

**2022 4<sup>th</sup> Quarter**  
(October 1, 2022 – December 31, 2022)  
&  
**End of the Year Report**



**January 17, 2023**

**Ellen Ha, Esq., CIG  
Inspector General**

## Message from the Inspector General



As the year closes, I would like to thank my staff and those of you who have continued to support our Office and its mission. Without the hard-working staff, your support, assistance, and cooperation, the Office of Inspector General (OIG) would not have been able to achieve what is reflected in the rest of these pages. Quite frankly, had you not lent us your eyes, ears, and hands over the years, the OIG would look quite different than what it does today.

Often people forget that while we all play different roles and functions in City government, ultimately, all of us work for the City. The OIG is appreciative of the contributions made by each City employee in the City's well-being through their respective dedication and hard work. We also acknowledge the hard-working and responsible City contractors who perform honest work to make the City a better place by maintaining their commitment to the City.

Whether everyone in the City knows you or not, no one person is more important than another. Regardless of your title or seniority, the fact is, each of us holds a position that requires us to do a job in the City and for the City. Each worker matters, as without the work performed by each, no valuable contribution can be made to the whole. Therefore, if each of us is committed to doing our best when performing our duties, the City as a whole will operate in its best capacity.

Likewise, each City contractor matters, no matter how big or small and no matter the amount or scope of the contract. As long as each contractor faithfully performs the duties outlined in the contract and honors their commitment to the City, the City can better operate and achieve its optimal level of services.

When more pieces of the puzzle are put together, it is easier to see what the big picture looks like. Likewise, as long as all the parts of the car work, the engine will hum. Each of us represents a piece of the puzzle, or a part of the car. Therefore, the more we connect with each other, the more the puzzle will become complete. Similarly, if each of us does our part, the car will not only hum, it will run with a purr.

The elected and appointed officials do not alone represent the City. They just appear more on television or in the newspaper. While the elected and appointed officials may lead their respective agencies with a vision, without the hard-working honest employees and contractors, the visions promised cannot be realized. If we as the City prospered this year, it is because we all had a hand in it. It is because we relied on and trusted each other to do our respective jobs and do them well.

Therefore, we must enable and engage each other so that we can do our best in pursuing a job well done. As we bid farewell to 2022 and look back, I hope you can see how you were able to make a difference in the quality of life in this great City. Each of us who works for the City, in whatever capacity, made Detroit what it was in 2022. Therefore, as we look forward to 2023, I hope you can see how much more you can do to define what Detroit can be in 2023. Remember, we do our best when we work together and support each other.

## **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, and the OIG staff participated in AIG training and received their certification in their area of discipline.

## How OIG Complaints Are Resolved

All complaints submitted to the OIG, regardless of the method, are given a complaint number and assigned to an OIG staff member for further review. Based on initial review of the complaint, the Inspector General may:

- 1) Close the complaint and open an investigative file with a new file number;
- 2) Have an OIG employee follow-up with the complainant to obtain additional information pertaining to the complaint; or
- 3) Close the complaint without opening an investigation.

If the Inspector General elects to close the complaint without opening an investigation, one or more of the following actions will be taken:

- 1) The OIG will send a letter or an email to the complainant, or call the complainant, stating that we have decided not to investigate your complaint or that we are closing the complaint;
- 2) Refer the complaint 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
- 3) 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<sup>1</sup>.

Based on the OIG's historical data, most of the complaints received by the OIG do not result in an investigation. However, every complaint is carefully reviewed before the complaint is closed without additional action or referred to another agency. For more information on how complaints are resolved, please visit [www.detroitmi.gov/inspectorgeneral](http://www.detroitmi.gov/inspectorgeneral).

