

City of Detroit

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TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

RE: Detroit Police Department (DPD) and Department of Transportation (DDOT) Settlements

DATE: October 11, 2023

Councilmember Angela Whitfield Calloway requested LPD provide a report regarding Detroit Department of Transportation (DDOT) and Detroit Police Department (DPD) lawsuits settlements. The following is our response to this request.

The city of Detroit, through the office of the Chief Financial Officer- Director of Risk Management, issued its most recent CY 2022 Annual Risk Management Report dated March 31, 2023. The report contains a summary of areas of interest as identified by the Risk Management Council focusing on topics ranging from auto liability to cyber risk in an effort to reduce the city's risk exposure. The Risk Management Council is comprised of representatives from various city departments, the Mayor's office, Corporation Counsel, Police, Finance, Human Resources, Auditor General, City Council, Inspector General, Transportation and Doit.

Historically, in major cities, most lawsuit settlements involve law enforcement and transportation departments and activities. Detroit is no different. However, as state laws vary, and settlement determinations are made on a case-by-case basis, based upon a particular set of facts, outcomes and settlement amounts can differ significantly from one jurisdiction to another. Here in Michigan, for example, our no-fault laws play a major role in how much our city pays for automobile injury accidents.

As we look at the cost of claim payments in the city of Detroit and other municipalities, it is important to note that in all cases, one or two large settlements can skew the numbers in a particular year and not all

municipalities produce a risk management document. In addition, many municipalities are dealing with wrongful conviction lawsuits in various stages of litigation, which could have a significant impact on the total annual payouts.

City of Detroit ¹
Population 640,000

Auto Liability Payment Summary

Detroit Department of Transportation (DDOT)

2018	\$6,691,908
2019	\$4,037,579
2020	\$2,216,635
2021	\$8,728,576
Total	\$21,674,698

Detroit Police Department (DPD)

2018	\$458,031
2019	\$990,100
2020	\$15,000
2021	\$573,884
Total	\$2,037,015

Liability Loss Summary (Including Auto Claims)

Detroit Department of Transportation (DDOT)

	<u>Other</u>	<u>Auto</u>	<u>Total</u>
2018	\$154,285	\$6,691,909	\$6,846,194
2019	\$715,378	\$4,037,579	\$4,752,957
2020	\$562,681	\$2,216,636	\$2,779,316
2021	\$396,567	\$8,728,577	\$9,125,144
Total	\$1,828,911	\$21,674,700	\$23,503,611

Detroit Police Department (DPD)

	<u>Other</u>	<u>Auto</u>	<u>Total</u>
2018	\$2,446,742	\$458,031	\$2,904,773
2019	\$11,913,253	\$990,100	\$12,903,353
2020	\$2,291,103	\$15,100	\$2,306,203
2021	\$11,460,588	\$573,884	\$12,034,472
Total	\$28,111,685	\$2,037,115	\$30,148,800

¹ CY 2022 Annual Risk Management Report dated March 31,2023

City of Sacramento, California ²
Population 525,000

General Liability Claims

2018	\$10,777,000
2019	\$5,557,000
2020	\$6,186,000
2021	\$8,606,000

General Liability by Department (FY12-FY21)

Police	\$17,288,053
All other departments	\$25,999,503
Fire	\$832,294

Auto Liability Claims (FY12-FY21 \$16,573,000)

2018	\$1,033,000
2019	\$1,568,000
2020	\$1,354,000
2021	\$1,937,000

Percentage of Auto Liability Claims By department (FY12-FY21)

Police	30%
Fire	10%
All Other Departments	60%

City of San Deigo, California ³
Population: 1.4 million

Police Department Public Liability Payment and Claims

*in millions

2018	1.8
2019	2.4
2020	2.9
2021	25.2 ⁴

Transportation Department Public Liability Payments & Claims

² City of Sacramento, Division of Risk Management Annual Report Fiscal Year Ending June30, 2021

³ The City of San Diego, Fiscal Year 2021 Risk Management Annual Report

⁴ Increase due mainly to two vehicle accident settlements: one for \$16 million and another for \$4 million

*in millions

2018	17.1
2019	2.1
2020	3.7
2021	0.8

City of Chicago, Illinois **Population: 2.75 million**

In 2018, 2019 and 2020 Chicago taxpayers paid \$250 million in settlements and judgements arising out of legal claims against the Chicago Police department and its officers.⁵ While in 2022, in one lawsuit, the Chicago Transit Authority (CTA) paid a record \$20 million to a woman who was struck by a CTA bus,⁶

And since 2010, the city of Chicago has paid out more than \$288 million in wrongful conviction settlements,⁷

New York City⁸ **Population: 8.8 million**

New York City Police Department (NYPD tort claims filed and settled)

*in millions

2018	\$238.8
2019	\$226.7
2020	\$209.9
2021	\$208.1
2022	\$237.2

NY Department of Transportation

*in millions

2018	\$94.2
2019	\$82.8
2020	\$97.6
2021	\$88.5
2022	\$93.4

Wrongful Incarceration Cases

⁵ Chicago Sun Times, Fran Spielman, Taxpayers shell out 250 million in police related settlements; new report slams city efforts to learn from those mistakes. Sept 29, 2022

⁶ Marcie Mangan Firm News, January 13, 2023) Salvi, Schostak & Pritchard

⁷Man still in Prison after 27 years says former Chicago detective framed murder, Patrick Fazio, Lisa Capitanini and Kary Smyser, March 21, 2023.

⁸ New York City Comptroller Annual Claims Report Fiscal Year 2022, April 14, 2023

There were 15 wrongful incarceration cases pending against the city of Detroit and/or current or former police officers at the time the latest Risk Management Report was released. The city is liable for the officer's liability in cases where the city has to provide indemnification, or, if indemnification was denied, where indemnification was ordered by an arbitrator.⁹ Additionally, it is important to note, that this number of 15 cases could have very well increased since the report was published.

According to a 2021 CNN report, over 2800 people have had their convictions overturned since 1989, and over 100 of those people were in Michigan. Wrongful incarceration cases do not only present a potential obligation to the city of Detroit and State of Michigan. Many large urban cities are now faced with lawsuits from individuals who have claims of wrongful incarceration. In 2022, the city of Detroit settled two cases for \$8.2M each for a total of \$16.5 million.¹⁰ And in the same year, New York City settled 16 wrongful convictions, the most of any single year, for a total of \$86.6 million.¹¹ The potential cost of these cases is unknown. Municipal finance professionals can only estimate based upon, amongst other things, settlement trends.

We hope you find this information useful, if we can be of further assistance, do not hesitate to contact our office.

⁹ CY 2022 Annual Risk Management Report dated March 31, 2023

¹⁰ CY 2022 Annual Risk Management Report dated March 31, 2023

¹¹ New York City Comptroller Annual Claims Report Fiscal Year 2022, April 14, 2023