

City of Detroit
Office of Inspector General
2016 1st Quarter Report

(January 1, 2016 – March 31, 2016)



April 14, 2016

Office of Inspector General Complaints

The OIG received a total of 62 complaints during the 1st Quarter of 2016.

Office of Inspector General Initiated Cases

The OIG initiated 19 cases during this quarter. The investigations involved 12 different departments or agencies.

Department/Agency	# of Investigations
36th District Court	1
Building Authority	1
Buildings, Safety Engineering, and Environmental	2
Finance	1
General Services	2
Municipal Parking	1
Planning and Development	1
Police	2
Public Works	1
Recreation	2
Transportation	1
Water and Sewerage	4
Total	19

Office of Inspector General Closed Cases

A case is considered closed when an OIG file manager completes their investigation and the Inspector General approves a finding. During the 1st Quarter, the OIG closed 59 cases. Below is a compilation of synopses for all of the closed cases during this quarter.

A. Unemployment Insurance Agency (UIA)

In 2013, the Office of Inspector General began a review of over 350 cases of alleged unemployment fraud committed against the City of Detroit. To date, the review has led to the recovery of over \$392,000, with an anticipated recovery of an additional \$1.3 million. Over 100 current employees, representing 16 City of Detroit departments, have been criminally charged. The cases listed below represent cases closed in the first quarter of 2016 which did not result in findings of wrongdoing.

2014-NA-0193

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the Detroit Water and Sewerage Department. The State of Michigan Unemployment Insurance Agency has determined the City of Detroit unemployment account was not charged to pay benefits for this former employee during the weeks under review.

2014-NA-0202

The OIG compiled and reviewed documents related to a former employee's separation from the City of Detroit to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan unemployment Insurance Agency (UIA), who ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefit payments were allowable under Michigan law.

2014-NA-0211

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the Detroit Water and Sewerage Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0214

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the Detroit Water and Sewerage Department. The State of Michigan Unemployment Insurance Agency has determined the City of Detroit unemployment account was not charged to pay benefits for this former employee during the weeks under review.

2014-NA-0234

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Retirement Systems. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0248

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's General Services Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0269

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the Recreation Department. The State of Michigan Unemployment Insurance Agency has determined the City of Detroit unemployment account was not charged to pay benefits for this former employee during the weeks under review.

2014-NA-0314

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the Recreation Department. The State of Michigan Unemployment Insurance Agency has determined the City of Detroit unemployment account was not charged to pay benefits for this former employee during the weeks under review.

2014-NA-0341

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Department of Transportation. The State of Michigan Unemployment Insurance Agency was unable to make a determination of fraud or overpayment due to the statute of limitations.

2014-NA-0348

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Health Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0351

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Public Works Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, who ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefit payments were allowable under Michigan law.

2014-NA-0362

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Public Works Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, which ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefit payments were allowable under Michigan law.

2014-NA-0363

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the Department of Public Works. The State of Michigan Unemployment Insurance Agency has determined the City of Detroit unemployment account was not charged to pay benefits for this former employee during the weeks under review.

2014-NA-0365

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Recreation Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0367

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the Department of Public Works. The State of Michigan Unemployment Insurance Agency has determined the City of Detroit unemployment account was not charged to pay benefits for this former employee during the weeks under review.

2014-NA-0369

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Department of Transportation. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0370

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the Finance Department. The State of Michigan Unemployment Insurance Agency has determined the City of Detroit unemployment account was not charged to pay benefits for this former employee during the weeks under review.

2014-NA-0395

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Public Works Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, which ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefit payments were allowable under Michigan law.

2014-NA-0396

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Public Lighting Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0398

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Information Technology Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0402

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Recreation Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was either laid off during the weeks under review, or required documentation from the City of Detroit was missing during the weeks under review.

2014-NA-0403

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Public Lighting Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0404

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Fire Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency (UIA), which ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefits payments were allowable under Michigan law.

2014-NA-0408

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Department of Transportation. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0413

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Municipal Parking Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, which ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefit payments were allowable under Michigan law.

2014-NA-0423

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Buildings, Safety and Environmental Engineering Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0425

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Elections Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0428

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Water and Sewerage Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0433

The OIG compiled and reviewed documents related to a former employee's separation from the City of Detroit's Water and Sewerage Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, who ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefits payments were allowable under Michigan law.

