



2025 2nd Quarter

(April 1, 2025 – June 30, 2025)

**Kamau C. Marable, MA., CIG, CFE
Inspector General**

July 16, 2025



Message from the Inspector General



It is my duty and pleasure to present the OIG's 2nd Quarter Report. Yes, the Charter mandates this report, and we are dutiful about fulfilling this obligation. However, there is an added benefit beyond transparency, which is showcasing the work of our dedicated team of professionals. Our statistics show we had a very busy 2nd quarter, opening several new investigations while closing many long-standing investigations. In addition to handling complaints and investigations, we have onboarded and are training two new staff members.

Lakita Phoeson and David Armstrong joined the team in May as Forensic Auditors. David hails from Cleveland, as well as Lakita, but by way of Atlanta, GA. I am pleased to say both Lakita and David have chosen to make Detroit their home. They possess distinguished credentials, and we look forward to their contributions to the mission of the OIG in serving the citizens of Detroit.

Additionally, for the first time last month, our Office sent staff to attend the Global Fraud Conference of the Association of Certified Fraud Examiners (ACFE) in Nashville, TN. We require certain staff to be Certified Fraud Examiners (CFE), a certification held by our Manager of Investigations and Audits, our new Forensic Auditor Ms. Phoeson and myself. The CFE is a certification for professionals in fraud prevention, detection, and deterrence. The ACFE is the certifying organization for the CFE. ACFE is the world's largest anti-fraud network, with more than 95,000 members worldwide. The Annual Global Conference brought together over 5,500 attendees for 3-5 days of training on various aspects of fraud detection and prevention. We learned a great deal during the conference, which we will share with our OIG team and the broader community. We look forward to participating in the ACFE more in the future for the fulfillment of our mission to prevent fraud, abuse, waste, and corruption.





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 a 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.



2nd QUARTER HIGHLIGHTS

106 Complaints Closed

5 Investigations Initiated

11 Closed Investigations



5 Community
Engagement Events



10% Increase in Social
Media Engagement



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 complainant¹.

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.

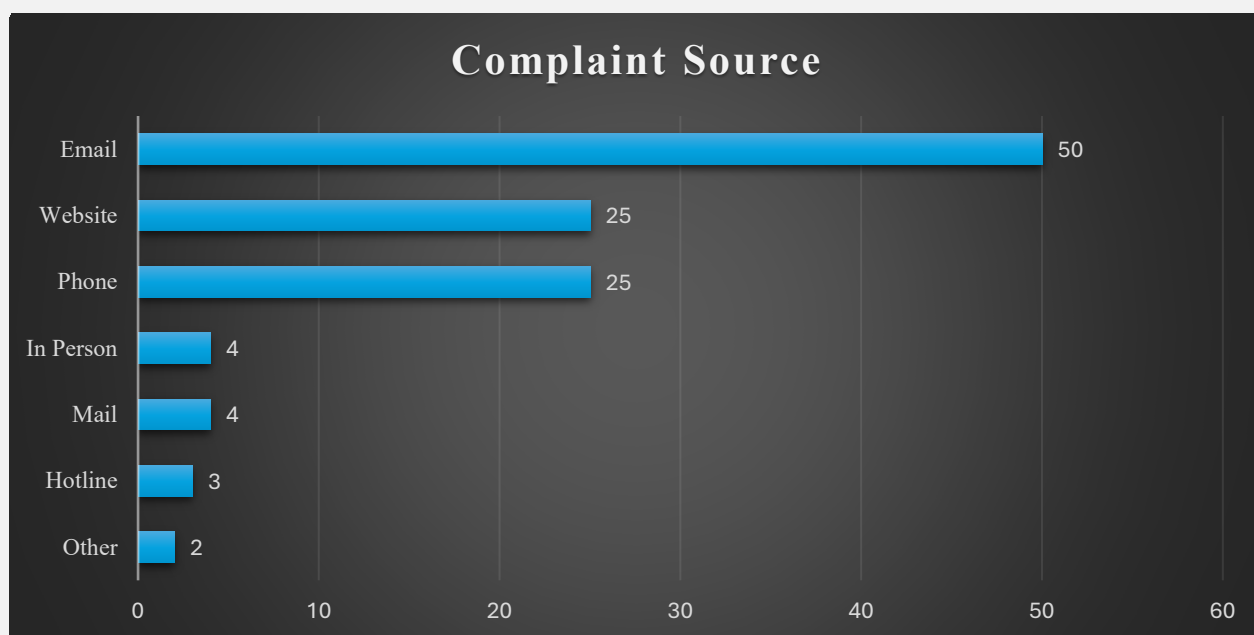
¹ For example, on occasion, two complainants with competing interests will file separate complaints with the OIG. If the OIG has a reasonable suspicion that criminal charges may result from a law enforcement investigation, the OIG will not notify either complainant before referring the case and closing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



