

City of Detroit

Office of Inspector General

**4th Quarter (Oct 1 – Dec 31, 2021) &
End of Calendar Year 2021 Report**



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Inspector General

January 10, 2022

A Message from the Inspector General



When I wrote “A Message from the Inspector General,” for the last quarter of Calendar Year 2020, I had no idea that we would still be dealing with COVID, a year later. I also had no idea that after receiving two COVID vaccination shots, that I would come down with COVID. For a week or so, I was locked in my room and slept most of the time. Lucky for me my husband and son provided me with great room-service and I was able to recover relatively quickly compared to other individuals who had/have COVID.

It was during this time that I made an appearance before City Council to provide them with a status update on why the OIG had to retain outside legal counsel in the hopes of resolving our dispute with the City of Detroit Law Department. The dispute between the OIG and the Law Department pertains to matters concerning jurisdiction and independence of the Inspector General and the OIG under the Charter. More specifically, the Law Department’s intervention in OIG’s investigations and proceedings by providing legal counsel and representation to the targets and witnesses undermines the OIG’s ability to fulfill our Charter-mandated duties as an independent agency of the City.

The purpose of my appearance before Council was to inform the governing authorities that approve public expenditure why my Office was spending public money to defend the integrity of the OIG’s investigations and proceedings. Having worked at the Law Department for most of my legal career, my decisions to request and retain outside legal counsel against the Law Department, as well as my decision to appear before Council on that day, were not easy.

To be clear, our dispute with the Law Department was and is not about whether public officials and employees should have legal representation in OIG proceedings. Rather, the dispute is whether that legal representation to public officials should be provided by an attorney in the Law Department.

Under the Charter, both the OIG and the Law Department are designated as independent agencies. Therefore, it is our position that the Law Department cannot dictate what we can or cannot investigate or provide legal representation to the targets or the witnesses involved in our investigations without creating a potential conflict of interest. The OIG’s investigations and administrative hearings are City proceedings. With the appointment of a new Corporation Counsel in 2022, we continue to hope that our dispute will be resolved in a manner that would be in the City’s best interest. As matters develop and to the extent we can, we will keep you informed of our progress through our quarterly reports.

Recommendations

Based on our investigations and/or audits, most of the time, the OIG makes certain recommendations in order to prevent future waste, abuse, fraud and corruption. Previously we have tracked and followed up on these recommendations but have not reported on the progress in addressing the recommendations. After much discussion with my staff, we have decided to include a recommendation status section in our end of calendar year report. As such, you can find our recommendation status section on pages 23-26 of this report.

Administrative Hearing

During the 3rd quarter, we held a virtual OIG administrative hearing pertaining to an allegation of abuse of authority by a certain individual. Because we did not close the investigation until the 4th quarter, we did not make any reference to the administrative hearing in our last quarterly report. However, because the investigation is now closed, we are including a brief synopsis of the investigation in this report.

OIG Training and Outreach

In early November 2021, a special agent from the US Department of Transportation Office of Inspector General reached out to our Office for training purposes. During his presentation, he showed us two pictures. One of the pictures appeared to look like the head of a rabbit, that also appeared to look like a duck. Depending on whether you were looking at the picture from the right or the left side, you could see a rabbit or a duck. While we were all looking at the same picture, some people had trouble seeing both the duck and the rabbit at the same time and required assistance to see the other side of the picture.

Similarly, in the second picture, you could see the profile of the head of an old woman and a young woman. I saw the old woman first. I say this to point out that sometimes the same set of facts can look different from a different perspective. It does not happen often, but sometimes it does. This is why the parties that are affected by our initial findings are given an opportunity to provide us with additional information or new evidence that may result in a change of our initial findings. This is also why my staff and I regularly meet to ensure that our work-product includes and reflects our review of the circumstances or the situations from multiple points of view.

In addition to receiving the above-referenced training, during Calendar Year 2021, we worked with the City of Detroit Human Resources Department to include a presentation about our Office in the new employee orientation program. I also provided a brief virtual presentation about our Office to the new members of the Detroit City Council and the Deputy Inspector General and I met with each new member one-on-one in late December.