2014-NA-0435

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's General Services Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2014-NA-0436

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Fire Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, who ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefits payments were allowable under Michigan law.

2015-NA-0010

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Planning and Development Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2015-NA-0011

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Retirement Systems. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2015-NA-0014

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Fire Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, which ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefits payments were allowable under Michigan law.

2015-NA-0018

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Police Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, who ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefit payments were allowable under Michigan law.

2015-NA-0028

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Public Works Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee did not have any earnings from the City of Detroit during the weeks under review.

2015-NA-0029

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Police Department to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, who ultimately determined that since there was insufficient evidence to show the employee was discharged for misconduct, the benefits payments were allowable under Michigan law.

2015-NA-0088

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Water and Sewerage Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2015-NA-0090

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the Municipal Parking Department. The State of Michigan Unemployment Insurance Agency has determined the City of Detroit unemployment account was not charged to pay benefits for the former employee during the weeks under review.

2015-NA-0093

The OIG compiled and reviewed documents related to this former employee's separation from the City of Detroit's Department of Transportation to investigate whether the unemployment insurance benefits paid to the former employee were improper. The OIG forwarded the information to the State of Michigan Unemployment Insurance Agency, who ultimately determined that since the worker satisfied the rework condition for unemployment benefits, the benefits payments were allowable under Michigan law.

2015-NA-0094

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Public Works Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2015-NA-0095

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Public Lighting Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to the employee were proper, as the employee was laid off during the weeks under review.

2015-NA-0096

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Fire Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee did not have any earnings from the City of Detroit during the weeks under review.

2015-NA-0097

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Department of Transportation. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2015-NA-0098

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Recreation Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee did not have any earnings from the City of Detroit during the weeks under review.

2015-NA-0099

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's City Council. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee did not have any earnings from the City of Detroit during the weeks under review.

2015-NA-0100

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Department of Transportation. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was either laid off during the weeks under review, or the weeks in question are outside the statute of limitations.

2015-NA-0101

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Human Resources Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2015-NA-0103

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Public Works Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

2015-NA-0104

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's City Council. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee did not have any earnings from the City of Detroit during the weeks under review.

2015-NA-0105

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Recreation Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee did not have any earnings from the City of Detroit during the weeks under review.

2015-NA-0107

The OIG investigated a complaint alleging that this worker had no employment history with the City of Detroit but managed to collect unemployment benefits listing the City of Detroit as a former employer. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the individual was an employee of the 36th District Court, which uses the City of Detroit account for unemployment benefits.

2015-NA-0108

The OIG investigated a complaint alleging that this worker had no employment history with the City of Detroit but managed to collect unemployment benefits listing the City of Detroit as a former employer. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the individual was an employee of the 36th District Court, which uses the City of Detroit account for unemployment benefits.

2015-NA-0173

The OIG conducted a review of City of Detroit unemployment insurance payments to determine whether a public servant improperly collected benefits while employed by the City of Detroit's Workforce Development Department. The State of Michigan Unemployment Insurance Agency has determined the benefits payments made to this employee were proper, as the employee was laid off during the weeks under review.

B. Remaining Closed Cases**2015-DF-0051**

A citizen, who applied for tax-exempt status related to a residence, alleged several Finance Department Assessment Division employees abused their authority regarding his application denial. The OIG found that none of the employees abused their authority in the manner the complainant described. The records related to the application decision confirmed the employees exercised the authority granted to them through their employment and that they acted appropriately. Therefore, the OIG closed the case.

2015-DA-0070

A City of Detroit public servant alleged that the Human Rights Department failed to investigate her claims of abuse due to a conflict of interest, which occurred as a result of the City of Detroit organizational chart. This chart, the complainant alleged, suggests that a single group executive “oversees” the Law Department as well as the Human Rights Department, the agency charged with investigating her initial complaint. The OIG reviewed several complaints investigated by the assigned Human Rights employee and found that this employee responded to the complainant’s allegations with the same due diligence as other complaints. Further, the OIG found that the organizational chart did not create a conflict on its face.