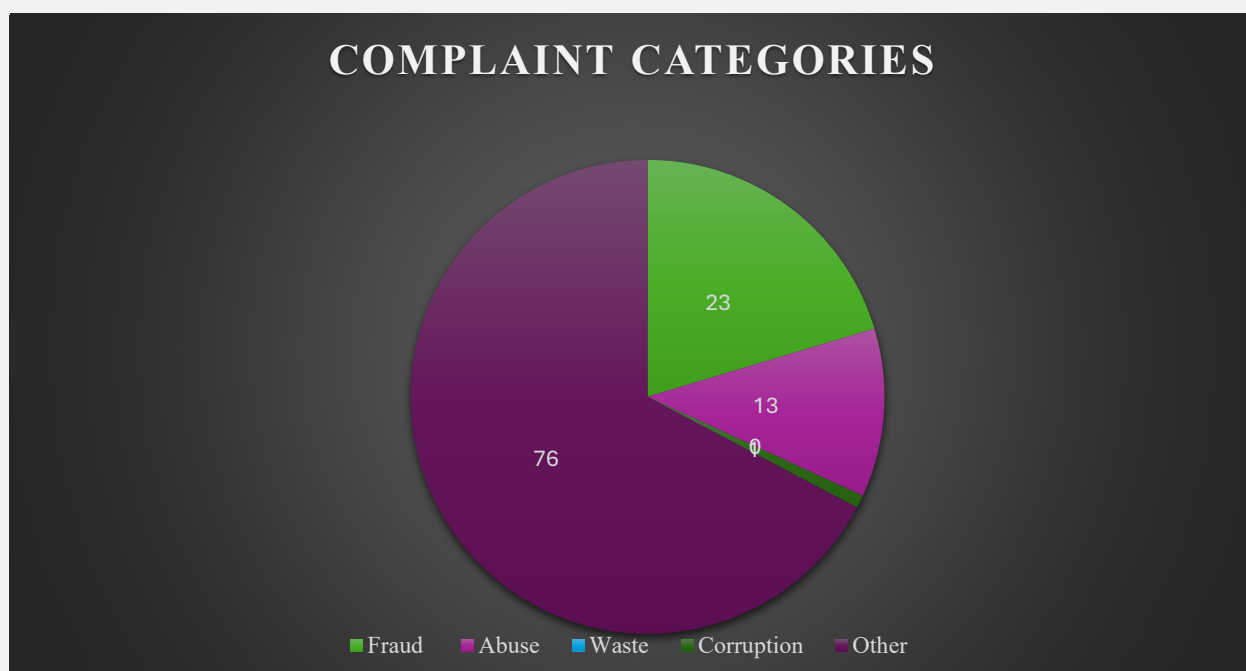
2025 2nd QUARTER COMPLAINT STATISTICS

(April 1, 2025-June 30, 2025)

Sources of the 113 Complaints Received by the OIG in the 2nd Quarter



Categories of the 113 Complaints Received by the OIG in the 2nd Quarter





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

Complaints Pending Prior to Quarter	4
Complaints Received During the Quarter	113
Total	117
Open investigative files	5
Open audit files	0
Pending	11
Formal Referral	10
Informal Referral	76
Decline investigation (No Action)	15
Total	117

The statistics above show the OIG actively worked on 117 complaints this quarter. By the end of the quarter, 5 of the 117 complaints were resolved by opening a new investigation. The OIG also resolved 86 of the complaints through either a formal or informal referral. The OIG declined to investigate 15 of the 117 complaints. As of June 30, 2025, the OIG still had 11 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.

