

City of Detroit  
Office of Inspector General  
2014 1<sup>st</sup> Quarter Report  
(January 1, 2014 – March 31, 2014)



**JAMES W. HEATH**  
**INSPECTOR GENERAL**

## Office of Inspector General (OIG) Complaints

The OIG received 33 complaints during the 1<sup>st</sup> Quarter of 2014.

## Office of Inspector General Initiated Cases

The OIG initiated 24 investigations in the 1<sup>st</sup> Quarter of 2014. The investigations involved 14 different departments or agencies.

Department/Agency	# of Investigations
Fire	1
Police	4
Finance	2
BSEED	3
Municipal Parking	2
Public Works	2
Health and Wellness Promotion	1
General Services	1
Contracting Business	1
Water and Sewerage	2
Human Resources	2
Transportation	1
City Council	1
Unidentified	1
<b>Total</b>	<b>24</b>

## Office of Inspector General Closed Cases

The OIG considers a case closed once an OIG file manager completes their investigation and the Inspector General approves a finding. The OIG closed 16 cases during the 1<sup>st</sup> Quarter. The following is a brief summary of cases closed during this period.

### 2012-004

The complainant alleged that former Mayor Bing abused his authority by selecting the Miller Canfield law firm as his outside counsel. The OIG found insufficient evidence to sustain this allegation.

### 2012-006

The complainant alleged that Mayor Bing had improperly transferred duties and equipment from the Detroit Workforce Development Department to the Detroit Employment Solutions Corporation in violation of the 2012 Detroit City Charter. The Law Department also reviewed the matter and determined that federal law allowed the transfer. Accordingly, the OIG closed its case.

**2013-003**

Complainant alleged that employees in the City of Detroit Payroll Audit Division were fraudulently manipulating their income tax withholdings in an effort to defraud the Internal Revenue Service. The OIG found no evidence supporting the complainant's allegations.

**2013-DW-0034**

Complainant alleged that the City of Detroit Income Tax Division did not properly review his income tax return and that the City owed him a refund for the 2009-2012 tax years. The OIG closed the case after the complainant received his refund.

**2013-NA-0038**

Complainant alleged that contractors operating under a Planning and Development Department (PDD) grant performed unsatisfactory work on her home. The OIG examined the scope of work and found insufficient evidence to sustain the complainant's allegation. However, the contractor made the changes requested by the complainant to ensure her satisfaction.

**2013-DA-0039**

A member of the Board of Police Commissioners alleged that public servants in the Detroit Police Department (DPD) were conducting vehicle surveillance on him for reasons unrelated to a legitimate criminal investigation. The OIG found sufficient evidence to sustain the allegation. The OIG made a recommendation stating that DPD should implement comprehensive policies to ensure that police surveillance conducted on civilian oversight committees should be for just and appropriate reasons. (Exhibit A)

**2013-NA-0041**

Complainant alleged that contract fraud caused the reduction in services at the Northwest Activity Center. The OIG found no evidence supporting the allegation.

**2013-DF-0047**

Complainant alleged that an unidentified individual cashed several stolen checks made payable to the Financial Advisory Board. The OIG referred this case to the Federal Bureau of Investigation (FBI).

**2013-NA-0053**

Complainant alleged that her neighbor was involved in illegal narcotic activity and that public servants within the department had improperly divulged information regarding her complaint. The OIG referred the complaint to the Detroit Police Department.

**2013-DF-0058**

A DTE investigator approached the OIG indicating that she had observed several occupied apartment buildings in Southwest Detroit that had what she believed to be multiple violations and dangerous wiring. The investigator believed that the owner of the buildings may have procured some sort of favor from BSEED inspectors to avoid violation and correction orders. This allegation was ultimately not substantiated. However, in order to ensure that the dangerous conditions were resolved the OIG coordinated joint inspections with DTE and BSEED investigators on the apartment buildings in question. There were multiple dangerous violations identified and ordered corrected. The OIG recommended to both DTE and BSEED that a more formalized coordination procedure be developed between their investigators.

**2013-NA-0059**

Complainant alleged that a fellow city employee was responsible for him not receiving back pay to which he was entitled. The complainant later learned that he had received the payment in question. The complainant withdrew his complaint and the OIG closed the case.

**2013-NA-0062**

Complainant alleged that a private firm was creating fictitious companies to acquire contracts with the City of Detroit. The OIG found insufficient evidence to sustain this allegation and that the City of Detroit did not grant the company, or any related company, a contract.

**2013-NA-0070**

Complainant alleged that a Detroit city vehicle was seen leaving the Metro Towers apartment complex in Harrison Township. The OIG investigation revealed that the Water Department issued permits for projects on the date of the occurrence and therefore concluded that there was no evidence of fraud, abuse, waste or corruption.

**2013-DA-0080**

Complainant alleged that her supervisor abused his authority by refusing to accept her Family Medical Leave Act (FMLA) request as an excusable reason to be exempt from required overtime work. The OIG found no evidence to support the complainant's allegation.

**2014-CA-0001**

Complainant alleged that a private owner did not obtain proper permits for inspections during an overhaul of a furnace and boiler. The OIG determined that the work performed did not require permits.

**2014-DF-0022**

Complainant alleged that a public servant from an unidentified department was fraudulently utilizing children's social security numbers. The complainant provided no additional information and did not leave working contact information. Therefore, the OIG was unable to investigate the allegation further.

# EXHIBIT A

## OIG Case 2013–DA-0039

### Surveillance Conducted on Former Detroit Board of Police Chairman Jerome Warfield

**Issued: January 21, 2014**

The Office of Inspector General (OIG) received a complaint from Detroit Board of Police Chairman Jerome Warfield on May 13, 2013. Chairman Warfield alleged that members of the Detroit Police Department were conducting surveillance on him for reasons unrelated to a legitimate criminal investigation.