2015-CF-0161

Complainant alleged that a Detroit Department of Transportation (DDOT) contractor submitted fraudulent invoices as part of the Jobs Access and Reverse Commute (JARC) program administered by DDOT. The OIG conducted an audit at the request of DDOT and determined that the contractor was overpaid, likely as a result of poor record keeping and internal controls. As a result, the Office of Contracting and Procurement placed the contractor on probation. The OIG made a recommendation for stronger internal controls designed to eliminate future problems. (Exhibit A)

2015-CF-0171

The OIG initiated an investigation into personal services contractor Carol Banks to determine whether her dual employment with the City of Detroit and Detroit Public Schools led to conflicting work hours. After reviewing City of Detroit and Detroit Public Schools time records, the OIG determined that there were conflicting hours on 12 occasions between April 2014 and September 2015. Councilmember Benson, Ms. Banks’s superior, attested to the accuracy of her City of Detroit time records. In addition, a DPS investigation concluded that they were the victim of conflicting time submissions. Therefore, the OIG did not find any evidence to suggest that Ms. Banks committed time fraud in relation to her contract with the City of Detroit. (Exhibit B)

2016-DA-0013

Complainant alleged that a Buildings, Safety Engineering, and Environmental Department (BSEED) inspector abused her authority by writing frivolous tickets to her business and wrongly billing her, instead of the property owner, for the tickets. After further discussion with the complainant, she explained that the violations did exist; however, the inspector did not ticket neighboring businesses, which allegedly contained similar violations. A BSEED supervisor stated that inspectors operate on a schedule and that neighboring addresses are not necessarily next on this schedule. In addition, the supervisor explained that while payment orders are mailed to the property occupant and property owner, the property owner is responsible for the payment. The OIG informed the complainant of this information and closed the case.

City of Detroit
Office of Inspector General

Wrightway Transportation Review
Case No. 2015-CF-0161



February 26, 2016

I. Findings

There is evidence that Wrightway Transportation (Wrightway) billed the City of Detroit for client trips that never occurred. These overbillings, which occurred over a period of several months, raise questions about Wrightway's recordkeeping and ability to perform the services required under the contract. It is not clear whether the billing errors were the result of purposeful fraud on the part of the contractor.

II. Background

The Job Access and Reverse Commute (JARC) program was established "to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment. This allows low-income people the opportunity to get to work when traditional transit systems are not available or limited, such as in suburban areas or nights and weekends." DDOT administers the JARC Program and is responsible for determining rider eligibility.¹ Five vendors currently provide services under the program: SW Transport dba Checker Cab, Moe Transportation LLC, Wrightway, Comfort & Care Transportation and Detroit Area Agency on Aging.

The vendors are paid a mileage fee for each individual client. Therefore, even in the case of group pickups in which individuals are driven to the same location, the vendor is paid mileage per person. The staff responsible for overseeing the JARC Program at DDOT informed the OIG of several concerns they had, including alleged fraudulent billings which they discovered during their verification audits of the program. They concluded that Wrightway had billed DDOT for people who were no longer using the service as well as for days the riders did not use the service.

III. Discussion

A. Documents Reviewed

- Post-trip logs from Wrightway for the week ending 10/18/15
- Invoice from Wrightway (with DDOT corrections) from the week ending 10/18/15
- Contract Number 2882989 between Wrightway and DDOT
- Copies of the sign-in sheets for the clients in question
- Copies of DDOT's verification audits of all providers

¹ Amendment Number 1 of Contract Number 2882989

B. Observations

During the week of November 16, 2015, OIG staff made an effort to observe the pickups by Wrightway based on the locations and times listed on the post-trip logs. This was attempted seven times during the week at the following locations:

Date	Location	Time	Pickup (Y/N)
11/16/15	Meijer (8 Mile/Woodward)	9:00 p.m.	N
11/17/15	623 Bagley	1:30 p.m.	N
11/17/15	1852 W. Grand Blvd.	4:30 p.m.	N
11/18/15	Meijer (8 Mile/Woodward)	5:15 a.m.	N
11/18/15	623 Bagley	1:30 p.m.	Y-on Cass, not Bagley
11/18/15	1852 W. Grand Blvd.	4:30 p.m.	N
11/18/15	Meijer (8 Mile/Woodward)	9:00 p.m.	N

Of the seven attempts, only one pickup was observed. OIG staff arrived at least 15 minutes before the scheduled pickup time and waited 15-30 minutes after the scheduled time. OIG staff followed up the observations with phone calls to the clients. Staff discovered discrepancies with some of the pickup times and locations provided by Wrightway on the post-trip logs. The OIG only observed one pickup because Wrightway did not provide accurate information on the post-trip logs provided to DDOT.

