector began issuing tickets to the building in violation of this agreement. She believes that the inspector took a bribe to harass her with tickets until she abandoned the property.

After reviewing BSEED documents and interviewing BSEED personnel, it became clear that the original BSEED inspector was not issuing the tickets. A different inspector, from a different division, ticketed the property. This inspector would not be aware of any arrangement allowing the complainant to slowly make repairs, and had issued tickets for violations outside of the agreement. Furthermore, the complainant did not provide any evidence that suggests the inspector engaged in corruption. The OIG closed the case with no action.

18-0023-INV

The City's Deputy Chief Financial Officer alerted the OIG after he discovered the City made two separate Automatic Clearing House (ACH) payments into an account at Wells Fargo that was believed to be held by an authorized City vendor. The City was able to recover the majority of the funds, but some of the funds had been transferred out of the account. The OIG found that a fraudulent ACH agreement had been submitted to the Office of Contracting and Procurement (OCP) for an authorized City vendor. The fraudulent agreement required the City to make payments to a Wells Fargo bank account unaffiliated with the vendor. The suspect requested the change in an effort to defraud the City.

On July 20, 2018 the OIG referred its investigation to the Federal Bureau of Investigation (FBI). The OIG worked with the FBI which ultimately led to the successful prosecution of Robert Mutual Muli. On June 17, 2019 the U.S. Attorney's Office charged Mr. Muli with one count of conspiracy to commit wire fraud. The victims included the Detroit, Philadelphia, Vermont, and an unidentified fourth victim. Mr. Muli pled guilty and is currently awaiting sentencing.

18-0024-INV

The complainant alleged an employee with OCP might oversee a contractor that employed his son. The OIG reviewed the contractor's employee roster and found no evidence to support the allegation. Therefore, the OIG closed the case with no action.

18-0026-INV

The complainant alleged that an administrator in the Office of the Chief Financial Officer (OCFO) provided inaccurate information to various parties regarding the spending for the Enterprise Resources Planning (ERP) system. The OIG reviewed contracts, invoices, payment data, and other relevant documents. The OIG found that while the administrator did provide inconsistent information regarding the total amount spent, as well as the funding sources for the ERP-related payments, there was no evidence of intent to mislead various parties. Therefore, the OIG closed the case.

18-0030-INV

The OIG issued a ten (10) year debarment for Computech Corporation (Computech) and a twenty (20) year debarment for former Computech CEO Ram Kancharla. The debarment was based on an extensive investigation conducted by the OIG which determined that neither Computech nor Ram Kancharla were responsible contractors who conducted business in the City of Detroit with honesty and integrity. The full report for Case #18-0030-INV is available at: <https://detroitmi.gov/document/oig-case-no-2016-0071-computech-debarment-matter>

On September 28, 2016, the OIG received a complaint from the City of Detroit Law Department. The letter stated that on April 8, 2016, former Deputy Director of the City of Detroit's Department of Information Technology Services (DoIT), Charles L. Dodd, Jr., entered into a plea agreement with the Public Integrity Section of the United States Department of Justice for Federal Program Bribery. He subsequently pled guilty on September 27, 2016. Mr. Dodd admitted to soliciting and accepting cash payments totaling more than \$6,000 from Ram Kancharla, a private contractor that provided information technology services and personnel to

the City of Detroit. Mr. Kancharla pled guilty on June 28, 2017. The Law Department requested that the OIG investigate both the conduct of Mr. Dodd as well as Computech.

The OIG investigation was placed on hold due to the ongoing criminal investigation. On September 14, 2018, the case was reopened after Charles Dodd was sentenced to twenty (20) months in US District Court. On May 7, 2019, the OIG issued its initial debarment determination after completing its investigation. On June 4, 2019, the OIG decision became final after Computech and Mr. Kancharla did not appeal the initial decision to the Detroit City Council. Computech's ten (10) year debarment has an effective date of September 30, 2016 and an end date of September 30, 2026. Ram Kancharla's twenty (20) year debarment has an effective date of September 30, 2016 and an end date of September 30, 2036. This time coincides with the date the Office of Contracting and Procurement (OCP) notified Mr. Kancharla and Computech that their contract with the City of Detroit would not be extended.