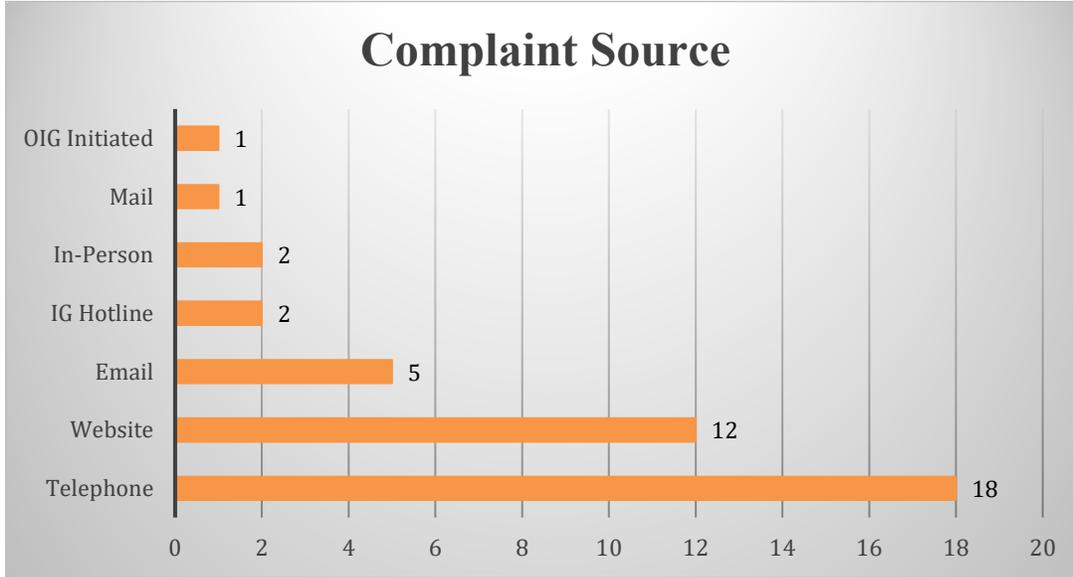
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<sup>1</sup> For example, on occasion, two complainants with competing interests will file separate complaints with the OIG. If the OIG has a reasonable suspicion that criminal charges may result from a law enforcement investigation, the OIG will not notify either complainant before referring the case and closing it.

## 2022 4<sup>th</sup> QUARTER COMPLAINT STATISTICS

(October 1, 2022-December 31, 2022)

### Sources of the 41 Complaints Received by the OIG in the 4<sup>th</sup> Quarter



### Categories of the 41 Complaints Received by the OIG in the 4<sup>th</sup> Quarter



## How Complaints Were Resolved by the OIG in the 4<sup>th</sup> Quarter

Complaints Pending Prior to Quarter	9
Complaints Received During the Quarter	41
<b>Total</b>	<b>50</b>
Open investigative files	5
Open audit files	0
Pending	5
Referral	16
Decline investigation (No Action)	24
<b>Total</b>	<b>50</b>

The statistics above show the OIG actively worked on 50 complaints this quarter. By the end of the quarter, 45 of the 50 complaints were resolved by either opening a new investigation or referring the matter to the appropriate agency for investigation. The OIG declined to investigate 24 of the 50 complaints. As of December 31, 2022, the OIG still had 5 complaints pending.

**2022 YEAR END COMPLAINT STATISTICS**  
**(January 1, 2022-December 31, 2022)**

<b>Complaint Source</b>	<b>Number Received in 2022</b>
Internet (Website)	111
Hotline	14
Telephone	237
Mail	4
Personal Visit	6
Email	49
OIG Initiation	2
Fax	1
Other	4
<b>Total</b>	<b>428</b>

<b>Categories of Complaints</b>	<b>Number Received in 2022</b>
Waste	1
Abuse	84
Fraud	35
Corruption	10
Other	298
<b>Total</b>	<b>428</b>

Complaints Pending Prior to 2022	4
Complaints Received During the Year	428
<b>Total</b>	<b>432</b>
Open investigative files	19
Open audit files	0
Pending	5
Referral	279
Decline investigation (No Action)	129
<b>Total</b>	<b>432</b>

The statistics above show the OIG actively worked on 432 complaints throughout 2022. By the end of the year, 298 of the 432 complaints were resolved by either opening a new investigation or referring the matter to the appropriate agency for investigation. The OIG declined to investigate 129 of the 432 complaints. As of December 31, 2022, the OIG still had 5 complaints pending.

## **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 may result in findings by the OIG which 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 evidence of waste, abuse, fraud or corruption that was not contained in the initial complaint. In such instances, the OIG may initiate an 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."