C. Testing Process (First Sample)

The Office of Inspector General reviewed post-trip logs and invoices from Wrightway for the week ending October 18, 2015. The week contained trips for one hundred (100) individuals and a sample of twenty-five (25) was selected. To ensure the sample was representative of the universe, systematic sampling with a random starting point and fixed interval was utilized. The names were entered into a spreadsheet based on the order in which they appeared on the post-trip logs. In the first sample selected, the starting point was 1 and the interval was 4, so every 4th name was selected for testing. From this sample of 25, only 7 people were successfully contacted. The process was repeated as shown below until 25 people were contacted:

Universe	Sample Size	Starting Point	Interval	Successful Contacts
100	25	1	4	7
75	17	5	4	9
57	14	3	4	6
43	5	1	9	3
Total				25

The individuals contacted were asked a series of questions developed by the OIG, including the last time they rode with Wrightway; their pickup/drop-off locations; and the days/times that they use Wrightway for rides to work. For the individuals with correct contact information, the OIG attempted to contact them 3 times before eliminating them from the sample. The individuals with incorrect/no contact information were automatically eliminated.

The OIG found errors in 48% of the sample, with the following results:

- 3 clients (12% of the sample) did not ride at all during the week being audited, however, they were included on the post-trip logs and invoices
- 5 clients (20% of the sample) were included on the invoices for days they did not ride, mostly on the weekends. Some of these clients also had incorrect pickup/drop-off locations that affect the mileage paid.
- 3 clients (12% of the sample) had incorrect pickup or drop-off locations, which affects the amount of mileage paid to Wrightway.
- 1 client (4% of the sample) is using the service and is listed on the post-trip logs but does not appear on the billing invoices
- There are no billing issues from Wrightway with the remaining 13 clients (52%) in the sample.

D. Testing Process (Second Sample):

The Office of Inspector General reviewed post-trip logs and invoices from Wrightway for the week ending June 28, 2015. The week contained trips for eighty (80) individuals; a sample of twenty (20) was selected. To ensure the sample was representative of the universe, systematic sampling with a random starting point and fixed interval was utilized. The names were entered into a spreadsheet based on the order they appear on the post-trip logs. In the first sample selected, the starting point was 3 and the interval was 4, so every 4th name was selected for testing. From this sample of 20, only 4 people were successfully contacted. The process was repeated as shown below to complete the sample of 20:

Universe	Sample Size	Starting Point	Interval	Successful Contacts
80	20	3	4	4
60	12	2	5	1
48	16	2	3	0
32	16	1	2	1
16	16	1	N/A	3
Total				9

After several tries, the OIG was not able to contact 20 people from this sample week, leaving the completed sample at 9 people. As before, the individuals contacted were asked a series of questions developed by the OIG, including the last time they rode with Wrightway; their pickup/drop-off locations; and the days/times that they use Wrightway for rides to work. For the individuals with correct contact information, the OIG attempted to contact them 3 times

before eliminating them from the sample. The individuals with incorrect/no contact information were automatically eliminated.

The OIG found errors in 55% of the sample, with the following results:

- 3 clients (33% of the sample) did not ride at all during the week being audited, however, they were included on the post-trip logs and weekly invoice
- 1 client (11% of the sample) was included on the invoice for the weekend, when he only worked Monday-Friday.
- 1 client (11% of the sample) had an incorrect pickup location, which affects the amount of mileage paid to Wrightway.
- There are no billing issues from Wrightway with the remaining 4 clients (44%) in the sample.