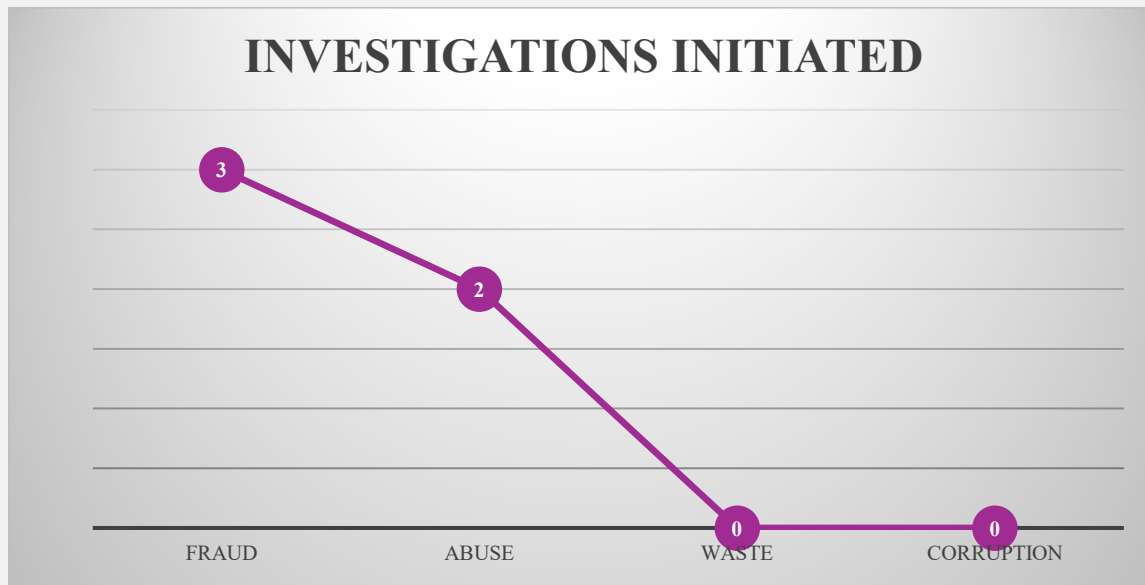
The OIG summarizes the findings of the investigation in the OIG's final memorandum. At times, the OIG can elect to issue a formal final report instead of an internal memorandum. All formal final reports have been and will continue to be published on-line. In addition, from time to time, we exercise our discretion to publish some of our internal memoranda through the City and the OIG's website at: www.detroitmi.gov/inspectorgeneral. 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.



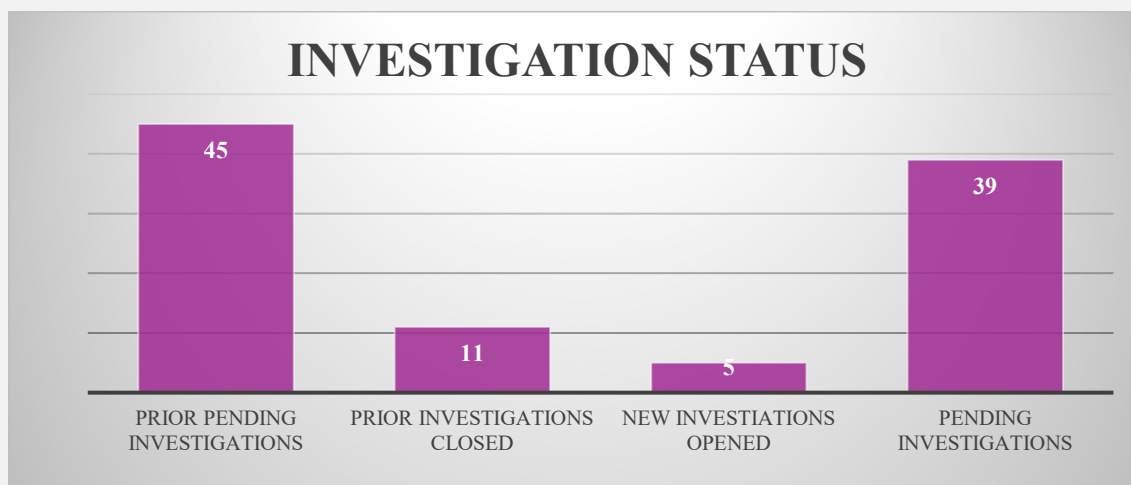
2025 2nd QUARTER INVESTIGATION STATISTICS

(April 1, 2025-June 30, 2025)

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



Status of OIG Investigations in the 2nd Quarter



The statistics above show the OIG had 50 active investigations during the quarter. By the end of the quarter, 11 of the 50 investigations were closed. As of June 30, 2025, the OIG still had 39 investigations pending.



Summary of Investigations Closed in the 2nd Quarter of 2025

24-0020-INV; 24-0023-INV; 24-0026-INV; 24-0027-INV; 24-0029-INV; 24-0031-INV; 24-0032-INV & 24-0033-INV

On June 17, 2024, the OIG opened several investigations into employees where the reported overtime seemed excessive to determine if there was any evidence of fraud, abuse, waste or corruption in the overtime reported. Prior to the OIG concluding the investigations, the department began implementing changes on how overtime was authorized, submitted, approved and tracked. The OIG reviewed the overtime records approximately 3 months after the policy changes were implemented and found that the overtime for these employees decreased by 25% or more when compared to the same time period from the prior year. The investigation was unable to substantiate fraud, abuse, waste or corruption in the overtime reported for these employees. The investigations were closed with no further action.