My staff and I also discussed and will be publishing a quarterly OIG newsletter entitled “*Good Government*,” which we hope to share information with the public pertaining to OIG matters in a different style and format from the official OIG quarterly reports. We will begin publication of the newsletter later in January of this calendar year.

OIG Complaints, Investigation, Memorandums, and Reports

During the 4th quarter of Calendar Year 2021, we closed 73 complaints and 8 investigations. Overall, in Calendar Year 2021, we closed a total of 210 complaints and 33 investigations.

Moreover, as of December 31, 2021, we received 226 complaints. This is a significant increase from the 160 complaints we received in 2020.

With respect to closing our investigations, we did so by way of internal memoranda for Request to Initiate Action (RTIA), Request to Close (RTC) or by way of issuing formal reports which were published on the City and the OIG website at www.detoig.org.

The following pages contain statistics for the 4th quarter, as well as statistics for Calendar Year 2021. In addition, we are also providing a brief summary of each investigation we closed in the

4th quarter. Synopses of our closed investigations during the 1st, 2nd and 3rd quarter of 2021 can be found in the OIG's quarterly report for each quarter, which are available for your information and review at www.detoig.org.

Lastly, as we close Calendar Year 2021 and begin our journey into a new year, which already has been met with the continued challenge presented by the COVID health crisis, let us work together with renewed strength and commitment to make the remainder of 2022 a better year. Good governance begins with each of us and requires participation from every one of us.

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 requires that every public servant, contractor, subcontractor, licensee, applicant for certification to 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 all investigative files to be confidential except where production is required by law; and 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: 4th Quarter of 2021

Between October 1, 2021 and December 31, 2021, the City of Detroit Office of the Inspector General (OIG) consisted of the following individuals:

Ellen Ha, Esq., CIG, **Inspector General**;
Kamau Marable, CIG, **Deputy Inspector General**;
Jennifer Bentley, Esq., CIGI, **OIG Attorney**;
Edyth D. Porter-Stanley, CIGA, CFE, **Forensic Auditor***;
Beverly L. Murray, CIGA, CFE, **Forensic Auditor***;
Jacqueline Hendricks-Moore, CIGI, CFE, **Investigator**;
Kelechi N. Akinbosede, Esq., CIGI, **Investigator**;
Norman Dotson, Esq., CIGI, **Associate Attorney**;
Kasha Graves, **Administrative Assistant**; and
Tracey Neal, **Administrative Assistant**.

It is important to note the City of Detroit has three (3) different agencies which employ auditor(s) who perform unique audit functions 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 OAG and 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 financial information is presented fairly 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’s operational compliance with policies and procedures.

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 Inspector General
615 Griswold, Suite 1230
Detroit, Michigan 48226

Via Email: oig@detoig.org and/or Suggestions@detoig.org

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

Some complaints are received, via a referral, from various City departments and/or 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.

(For example, on occasion, two complainants with competing interests will file separate complaints with the OIG. If the OIG has a reasonable suspicion that criminal charges may result from a law enforcement investigation, the OIG will not notify either complainant before referring the case and closing it.)

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.

For example, in the first three quarters of 2018, the OIG received 204 complaints but only initiated 32 investigations. One of the primary reasons we did 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 initiate 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 memorandum/report. All formal/final reports have been and will continue to be published on-line. In addition, from time to time, we exercise our discretion to publish some of our internal memoranda through the City and the OIG's website at:

<https://detroitmi.gov/government/office-inspector-general> or www.detoig.org.

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." Therefore, when our draft findings are critical, we send a copy of our draft findings, either as a draft memorandum or as a draft report to the affected parties. Thereafter, pursuant to the OIG's Administrative Hearing Rules (Hearing Rules), the parties have 14 days to either provide a written response and/or seek an administrative hearing.