The Office of Inspector General has jurisdiction over all City of Detroit public servants.<sup>1</sup> This includes members of the Detroit Police Department.<sup>2</sup> The office is empowered to conduct investigations into alleged waste, abuse, fraud and corruption involving city agencies, departments and public servants.

Inspector General Heath initiated an investigation after speaking with Chairman Warfield and assigned an OIG investigator to lead the inquiry. The OIG has reached the following conclusions based upon that investigation.

#### **Office of Inspector General Conclusions**

1. The Internal Affairs Division of the Detroit Police Department conducted vehicle surveillance on Board of Police Commissioner Warfield.
2. The surveillance commenced based upon the order of former Interim Police Chief Chester Logan. Interim Chief Logan made the verbal order to Commander Brian Stair, the former Commander in charge of Internal Affairs, in December 2012.
3. Commander Stair was concerned that the ordered surveillance was not consistent with Internal Affairs's available manpower, nor with established department policy, and he expressed this concern to former Interim Chief Logan.
4. The starting point for all surveillance was Police Headquarters located at 1300 Beaubien. The dates of the surveillance were as follows:
  - a) January 3, 2013
  - b) January 31, 2013
  - c) February 14, 2013
  - d) February 21, 2013
  - e) March 7, 2013
  - f) March 28, 2013

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<sup>1</sup> 2012 Detroit City Charter Sec. 7.5-305

<sup>2</sup> 2012 Detroit City Charter Sec. 2-105(A)(27). Public Servant means the Mayor, members of City Council, City Clerk, appointive officers, any member of a board, commission or other voting body established by either branch of City government or this Charter and any appointee, employee or individual who provides services to the City within or outside of its offices or facilities pursuant to a personal services contract.

5. The goal of the surveillance as communicated by former Interim Chief Logan was to determine Chairman Warfield's residency, presumably for determining his eligibility for service on the City of Detroit Board of Police Commissioners. No other members of the Board were subjected to surveillance.
6. Members of the Board of Police Commissioners are required to reside in the City of Detroit.
7. Although there had been some previous questions with respect to Chairman Warfield's residence, by the time Chief Logan ordered the surveillance, the City of Detroit Law Department had already concluded that Chairman Warfield met the residency requirement for service on the board. This opinion had been communicated to former Deputy Mayor Saul Green in a February 21, 2011 privileged and confidential Law Department opinion. It is not known whether Chief Logan was specifically aware of this legal opinion at the time he issued the order.
8. It is not entirely uncommon for the Internal Affairs Division to conduct "residency investigations." The most common investigation of this type involves residency questions surrounding the eligibility of political candidates. These questions generally originate based upon the complaint of a rival candidate and are generally communicated first to the City Clerk.
9. The City Clerk has no record of receiving a complaint concerning Chairman Warfield's residency during the relevant time period.

### **Discussion**

Given the circumstances described above, the surveillance of a civilian official with "supervisory control and oversight of the Police Department"<sup>3</sup> represents a clear example of department waste and abuse, the sort of which the Office of Inspector General was created to investigate. This is especially true when Internal Affairs, the agency charged with "policing the police" was ordered to participate in the action.

Subjecting members of the Board of Police Commissioners to unwarranted surveillance would certainly frustrate the purpose of the board and have a chilling effect on the members, who must be free to exercise their best judgment with respect to department matters. At the very least, decisions to conduct surveillance of the type described in this report, should be made after consultation with senior department personnel and only following a thorough review of relevant reports (ie. Law Department opinions) addressing the matter. To do otherwise, especially with respect to non-criminal investigations, opens the door to legitimate suspicions of abuse of authority.

The Office of Inspector General is tasked with investigating fraud, abuse, waste, and corruption. The office has no desire to interfere with the legitimate crime fighting or administrative enforcement actions of the Police Department. However, when the actions of any city agency or

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<sup>3</sup> 2012 Detroit City Charter Sec. 7-802

public servant have the effect described above, the OIG has no choice but to investigate and request a response from department leadership.

### **Detroit Police Department Response**

The Charter makes clear that the Inspector General shall make no report or recommendation critical of a city department without affording that department the opportunity to first be heard concerning the matter.<sup>4</sup> In September 2013 the OIG submitted its preliminary findings to Detroit Police Chief James Craig. Chief Craig responded to the preliminary findings in a timely and forthright manner (Attachment #1).

While he acknowledged that “valuable police resources were wasted” in the investigation, Chief Craig indicated that he did not agree that any abuse had occurred.

### **Office of Inspector General Recommendation**

1. As the law enforcement agency for the City of Detroit, the Detroit Police Department must have the ability to conduct appropriate investigations into any activity which may violate local, state or federal laws. This includes both criminal and administrative laws.
2. The Detroit Police Department should implement specific policies to ensure that decisions to conduct surveillance or investigations which might have the effect of frustrating the civilian oversight of the Department be made as consistently and deliberately as possible.
3. This policy should be disseminated to both civilian and department leadership as appropriate.

### **Acknowledgement**

It should be noted that the activities described in this report occurred prior to the current Chief's tenure with the City of Detroit. Both he and Commander Brian Stair cooperated in this investigation to the fullest extent possible. Their cooperation is an example of the productive relationship which exists between the Police Department and Office of Inspector General. A full understanding of the events surrounding this investigation would not have been possible absent their active participation.

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<sup>4</sup> 2012 Detroit City Charter Sec. 7.5-311