24-0037-INV

The OIG received a complaint from the Detroit Police Department (DPD) regarding a DPD Police Officer. The complainant alleged they observed the officer working out and lifting heavy weights over 200 pounds at a suburban gym. The complainant alleges that the police officer is committing duty disability fraud by collecting disability despite not being disabled as claimed.

The OIG sent a request to the Police and Fire Retirement Systems (PFRS) for the officer's personnel and medical file. Based on the OIG's review, the officer is on duty disability and is receiving monthly duty disability payments. The OIG found that he reports to the PFRS doctor for medical re-examinations in compliance with the duty disability rules. Additionally, surveillance was conducted at the gym but could not identify the officer. Based on the OIG's investigation, the OIG cannot substantiate the allegation that the officer is committing duty disability fraud.

25-0003-INV

The OIG received a complaint alleging a BSEED Inspector was disciplined during a meeting with BSEED executives for not following the proper procedure when issuing violation tickets for properties he inspected. The BSEED Inspector stated that 2 of the properties discussed at the meeting were connected to a marijuana advocate that is politically connected to people in BSEED or the City's administration and uses their influence to get BSEED officials to pass properties without proper documentation or inspection. The Inspector asserted that the advocate influenced the decision to issue a certificate of occupancy and building sign without a proper inspection of the vacant property.



The OIG reviewed several documents related to the inspection of properties that the BSEED Inspector believes are connected to the advocate. Based on the investigation, the OIG did not find evidence to substantiate the allegation that anyone at BSEED or the City's Administration abused their authority by providing preferential treatment to the advocate's properties.

25-0008-INV

The OIG received a complaint alleging a contractor submitted fraudulent documentation to the Construction and Demolition Department (CAD). The OIG reviewed the information received from CAD, including all Notifications, Salesforce documents, and email correspondence related to the demolition of the property. The OIG observed the following:

- There was a discrepancy between the actual demolition start date and the start date on the Notification the contractor submitted to CAD.
- The start date on the Notification was altered to match the actual demolition date of December 16, 2024.
- The original document number for all the Notifications is 0000740470, and the system assigns a new document number each time the document is revised.
- In the altered Notification, the document number 0000747215 was the same as the document number on the Notification on the State's website with a start and end date of December 18, 2024. However, the altered document had a start date of December 16, 2024 and an end date of December 18, 2024.
- The altered Notification is not located on the State's Notification system. The system has the correct Notification document number, 0000746780, which contains the correct start and end dates of December 16, 2024.

During the OIG interview with an employee of the contractor, he admitted that he altered the Notification he submitted to CAD. Based on the OIG's investigation, the OIG finds that the contractor submitted falsified documentation to CAD for payment. The OIG recommended that the City suspend the contractor from the Demolition Trial Program for a period of time to be determined by the CAD. Additionally, the contractor should enhance its internal controls to prevent document falsification in the future.



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.

****The OIG did not work on any audits during the 2nd Quarter of 2025.***



OIG'S OPEN RECOMMENDATIONS MADE TO CITY DEPARTMENTS AND AGENCIES

Status Report as of June 30, 2025

Case Number	Public Servant, Department, Board or Agency	Date	Status
23-0001-AUD	DDOT	12/4/2024	Closed

Recommendations from Prior Audit: Establish policies and procedures to restrict unauthorized individuals from obtaining access to the scrap, especially the scrap bin in the yard of the main campus; Identify all the scrap parts with scrap value that mechanics have removed from coaches; Revise the relevant existing policies and procedures to formalize employee expectations related to parts with scrap value to safeguard parts for waste, fraud, abuse or corruption.

Response: DDOT has installed cameras in the yard of the main campus. However, they have not yet established policies and procedures to restrict access or monitor the scrap bin. DDOT is currently testing a scanner that will allow them to catalog and track the parts. DDOT has partially revised their existing policies and procedures and are working on additional revisions.

New Recommendations: Establish policies and procedures regarding the non-ferrous scrap materials and enter into a contract with a non-ferrous processor; Ensure ODFS has the shipping records for each bin of scrap material DDOT transfers to the ferrous vendor.

Response: Only July 8, 2025, DDOT informed the OIG that they are currently monitoring the camera systems. DDOT is also restoring the guard shack to ensure a full-time security presence at the facility. DDOT also informed the OIG they are currently using Office 365 software to properly track removed parts. The previous attempts to use a scanner were unsuccessful due to a software configuration issue. DDOT previously established a process to keep a digital copy [of the shippers] in the Maintenance SharePoint for future reference. This established process is included in the VM SOP 59 for MMD employees. Also, this same receipt has been shared with the ODFS team for verification. The reference receipt in the response is the one provided by the vendor that is used for disposal purposes.