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. The purpose of the written response and the administration hearing is to provide the affected parties with an opportunity to point out to the OIG why the findings and the conclusions in the draft memorandum or report contain error(s). In support of their position, the affected parties can submit any new evidence or information, by way of providing additional documents or testimonies of additional witnesses. It is important to note that the OIG's proceedings are administrative and not adversarial in nature. Therefore, submission of additional record or testimony are not governed by the Michigan Rules of Evidence.

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.”

When Are OIG Investigative Summaries Published?

The information regarding what we publish may also be found on our website at <https://detroitmi.gov/government/office-inspector-general> under the FAQ section. The following is a short response to the inquiry the OIG submitted and presented to the Internal Operations Standing Committee of the Detroit City Council.

Section 75-306 (2) of the 2012 Charter of City of Detroit (the Charter) requires the OIG to “issue quarterly reports to the City Council and Mayor concerning results of investigations and audits undertaken by the OIG.” It further states “all reports shall be a public record and additionally published electronically on the World Wide Web.”

Therefore, ***all OIG’s quarterly reports and formal/final reports have been and will continue to be published on-line.*** In addition, from time to time, we exercise our discretion to publish some of our internal memoranda through the City and the OIG’s website at: <https://detroitmi.gov/government/office-inspector-general> or www.detoig.org.

The purpose of the formal report is to assist public servants, City agencies, contractors and all other bodies that fall under the jurisdiction of the OIG, as well as the public, in preventing waste, abuse, fraud, or corruption by providing a detailed analysis related to the recommendation made in the formal report.

Generally, after an OIG file manager (FM)¹ completes his/her/their investigation or audit, the FM seeks to close the investigation or initiate an action by submitting a memorandum to the Inspector General (IG), or when necessary, to the Deputy IG (DIG). After the IG or the DIG completes the review of the memorandum, the IG or the DIG must approve the FM’s Request To Close (RTC) or Request To Initiate (RTI) action. We typically do not publish our internal memoranda, unless we find that the publication of the RTC or the RTI may be of a significant public interest. Here are some of the reasons why we exercise such discretion:

1. We want to encourage FMs to be candid and frank with their analyses, interpretations, evaluations, assessments of their findings and recommendations, without any external pressure or influence;
2. Some of the allegations or complaints require our Office to seek and confirm certain information that are personal and private to an individual;
3. Some of the complaints we receive are politically or personally motivated between individuals that lack merit, and cannot be substantiated. However, the allegations by themselves, if published, can be prejudicial or harmful to an individual; and
4. Sometimes the allegations by themselves can identify the complainant even if the complainant wished to remain anonymous and, as such, publication of such memorandum could have a negative impact on submitting or filing any future complaint.

In order to maintain the integrity and the efficiency of our Office, we must maintain our independence. Our independence is dependent on our ability to exercise discretionary authority in the operation of the Office without any undue influence, bias or fear of reprisal. As such, we

¹ The FM is typically an OIG attorney, investigator, forensic auditor, law clerk or intern or a combination of OIG staff.

remain engaged and committed to the privilege and the opportunity that are provided to us through the Charter.

2021 4th QUARTER OIG STATISTICS

(October 1, 2021 – December 31, 2021)

Sources of Complaints Received by the OIG in the 4th Quarter

Complaint Source	Number Received
Internet (Website)	34
Telephone Hotline	15
OIG Telephone	11
Mail	1
Personal Visit	1
Email	15
OIG Initiation	1
Total	72

Categories of Complaints Received by the OIG in the 4th Quarter

Categories of Complaints	Number Received
Waste	3
Abuse	23
Fraud	6
Corruption	0
Other	40
Total	72

How Complaints Were Resolved by the OIG in the 4th Quarter

Open investigative files	5
Decline investigation or Referral	73

Categories of OIG Investigations Initiated by the OIG in the 4th Quarter

Categories of Investigations	Number Initiated
Waste	1
Abuse	3
Fraud	2
Corruption	0
Other	0