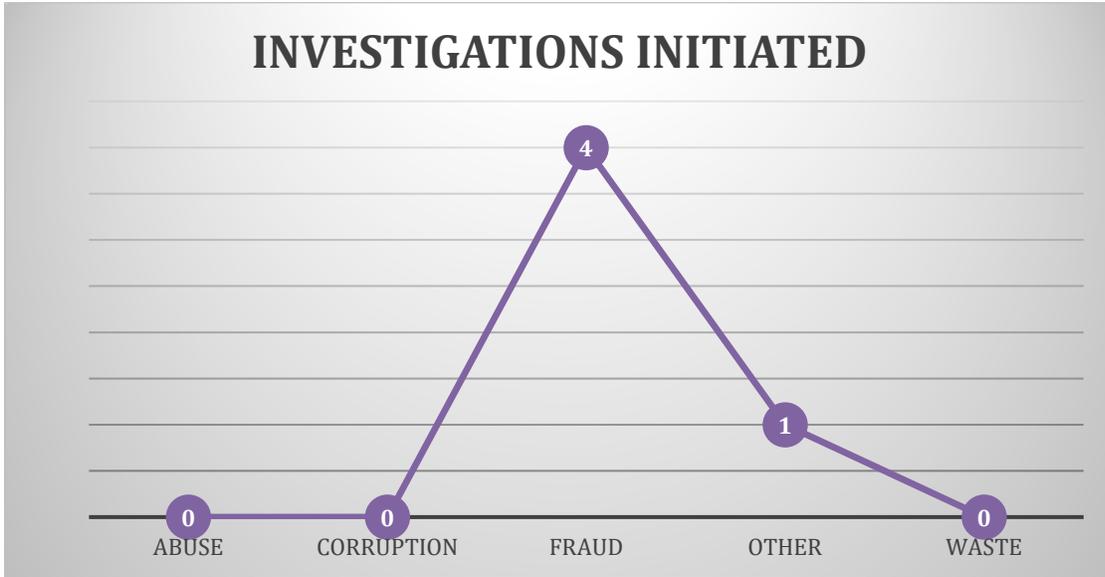
Pursuant to Section 7.5-311(1) of the Charter, "no report or recommendation that criticizes an official act shall be announced until every agency or person affected [by the report or recommendation] is allowed a reasonable opportunity to be heard at a hearing with the aid of counsel." Therefore, when 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 calendar days to either provide a written response and/or seek an administrative hearing. Reports and memorandums are not finalized until the Administrative Hearing process has concluded. For additional information on this process, please visit our website at [www.detroitmi.gov/inspectorgeneral](http://www.detroitmi.gov/inspectorgeneral).

The OIG summarizes the findings of the investigation in the OIG's final memorandum. At times, the OIG can elect to issue a formal final report instead of an internal memorandum. 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: [www.detroitmi.gov/inspectorgeneral](http://www.detroitmi.gov/inspectorgeneral). For more information on what type of reports and memorandums are published, please visit our website. You can also find copies of previously posted reports and memorandums.

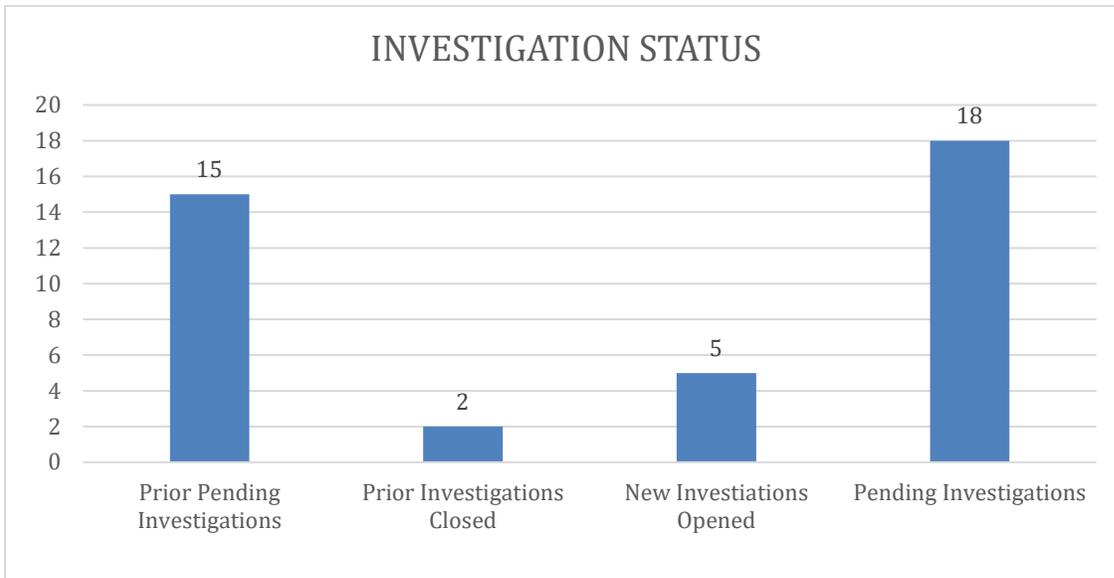
## 2022 4<sup>th</sup> QUARTER INVESTIGATION STATISTICS