18-0035-INV

The complainant alleged that two (2) BSEED inspectors were harassing her and abusing their authority by issuing unwarranted building violations and scheduling DAH hearings at inconvenient times for her. She further alleged that they were forging dates and times on the citations.

The OIG reviewed hearing transcripts, and records from BSEED and DAH. There were multiple findings. First, BSEED does not schedule DAH hearings, and there is no way for a BSEED inspector to manipulate hearings times. Second, the complainant stated that part of the harassment was BSEED's practice of not properly notifying her of the tickets. The OIG determined that this is a legal questions best left to the Law Department. Third, there is no evidence to substantiate the complainant's allegation that the inspectors altered documents.

Although one inspector seemed to misspeak during a hearing, there does not seem to be any benefit to the inspector by lying in this instance. Lastly, just because the complainant has had some of the issued violations dismissed, this does not mean that every subsequent ticket, often for different violations, is fraudulent and therefore constitutes harassment. As such, the OIG closed this case with no action.

18-0042-INV

On December 14, 2018, the OIG issued a fifteen (15) year debarment for Joan Fiore and Javion & Sam's. The debarment was based on an extensive investigation conducted by the OIG which determined that neither Joan Fiore nor Javion & Sam's were responsible contractors who conducted business in the City of Detroit with honesty and integrity. The full report for Case #18-0008-INV is available at:

<https://detroitmi.gov/document/oig-case-18-0008-inv-javion-sams-genes-citywide-and-b-g-towing>

According to the Debarment Ordinance approved by City Council on July 31, 2018, which became effective as of August 10, 2018, the debarred companies and individuals may appeal the OIG decision to the Detroit City Council. On January 11, 2019, Joan Fiore and Javion & Sam's provided notice of their intent to appeal. On February 19, 2019, City Council held the debarment appeal hearing in a special session. During that hearing, legal counsel for Joan Fiore and Javion

& Sam's presented their arguments as to why City Council should overturn and/or reduce the number of years for debarment. The OIG also presented their arguments regarding why City Council should affirm the OIG's debarment. On April 16, 2019, again in a special session, City Council voted to affirm the debarment of Joan Fiore and Javion & Sam's for fifteen (15) years.

Joan Fiore and Javion & Sam's fifteen (15) year debarment has an effective date of May 7, 2018. This time coincides with the date the OIG recommended that the Municipal Parking Department (MPD) and Detroit Police Department (DPD) not consider bids for the present towing contracts from the above listed parties. It was also recommended that Javion & Sam's be immediately suspended from the DPD towing rotation. The debarment ends on May 7, 2033.

18-0043-INV

On December 14, 2018, the OIG issued a seven (7) year debarment for Paul Ott, Gene's, and City Wide. The debarment was based on an extensive investigation conducted by the OIG which determined that Paul Ott, Gene's, and City Wide were not responsible contractors who conducted business in the City of Detroit with honesty and integrity. The full report for Case #18-0008-INV is available at:

<https://detroitmi.gov/document/oig-case-18-0008-inv-javion-sams-genes-citywide-and-b-g-towing>

On January 11, 2019, Paul Ott, Gene's, and City Wide provided notice of their intent to appeal. On February 19, 2019, City Council held the debarment appeal hearing in a special session. During that hearing, legal counsel for Paul Ott, Gene's, and City Wide presented their arguments as to why City Council should overturn and/or reduce the number of years for debarment. The OIG also presented their arguments regarding why City Council should affirm the OIG's debarment. On April 16, 2019, again in a special session, City Council voted to affirm the debarment of Paul Ott, Gene's, and City Wide for a period of seven (7) years.

Paul Ott, Gene's, and City Wide seven (7) year debarment has an effective date of May 7, 2018. This time coincides with the date the OIG recommended that MPD and DPD not consider bids for the present towing contracts from the above listed parties. It was also recommended that Gene's be immediately suspended from the DPD towing rotation. The debarment ends on May 7, 2025.