Status of OIG Investigations in the 4th Quarter

Open	Closed
6	8

2021 YEAR-END OIG STATISTICS

(January 1, 2021– December 31, 2021)

Sources of Complaints Received by the OIG in 2021

Complaint Source	Number Received
Internet (Website)	94
Telephone Hotline	48
OIG Telephone	37
Mail	1
Personal Visit	1
Email	44
OIG Initiation	7
Total	226

Categories of Complaints Received by the OIG in 2021

Categories of Complaints	Number Received
Waste	6
Abuse	73
Fraud	24
Corruption	5
Other	118

How Complaints Were Resolved by the OIG in 2021

Open investigative files	19
Open forensic audit files	3
Decline investigation or Referral	210

Categories of OIG Investigations Initiated by the OIG in 2021

Categories of Investigations	Number Initiated
Waste	1
Abuse	8
Fraud	7
Corruption	1
Other	2

Status of OIG Investigations in 2021

Open	Closed
19	33

Short Summary of Investigations Closed in the 4th Quarter of 2021

The following reflects eight (8) investigations the OIG closed in the 4th Quarter of 2021 with an accompanying synopsis for each investigation.

21-0002-INV

The City of Detroit Office of Inspector General (OIG) received a complaint alleging that the Detroit Health Department (DHD) Medical Director abused her authority and retaliated against an employee of the Southeastern Michigan Health Association (SEMHA) for complaints made to the Department of Civil Rights, Inclusion and Opportunity (CRIO) and SEMHA. The OIG found that the DHD Medical Director abused her authority when she recommended the termination of the complainant, a SEMHA employee.

The OIG based its finding on the timing of the SEMHA employee's termination with respect to DHD Medical Director becoming aware of the CRIO complaint and the misrepresentations made by the DHD Medical Director to SEMHA of the reason for the termination. At a requested Administrative Hearing, the DHD Medical Director failed to provide sufficient evidence to show the timing of termination was not directly related to the CRIO interview. Therefore, the OIG's finding of abuse of authority was not revised and the OIG recommended the following:

- Sufficient evidence to show training for DHD leadership on CRIO Violence in the Workplace Policies and requirement to refer complaints to CRIO for investigation
- Training for DHD leadership on SEMHA policies and contract requirements, including clear training on the roles and responsibilities of each party under the contract
- Training for SEHMHA on Executive Order No. 2014-01 and Executive Order No. 2014-02, including the process for filing complaints regarding City of Detroit employees
- Appropriate disciplinary action for the DHD Medical Director as allowed by the City of Detroit Corrective Disciplinary Action Guidelines & Attendance Policy; and
- A separate retaliation investigation by CRIO regarding the SEMHA employee's termination.

21-0009-INV

The OIG received a complaint alleging that the Detroit Water and Sewerage Department (DWSD) General Counsel abused her authority by participating in behaviors that violated the DWSD Procurement and P-Card Policies. Based on the circumstances and evidence reviewed, the OIG found that the DWSD General Counsel did not act in accordance with the DWSD Procurement Policy. However, based on our investigation, we concluded the technical violation of the policy did not affect the fairness or competitiveness of the procurement process, and therefore, does not rise to the level of abuse of authority. Nevertheless, the OIG recommended that DWSD reviews and revises its procurement policy to reduce the potential for or the appearance of procurement abuses.

21-0011-INV

The OIG received a complaint alleging that a city employee abused their authority. The complainant alleged the Deputy Director of the City's Parks and Recreation Department (Deputy Director) requested from her and approached her employees requesting a copy of the operating contract for the commercial parking lot (parking lot) located in Detroit, she was managing without any valid reason. The complainant explained that the Deputy Director's request concerned her because she had applied and received all the required licenses/permits from the Buildings, Safety Engineering and Environmental Department (BSEED), License and Permits Division to operate the parking lot.