(October 1, 2022-December 31, 2022)

### Categories of OIG Investigations Initiated by the OIG in the 4<sup>th</sup> Quarter



### Status of OIG Investigations in the 4<sup>th</sup> Quarter



The statistics above show the OIG had 20 active investigations during the quarter. By the end of the quarter, 2 of the 20 investigations were closed. As of December 31, 2022, the OIG still had 18 investigations pending.

## Summary of Investigations Closed in the 4<sup>th</sup> Quarter of 2022

The following reflects two investigations the OIG closed in the 4<sup>th</sup> Quarter of 2022 with an accompanying synopsis for each investigation.

### 22-0007-INV

The OIG received a complaint regarding the Request for Proposal (RFP) process for a new mobile fare collection application for the Detroit Department of Transportation (DDOT). The complaint alleged the RFP was incorrectly or insufficiently advertised for the following reasons:

1. The RFP used a commodity code that does not accurately reflect the goods and services advertised in the solicitation thereby limiting vendor responses.
2. The RFP did not comply with the City of Detroit's Procurement Ordinance because:
  - a. The solicitation was only advertised on the procurement portal and not in a newspaper as required
  - b. The RFP was not advertised to vendors likely to be interested in submitted a bid.
3. That the Office of Contracting and Procurement (OCP) should have been aware of the complainant's interest in the RFP based on their prior response to a Request for Information (RFI) for a fare collection system issued in 2020.

The OIG's investigation found the following:

1. The OIG substantiated the allegation an improper commodity code was used in the solicitation. However, there is no evidence the action was intentional.
2. The OIG did not substantiate the allegation the bid was insufficiently advertised.
3. The OIG did not substantiate the allegation that interested vendors were not notified of the RFP.
4. The OIG did not substantiate the allegation that OCP should have been aware of the complainant's interest based on the prior RFI.

Based on our findings, the OIG made the following recommendations:

Recommendation #1: OCP should revise the procurement policy to include a verification of the commodity code selected. This will ensure the code selected accurately reflects the goods or services requested by the department.

Recommendation #2: OCP should advertise all bids in the newspaper as required by the ordinance. The OIG is recommending that all bids are advertised unless it is clear to OCP the final contract amount will not exceed \$10,000.00.

Recommendation #3: OCP should provide additional training on how to handle supplier protests. According to the policy, a vendor can only submit a response after the bid has closed if the vendor is able to prove the City made an error in the process.

## 22-0014-INV

The OIG received a complaint alleging that the Interim Board of Police Commissioners (BOPC) Secretary abused her authority by:

1. Using BOPC/City resources to run for a position within the National Association of Civilian Oversight for Law Enforcement (NACOLE).
2. Allegedly asking members of the BOPC staff to:
  - a. Send emails to NACOLE members, during their work hours, asking them to support Ms. White's campaign efforts to obtain a seat on the NACOLE board; and
  - b. Asking BOPC staff members to wear campaign buttons bearing Ms. White's name at the NACOLE conference.