18-0044-INV

On December 14, 2018, the OIG issued a seven (7) year debarment for Anthony Thomas and B & G. The debarment was based on an extensive investigation conducted by the OIG which determined that Anthony Thomas and B & G were not responsible contractors who conducted business in the City of Detroit with honesty and integrity. The full report for Case #18-0008-INV is available at:

<https://detroitmi.gov/document/oig-case-18-0008-inv-javion-sams-genes-citywide-and-b-g-towing>

On January 11, 2019, Anthony Thomas and B & G provided notice of their intent to appeal. On February 19, 2019, City Council held the debarment appeal hearing in a special session. During

that hearing, legal counsel for Anthony Thomas and B & G presented their arguments as to why City Council should overturn and/or reduce the number of years for debarment. The OIG also presented their arguments regarding why City Council should affirm the OIG's debarment. On April 16, 2019, again in a special session, City Council voted to affirm the debarment of Anthony Thomas and B & G for a period of seven (7) years.

Anthony Thomas and B & G's seven (7) year debarment has an effective date of May 7, 2018. This time coincides with the date the OIG recommended that MPD and DPD not consider bids for the present towing contracts from the above listed parties. It was also recommended that B & G be immediately suspended from the DPD towing rotation. The debarment ends on May 7, 2025.

18-0045-INV

On December 14, 2018, the OIG issued a twenty (20) year debarment for Boulevard & Trumbull and a ten (10) year debarment for Jessica Lucas. The debarment was based on an extensive investigation conducted by the OIG which determined that Boulevard & Trumbull and Jessica Lucas were not responsible contractors who conducted business in the City of Detroit with honesty and integrity. The full report for Case #18-0008-INV is available at:

<https://detroitmi.gov/document/oig-case-18-0008-inv-boulevard-and-trumbull-towing>

On January 11, 2019, Boulevard & Trumbull and Jessica Lucas provided notice of their intent to appeal. On February 19, 2019, City Council held the debarment appeal hearing in a special session. During that hearing, legal counsel for Boulevard & Trumbull and Jessica Lucas presented their arguments as to why City Council should overturn and/or reduce the number of years for debarment. The OIG also presented their arguments regarding why City Council should affirm the OIG's debarment. On April 16, 2019, again in a special session, City Council voted to affirm the debarment of Boulevard & Trumbull for twenty (20) years and the debarment of Jessica Lucas for ten (10) years.

Boulevard & Trumbull's twenty (20) year debarment has an effective date of May 7, 2018. This time coincides with the date the OIG recommended that MPD and DPD not consider bids for the present towing contracts from the above listed parties. The debarment ends on May 7, 2038. Jessica Lucas' ten (10) year debarment has an effective date of May 7, 2018. This time coincides with the date the OIG recommended that the MPD and DPD not consider bids for the present towing contracts from the above listed parties. The debarment ends on May 7, 2028.

18-0047-INV

On December 14, 2018, the OIG issued a twenty (20) year debarment for Gasper Fiore. The debarment was based on an extensive investigation conducted by the OIG which determined that Gasper Fiore was not a responsible contractor who conducted business in the City of Detroit with honesty and integrity. The full report for Case #18-0008-INV is available at:

<https://detroitmi.gov/document/oig-case-18-0008-inv-boulevard-and-trumbull-towing>

On January 11, 2019, Gasper Fiore provided notice of his intent to appeal. On February 19, 2019, City Council held the debarment appeal hearing in a special session. During that hearing, Gasper Fiore elected not to present arguments as to why City Council should overturn and/or reduce the number of years for debarment. However, the OIG presented their arguments

regarding why City Council should affirm the OIG's debarment. On April 16, 2019, again in a special session, City Council voted to affirm the debarment of Gasper Fiore for twenty (20) years.

Gasper Fiore's twenty (20) year debarment has an effective date of May 7, 2018. This time coincides with the date the OIG recommended that MPD and DPD not consider bids for the present towing contracts from Gasper Fiore. The debarment ends on May 7, 2038.