The OIG's investigation concluded that the Deputy Director did not abuse his authority as it relates to the complainant's allegation, as the Deputy Director was directed by his supervisor to investigate the matter and he was only complying with the upper management's directive. Nevertheless, the OIG found the Deputy Director's actions problematic because his two visits to the parking lot interfered with the operation of the business during the visits. In addition, during one of the visits, the Deputy Director was accompanied by Detroit Police Officers which created an unintended confusion at the lot. As such, the OIG found that as a long-time City employee and manager, the Deputy Director should have known that BSEED's License and Permits Division is the appropriate city agency to handle this type of complaint and should have referred the matter to BSEED when he was directed to investigate by his superior. Therefore, the OIG recommended that the Deputy Director familiarize himself with the basic roles and responsibilities of all city departments.

21-0012-INV

The OIG received a complaint from the City of Detroit Human Resources (HR) Leave Administrator alleging that a Buildings, Safety Engineering and Environmental Department (BSEED) Environmental Control Inspector submitted falsified information with his request for time off under the Family Medical Leave Act (FMLA).

The OIG found that an administrative assistant completed the FMLA Certification form incorrectly, and that the form was not reviewed for accuracy before it was signed. As such, the BSEED Environmental Control Inspector submitted a revised FMLA Request with the proper documentation to HR. Thereafter, the HR approved the revised FMLA request. The OIG concluded that the BSEED Environmental Control Inspector did not commit fraud in this instance.

21-0013-INV

The OIG received a complaint alleging that a supervisory Detroit Department of Transportation (DDOT) employee attempted to defraud the city by moving two of three coaches that were involved in an accident. Based on the OIG's investigation and our review of DDOT's investigative report, the OIG found no evidence of fraud.

21-0014-INV

The OIG received a complaint from a City of Detroit Human Resources Employee Services Manager alleging that the Human Resources Department (HR) is mismanaging the use of American Rescue Plan Act (ARPA) funds. Specifically, the complainant alleged that certain employees in the HR Recruitment Division were being paid Out of Class (OOC) in a Temporary Administrative Special Services (TASS) title using ARPA funds. The complainant claims that this action is outside of the HR and OOC Process and is a misuse of ARPA funds in an effort to compensate employees at a higher salary rate.

The OIG found that HR no longer compensates its employees OOC in a TASS title using ARPA funds. HR hires new employees as TASS who are solely responsible for performing ARPA work and paid 100% from ARPA funds. Additionally, there are a few existing HR employees who are on a 50/50 split, meaning they are partially paid using both ARPA funds and general funds. The OIG therefore concluded that there was no evidence to substantiate the allegations of abuse of authority by the HR in this instance.

21-0015-INV

The OIG received a complaint that the Detroit Department of Transportation (DDOT) Director abused his authority by providing preferential treatment to out-of-state contractors. Based on our investigation, the OIG did not find any abuse of authority in the matter. Each of the contracts identified in the complaint followed the normal Office of Contracting and Procurement (OCP) solicitation, scoring, and procurement process.

21-0019-INV

The OIG opened an investigation regarding the Board of Police Commissioners (BOPC). It was alleged that two outgoing Commissioners traveled to a conference in Tucson, Arizona despite objections from other BOPC commissioners. The two Commissioners did not run for reelection and, as such, their terms expired at the end of December 2021. The OIG found that a lack of policy led to waste because there was no specific requirement or policy which would address such matters. Therefore, the OIG recommended that BOPC, with the assistance of the Office of the Chief Financial Officer (OCFO), create a policy that would address the issue pertaining to training for outgoing employees and appointees in order to prevent this type of incident in the future.

Status Report of OIG Recommendations Made to City Departments and Agencies

Section 7.5-306 of the 2012 Detroit Charter mandates that the OIG not only detect waste, abuse, fraud, and corruption, but also prevent it from happening when possible. Therefore, based on findings from our investigations and forensic audits, the OIG makes certain recommendations to prevent future waste, abuse, fraud, and corruption. The recommendations are meant for the recipient of the recommendations to review and provide feedback on OIG's recommendations. In 2021, the following closed cases received recommendations from the OIG.