The evidence gathered during this investigation showed that BOPC nominated, endorsed, and supported the BOPC Secretary's candidacy for the NACOLE board. In addition, the OIG found no evidence that the BOPC Secretary's directed or asked any BOPC staff member to assist with her campaign in any way. The only BOPC staff member that assisted BOPC Secretary with her campaign did so voluntarily. Therefore, the OIG found no evidence that BOPC Secretary abused her authority in her effort to obtain a position on the NACOLE board. As such, the OIG closed this investigation without further action.

## 2022 YEAR END INVESTIGATION STATISTICS

(January 1, 2022-December 31, 2022)

### Categories of OIG Investigations Initiated in 2022:

Categories of Investigations	Number Initiated
Waste	0
Abuse	6
Fraud	8
Corruption	2
Other	3
<b>Total</b>	<b>19</b>

### Status of OIG Investigations in 2022:

Investigations Pending Prior to 2022	Investigations Opened in 2022	Investigations Closed in 2022	Investigations Pending as of December 31, 2022
13	19	14	18

The statistics above show the OIG had 32 active investigations from January 1-2022-December 31, 2022. Most of the investigations (8) involved allegations of fraud followed by allegations of abuse (6). By the end of the year, 14 of the 32 investigations were closed. As noted above, the OIG still had 18 investigations pending as of December 31, 2022.

## **How OIG Audits Are Conducted and Resolved**

The OIG's Forensic Auditors are specially trained to investigate programs, practices, and financial transactions to obtain evidence of fraud, abuse, waste, and corruption in City of Detroit government. The Forensic Auditors use this expertise to identify fraud risks, detect the misappropriation of City assets and make recommendations to prevent future incidents. In addition, OIG Forensic Auditors review various programs, policies, and procedures to determine whether they are sufficient to detect and prevent fraud, abuse, waste, and corruption. The OIG may initiate an audit based on information received in the complaint or based on an assessment of risk.

An audit generally involves performing one or more of the following:

- 1) A preliminary survey to gather background information and identify audit objectives.
- 2) A risk assessment to identify areas of concern.
- 3) Interviews department staff and leadership.
- 4) Review of requested documents.
- 5) Analytical procedures for detailed testing.

An OIG audit may result in findings that identify actual incidents, or actions that increase the risk of, waste, abuse, fraud, or corruption in the City's operations. If the audit 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." An audit can also result in an OIG investigation.

A report is drafted at the end of each audit that includes any conditions that increase the risk of fraud, abuse, waste, and corruption as well as recommendations to mitigate the conditions identified during the audit. 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 calendar days to either provide a written response and/or seek an administrative hearing. Reports are not finalized until the Administrative Hearing process has concluded. For additional information on this process, or to see copies of our audit reports, please visit our website at [www.detroitmi.gov/inspectorgeneral](http://www.detroitmi.gov/inspectorgeneral).

## 2022 YEAR END AUDIT STATISTICS

(January 1, 2022-December 31, 2022)

Audits Pending Prior to 2022	3
New Audits Initiated	0
<b>Total</b>	<b>3</b>
Audits Closed in 2022	3
<b>Audits Pending as of 12/31/2022</b>	<b>0</b>

The statistics above show the OIG completed 3 audits between January 1-2022-December 31, 2022. No additional audits were initiated during the year. As of December 31, 2022, the OIG had no audits pending.

**OIG RECOMMENDATIONS MADE TO CITY DEPARTMENTS AND AGENCIES**

**Status Report as of December 31, 2022**

<b>Case Number</b>	<b>Public Servant, Department, Board or Agency</b>	<b>Recommendation</b>	<b>Status</b>	<b>Recommendation Date</b>	<b>Public Servant, Department, Board or Agency Response</b>
19-0018-INV	Housing and Revitalization	Increased training of program requirements and better monitoring of subrecipients	Open	1/4/2021	Department is awaiting final determination from HUD to determine what changes, if any, need to be made.
20-0001-INV	Retirement System	Develop policies to verify the pensioner's information and put benefits in escrow when a individual has been charged with fraud related to their benefits, work with attorneys to ensure changes apply with applicable laws.	Open	9/21/2022	None
20-0009-INV	Housing and Revitalization	Ensure bids are reasonable, monitor change orders, separate labor and material costs in bids, conduct line-item analysis.	Open	5/11/2021	Recommendations are under review by the Department.
21-0016-INV	Detroit Police Department-Human Resources (HR)Division	Revise policies to mandate when HR must hold an appeal hearing and require HR to provide a timely notification the appeal was received.	Open		None