18-0048-INV

On December 14, 2018, the OIG issued a fifteen (15) year debarment for Jennifer Fiore. The debarment was based on an extensive investigation conducted by the OIG which determined that Jennifer Fiore was not a responsible contractor who conducted business in the City of Detroit with honesty and integrity. The full report for Case #18-0008-INV may be found at: <https://detroitmi.gov/document/oig-case-18-0008-inv-boulevard-and-trumbull-towing>

On January 11, 2019, Jennifer Fiore provided notice of her intent to appeal. On February 19, 2019, City Council held the debarment appeal hearing in a special session. During that hearing, legal counsel for Jennifer Fiore presented arguments as to why City Council should overturn and/or reduce the number of years for debarment. The OIG also presented their arguments regarding why City Council should affirm the OIG's debarment. On April 16, 2019, again in a special session, City Council voted to affirm the debarment of Jennifer Fiore for fifteen (15) years.

Jennifer Fiore's fifteen (15) year debarment has an effective date of May 7, 2018. This time coincides with the date the OIG recommended that MPD and DPD not consider bids for the present towing contracts from Jennifer Fiore. The debarment ends on May 7, 2033.

18-0052-INV

The OIG received a complaint from multiple public servants alleging that personal services contractor stole a vintage vehicle from a property slated for demolition. The OIG reviewed statements made to the DLBA and Detroit Building Authority (DBA) and determined that there was a reasonable suspicion that a crime occurred. The OIG referred the case to DPD's Public Integrity Unit. However, DPD was not able to confirm that the vehicles had, in fact, been stolen. Therefore, the OIG closed the case with no further action.

18-0054-INV

A Detroit resident alleged that DPD does not adequately respond to shootings and other disturbances in her neighborhood. The OIG determined that the Office of the Chief Investigator (OCI) would be the better entity to address the complaint, as the OCI is required to conduct an investigation of such matters. Therefore, the OIG closed the case after referring the matter to OCI.

18-0058-INV

The OIG received a complaint alleging that the Department of Elections and the City Clerk's Office purchased ballots from two (2) vendors, one of which allegedly provided the City Clerk's Office with tainted ballots. The complainant believed that the ballots were tainted in an effort to assure a specific electoral outcome. The complainant also alleged absentee ballots were mishandled by the City Clerk's Office.

The OIG conducted a review of the invoices for the two (2) companies identified as printing vendors for the City Clerk's Office and Department of Elections. There was no evidence that ballots were tainted. In fact, the review showed that ballots were purchased from only one (1) vendor. As such, the OIG did not substantiate the allegations.

19-0011-INV

An employee with the Board of Police Commissioners (BOPC) alleged that a member of the BOPC abused his authority by harassing the complainant. He made statements and accusations that threatened the complainant's professional standing. One such alleged occasion occurred within view of a workplace security camera. The OIG reviewed the video and interviewed both the BOPC member and the complainant. The OIG did not find any evidence to support the complainant's claims. Therefore, the OIG closed the case with no action.

19-0017-INV

A Detroit resident alleged that a former BSEED administrator wrongfully impacted a civilian dispute by convincing current BSEED personnel to abuse their authority. After an initial inquiry, the Law Department informed the OIG that this issue was part of an ongoing lawsuit. The OIG confirmed that this is in fact the case, and that the allegations laid out in the lawsuit mirror the allegations relayed to the OIG. It has long been the OIG's policy not to investigate claims that are currently being litigated in court. Therefore, the OIG closed the case with no action.

19-0024-INV

A Detroit resident alleged that the City is wasting taxpayer dollars by mowing vacant properties owned by private citizens. The OIG interviewed the complainant who identified a private landscaping company mowing the vacant lots. The OIG reviewed the City's contract with the landscaping company and found that it provides weed and grass cutting, as well as debris removal, at open spaces and vacant lots in the City. The contract is not limited to publicly-owned plots.

The OIG concluded that this contract is not necessarily wasteful, as it aids in public sanitation, beautification, and safety. It is similar to City efforts to board up vacant homes. Therefore, the OIG closed this case with no action.