A. INVESTIGATIONS

OIG File No. 18-0017-INV

The OIG investigated a complaint that alleged a certain demolition contractor used unapproved I-94 backfill dirt for 24 properties throughout the City of Detroit. The OIG found that Den-Man Contractors, Inc. likely used unapproved dirt source. Therefore, the OIG forwarded its findings to the Detroit Land Bank Authority (DLBA) and the Demolition Department to review all relevant information and take appropriate action in accordance with the *Scope of Services* and the relevant DLBA and Demolition Department policies and procedures.

Recommendation Status:

The Demolition Department is in the process of implementing the OIG's recommendations. Currently, the Demolition Department has been working with the contractors to test the dirt and take appropriate actions, as needed.

OIG File No. 19-0012-INV

The OIG investigated a complaint that alleged that several demolition contractors used unapproved I-94 backfill dirt for five properties throughout the City of Detroit. The OIG found that Adamo, Rickman, Dore & Associates, and Blue Star likely used unapproved dirt source. Therefore, the OIG forwarded its findings to the DLBA and the Demolition Department to review all relevant information and take appropriate action in accordance with the *Scope of Services* and the relevant DLBA and Demolition Department policies and procedures.

Recommendation Status:

The Demolition Department is in the process of implementing the OIG's recommendations. Currently, the Demolition Department has been working with the contractors to test the dirt and take appropriate actions, as needed.

OIG File No. 19-0018-INV

The OIG investigated a complaint that alleged waste in the implementation of the Motor City Match program. Our investigation revealed the program spending was not sufficiently documented, some expenses were questionable and may be ineligible under HUD's guidelines,

and there are concerns about wasted resources when the program spending is compared to the number of businesses opened and operating.

The OIG recommended increased training for HRD employees and subrecipients on the grant objectives, documentation standards, eligible expenses and proper expense classification. The OIG also recommended HRD monitor the subrecipients more thoroughly by confirming payment requests with supporting documentation. We also recommended HRD staff be more diligent tracking work hours for the program and conducting audits on a regular basis to ensure grant objectives are met and funds are being spent appropriately.

Recommendation Status:

In response to the draft report, HRD's staff already received additional training from HUD. Also, HRD hired a consultant to assist with the grant program in response to the initial HUD audit. The status of the remaining recommendations is not known at this time. OIG staff will follow-up after the HUD audit has been finalized to see if additional changes have been implemented.

OIG File No. 21-0002-INV

The OIG investigated a complaint that alleged the complainant's supervisor/manager at the City of Detroit Health Department created toxic work environment, targeted her unfairly for discipline, and retaliated against her for filing complaints with the Department of Civil Rights & Inclusion (CRIO), as well as her employer, the Southeastern Michigan Health Association (SEMHA). The OIG deferred several of allegations in the OIG complaint to CRIO and only investigated the complainant's allegation that her supervisor/manager abused her authority. The OIG found the supervisor abused her authority when she recommended the complainant's termination.

The OIG recommended to CRIO that DHD and SEMHA leadership be trained on matters concerning workplace policies. In addition, the OIG also recommended that DHD leadership be trained on SEMHA's policies and contract requirements to clarify the roles and responsibilities of each party under the contract.

Recommendation Status:

The OIG received a response from CRIO that the information provided by our office will help with the modifications being made to the training on Executive Orders 2014-1 and 2014-2. Because this matter closed during the 4th quarter, the investigator will follow up with DHD and SEMHA at a later time.

OIG File No. 20-0015-INV

The OIG investigated a complaint that alleged a new contract for ParkDetroit Parking Application was improperly bid and steered to the winning bidder, Flowbird. While the OIG found no evidence of corruption, the OIG recommended changes to the procurement policy to prevent any future appearance of impropriety in the City's procurement process. Our recommendations included the following:

- Rebid the contract using a procurement process free from the appearance of preferential treatment.

- Update procurement policies to prevent actions that could be viewed as preferential treatment.
- Standardize actions prohibited by the Office of Contracting and Procurement policies in agencies that have their own procurement process.
- Annual training for employees involved in the procurement process.
- A revision to procurement policies to prohibit vendors who perform any services related to bid from then submitting a bid on the solicitation.