<b>Case Number</b>	<b>Public Servant, Department, Board or Agency</b>	<b>Recommendation</b>	<b>Status</b>	<b>Recommendation Date</b>	<b>Public Servant, Department, Board or Agency Response</b>
21-0018-INV	Detroit Fire Department	Training to all DFD employees on the Outside Employment Policy; disciplinary action for the employee that failed to adhere to the policy	Open	2/3/2022	None
21-0001-AUD	Treasury	Revise policies to instruct non-personnel to send all checks received to ODFS, Report to the State organizations that did not maintain supporting documentation as required.	Open	3/31/2022	Treasury is actively working on collection of unclaimed property from the State of Michigan.
21-0002-AUD	Office of Contracting and Procurement (OCP)	Require departments to submit invoices with detailed descriptions, training of department personnel, holding vendors accountable that provide goods or services without a contract, coordinate with the Law Department and Board of Ethics on purchases with the name/likeness of elected officials.	Open	6/29/2022	OCP responded that their policies already cover unauthorized purchases, that the Law Department is consulted whenever necessary and training is already provided to City employees. The OIG responded by reiterating our specific recommendations to prevent fraud, abuse, waste and corruption.

<b>Case Number</b>	<b>Public Servant, Department, Board or Agency</b>	<b>Recommendation</b>	<b>Status</b>	<b>Recommendation Date</b>	<b>Public Servant, Department, Board or Agency Response</b>
22-0003-AUD	Detroit Department of Water and Sewerage	Revise credit card policy to change supporting documentation requirements, enforce monthly reconciliation, align with DWSD's procurement policy and provide additional training to cardholders. Also, transition reconciliation process to an electronic process.	Closed	7/29/2022	Effective July 1, 2021, DWSD is adhering to strict enforcement of the policy, implementing additional controls over purchases and has training for cardholders.
22-0001-INV	Elections Department	Develop a tracking system for computers, develop policies for computer use, involve Department of Innovation and Technology with computer purchases.	Open	3/29/2022	None
22-0003-INV	Civil Rights, Inclusion and Opportunity (CRIO)	Revise policies to add an analytical component to its document review process, review the Finance Ordinance to provide clarity to contractors on requirements, training to contractors on requirements, contractor compliance.	Open	9/13/2022	CRIO is revising its certification policy and implementing our recommendations and other changes to strengthen the policy.

<b>Case Number</b>	<b>Public Servant, Department, Board or Agency</b>	<b>Recommendation</b>	<b>Status</b>	<b>Recommendation Date</b>	<b>Public Servant, Department, Board or Agency Response</b>
22-0005-INV	Elections/City Clerk	Create a policy regarding prohibited political activities, City Clerk to train campaign volunteers that are employees on prohibited political activities.	Open	6/24/2022	Recommendations are under review
22-0007-INV	Office of Contracting and Procurement	Revise the procurement policy to include verification of the commodity code selected, advertise all bids that will exceed \$10,000, and additional training to staff on how to handle supplier protests.	Open	12/13/2022	None

## Office of the Inspector General Organizational Structure: 4th Quarter of 2022

Between October 1, 2022, and December 31, 2022, 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**  
Tiye Greene, Esq., **Associate Attorney**  
Edyth D. Porter-Stanley, CIGA, CFE, **Forensic Auditor**  
Beverly L. Murray, CIGA, CFE, **Forensic Auditor**  
Kelechi Akinbosede, Esq., CIGI, **Investigator**  
April Page, **Investigator**  
Kasha Graves, **Administrative Assistant**

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### OIG Contact Information

**Via Internet:** [www.detroitmi.gov/inspectorgeneral](http://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 (8477)

**Via OIG Telephone Line:** 313-628-2517

**Via Mail:** City of Detroit Office of Inspector General  
615 Griswold, Suite 1230  
Detroit, Michigan 48226

**Via Email:** [oig@detoig.org](mailto:oig@detoig.org) or [Suggestions@detoig.org](mailto:Suggestions@detoig.org)

**You can also visit the OIG at the address above to file a complaint in person.**