Case Number	Public Servant, Department, Board or Agency	Date	Status
23-0008-INV	OCFO/ODFS/Payroll	7/2/2024	Open

Recommendation: Develop policies and procedures that require job codes to be checked against the department's approved budget to ensure that Payroll only processes payments to legitimate employees with job codes that match the budgeted positions that are properly approved.

Response: On October 21, 2024, the OCFO/ODFS/Payroll departments stated it is working with its team to review the current processes and OIG recommendations to determine the next steps for any process and policy changes.

Case Number	Public Servant, Department, Board or Agency	Date	Status
23-0008-INV	OCFO/ODFS	7/2/2024	Open

Recommendation: Develop a policy and process that requires formal escalation of the budget issues flagged by OCFO/ODFS when the department or agency repeatedly fails to address the flagged issue and requires any budget issues flagged to be addressed before the start of the new fiscal year.

Response: On October 21, 2024, the OCFO/ODFS/Payroll departments stated it is working with its team to review the current processes and OIG recommendations to determine the next steps for any process and policy changes.

Case Number	Public Servant, Department, Board or Agency	Date	Status
23-0008-INV	OIG	7/2/2024	Open

Recommendation: The OIG should audit the BOPC's personnel processes to ensure all positions filled within the BOPC, including the OCI, are compliant with the Charter and City HR Rules.

Response: OIG management is currently reviewing the audit request to decide on the next steps.



Case Number	Public Servant, Department, Board or Agency	Date	Status
23-0015-INV	OCFO	5/17/2024	Closed

Recommendation: Increased training for Travel Coordinators on compliance with the Travel Directive; Updates to the Travel Authorization Request Form to identify the approved travel criteria that apply to the proposed travel; Requirement to fully document any deviations from the Travel Directive, including those who approved the change.

Response: In July 2024, OCFO started training the travel coordinators for the departments on a new process for travel authorizations. In October 2024, a new travel policy was drafted. In July 2025, the OIG confirmed the new travel policy is awaiting final approval.

Case Number	Public Servant, Department, Board or Agency	Date	Status
25-0008-INV	CAD	4/25/2025	Closed

Recommendation: The City should suspend the contractor from the Demolition Trial Program for a period of time to be determined by the CAD. In addition, the contractor should improve its internal controls to prevent falsification of documents from happening in the future.

Response: On June 27, 2025, the Construction and Demolition Department (CAD) reported that on May 6, 2025, a suspension notification letter was issued to the contractor for submitting fraudulent documentation to CAD. In accordance with the CAD policy, the contractor had 7 days to appeal the suspension letter. The contractor appealed the suspension notification on the same date. The CAD Director and the CAD Compliance team reviewed an appeals request from the contractor on June 5th, 2025. A suspension period of 365 days was recommended by the appeals board, and a decision notice was emailed to the contractor. In accordance with the CAD Discipline policy, the contractor had 7 days to appeal for a Final Decision with the Group Executive Directive. The contractor requested a Final Appeal meeting within 7 days. The Board convened on June 26th, 2025, to review their request. Currently, the final decision is on hold pending additional information from CAD staff members.



Office of the Inspector General Organizational Structure: 2nd Quarter of 2025

Between April 1, 2025-June 30, 2025, the City of Detroit Office of the Inspector General (OIG) consisted of the following individuals:

Kamau Marable, M.A., CIG, CFE, **Inspector General**

Jennifer Bentley, Esq., CIGI, **Deputy Inspector General**

Beverly L. Murray, CIGA, CFE, **OIG Manager Investigations and Audit**

Tiye Greene, Esq., **OIG Attorney**

Kelechi Akinbosede, Esq., CIGI, **OIG Investigator**

April Page, M.A., CIGI, **OIG Investigator**

David Armstrong, MBA, **OIG Forensic Auditor**

Lakita Phoeson, CFE, **OIG Forensic Auditor**

Srinivas Gampa, **OIG Information Analyst**

Kasha Graves, **Executive Administrative Assistant II**

Kaniya Foster, **Executive Administrative Assistant I**

Christina Hobson, **OIG Intern**



OIG Contact Information

Via Internet:

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:

reachoig@detoig.org

Via Social Media:

Facebook: 

Instagram: 

Twitter: 

LinkedIn: 

Please use social media to stay connected to the OIG but ***social media should not be used to file complaints*** with our office. You can use any of the other methods listed above to file a complaint. You can also visit the OIG at the address above to file a complaint in person.