Recommendation Status:

The OIG is aware that our recommendation to rebid the contract was implemented. The OIG is also aware from a separate investigation that language has been added to bid documents to prohibit consultants and their affiliates from bidding on the same or adjacent project for which they have provided services.

OIG File No. 20-0009-INV

The OIG received a complaint that alleged city contractors (TSA and TSS), participated in practices which resulted in waste and fraud. The OIG found the amounts HRD paid TSA and TSS for the Melbourne and the Manor projects were not in compliance with HRD's Procurement Policy, and therefore were not reasonable.

Recommendation Status:

Based on HRD's written response dated April 19, 2021, HRD is reviewing OIG's recommendation and will be implementing some of the OIG's recommendations.

OIG File No. 21-0004-INV

The OIG investigated a complaint that alleged a BSEED building inspector abused his authority. The complaint further suggested the BSEED inspector may be involved in corrupt behavior. The OIG found that the BSEED inspector did not abuse his authority by failing to openly display his BSEED badge or by using his personal vehicle while conducting inspections. Moreover, the OIG did not find any evidence that the BSEED inspector's non-disclosure of outside employment was improper in this particular incident. However, the OIG recommended BSEED develop a policy that would prohibit its building inspectors from engaging in any outside employment or participation in any organization that is involved in commercial or residential housing-related matters with the City of Detroit.

Recommendation Status:

BSEED management advised the OIG that all staff are required to fill out the HR secondary employment form that must be approved if they are working for themselves or others.

OIG File Nos. 20-0018-INV, 20-0019-INV, 20-0020-INV and 20-0021-INV

The OIG investigated several complaints alleging abuse of authority by the Detroit Board of Police Commissioners (BOPC) Chairperson and Board Secretary. The OIG found no evidence to

substantiate the allegations of abuse of authority by the BOPC Chairperson or Board Secretary as alleged by the complainant. However, the OIG made recommendations that the Board hire an experience parliamentarian.

Recommendation Status:

The BOPC hired Frances Jackson, a certified parliamentarian, based on the recommendations from the National Association of Parliamentarian (NPA) Michigan local chapter.

OIG Case No. 20-0026-INV

The OIG investigated an allegation that the BOPC Chairperson abused his authority by disregarding parliamentary procedures during several Board meetings. The OIG found no evidence to substantiate the allegations that the BOPC Chairperson abused his authority during Board meetings. However, because of prior investigations and recommendations made to the BOPC, the OIG reiterated its previous recommendation that the BOPC hire an experienced parliamentarian to ensure BOPC meetings are run more efficiently.

Recommendation Status:

The BOPC hired Frances Jackson, a certified parliamentarian, based on the recommendations from the National Association of Parliamentarian (NPA) Michigan local chapter.

B. FORENSIC AUDIT

OIG Case No. 20-0001-AUD

The OIG initiated a forensic audit of Detroit Department of Transportation's (DDOT) disposition of scrap parts the Vehicle Maintenance Department (VMD) removed from coaches during preventative and unscheduled maintenance for the audit period for the period July 1, 2018 through June 30, 2019. The OIG found DDOT did not take advantage of scrap metal disposition options that can potentially generate revenue for the department. The OIG concluded that due to the absence of policies and procedures related to the disposition of scrap parts, DDOT was susceptible to waste, fraud, abuse and corruption.

Recommendation Status:

During the OIG's investigation of similar matter, DDOT revised their Standard Operation Procedures (SOP) MM-21 "Scrap Parts & Core" providing detail information about the processes and procedures for scrapped parts, reclaimed parts and forms used to record the scrap parts. Also, DDOT implemented a scrap parts program where the city is receiving revenue for the scrap metal parts collected by a city approved contractor. Per Executive Director of Transit Mikel Oglesby, as of December 2021, the program has generated \$16,182.21 of revenue for the city.