E. Verification of DDOT's Audits

DDOT completed its own audit of the trips provided by Wrightway. Their findings revealed 23 individuals with questionable billings from Wrightway including clients who are no longer using the service and billings for trips that were not taken. DDOT estimates their loss from these bills to be approximately \$64,000. DDOT has also stated billing issues of this magnitude do not occur with the other vendors. The OIG contacted some of the same clients, either through its own testing or for verification purposes with the following results:

Name	DDOT Results	OIG Results	Wrightway's Response
Daniel Emanuel	Client has not used service since March or April of 2015	Client has not used the service since October 2015	Provided Sign in sheets for Mr. Emanuel for a number of the days in question
Lakanya Johnson	Client stopped riding in June 2015; starting riding again in October 2015	Client initially said she rode all of 2015; asked about the break from June-October and she stated that may be correct but she could not remember	Provided Sign in sheets for Ms. Johnson for a number of the days in question
Ellianna Hicks	Client has not used the service since July 2015	Client has not used the service since August 2015, DDOT's audit show billings until 8/23/15	Provided Sign in Sheets for Ms. Hicks for a number of the days in question

Doneisha Jones	Client has not used the service since May 2015	Client no longer using service, unsure of the date, at least a month (call made in Jan 2016)	Provided Sign in Sheets for Ms. Jones for a number of the days in question
Cedric Davis	Client only rides Monday-Friday, not weekends	Client works M-F, will work weekends if overtime is available, but that is rare	Provided Sign in Sheets for Mr. Davis for a number of the days in question
Willie Tremble	Client did not ride the weeks of 8/31/15-9/11/15	Client stated that he did ride in September, was confused about when he stopped using the service	Provided Sign in Sheets for Mr. Tremble for a number of the days in question
Tenecia Walter	Only used service once on 8/31/15	Client stopped riding in September 2015 after she got a new job, did ride with Wrightway more than once in August	Provided Sign in Sheets for Ms. Walter for a number of the days in question
Denise Phillips	Never rides Thursday or Sunday (off days)	Client does ride some Thursdays, was scheduled to work Thursday the week of the survey (12/3/15)	Sign in sheets for the days in question missing; provided audio of Ms. Phillips requesting a ride for Thursday in December 2015
Dixielee Green	Client did not ride the week of 6/30/15-7/4/15	Client stated she did ride with Wrightway during that week, doesn't recall taking a week off	No documentation provided for Ms. Green

There were some noteworthy differences between the statements made to DDOT and the statements made to the OIG for nine clients (39%). One example is Daniel Emanuel, who told

DDOT he last used the service in April 2015, but told the OIG he last used the service in October 2015. Another example is Tenecia Walter, who told DDOT she only used the service once in August 2015, but told the OIG she used the service daily in August 2015 until she moved to a new position in September 2015. The OIG was unable to contact five of the clients to verify the findings.

F. DDOT's Audits of Other Vendors

DDOT provided the OIG with audits performed on other vendors under the JARC program. With the exception of Checker Cab, it does not appear the other providers were audited after April 2015. The OIG confirmed the other providers are not currently being audited. For this reason, it is unknown if the other providers have similar errors on their invoices. The review of the Checker Cab audits revealed at least one client who was no longer using the service, but there are no dates provided on the audit regarding when the client stopped service to verify billing invoices.²

G. Loss to the City of Detroit

DDOT provided invoices beginning with the week ending May 24, 2015, which would be 32 weekly invoices for 2015. The OIG calculated the potential loss from the week ending October 18, 2015 to be approximately \$2,132.80. If this figure is used to estimate the loss over the 32 week period, it amounts to a loss of approximately \$68,000. This is in line with the loss of approximately \$64,000 uncovered by DDOT during their verification audits.

H. Interview with Kimberly Wright

In Wrightway's response to the allegations of overbilling, the company provided sign-in sheets for individuals with questionable trips. However, a number of those sheets were not legible. Wrightway also cited a provision in the contract that allows the company to be paid for the clients who request trips but then fail to complete the trips. Wrightway provided pre-bid meeting minutes that show where the payment for no-shows was discussed. DDOT's responded by stating the company would be reimbursed for "no shows", if the provider properly documented the no show on the post-trip logs. If it is Wrightway's position that some of the trips in question were for "no shows", they were not properly documented on the post-trip logs as required and should not have been submitted for reimbursement.

Wrightway owner Kimberly Wright stated that invoices are prepared using the sign-in sheets. Ms. Wright contends that Wrightway has uncovered and reported at least one incident of a client sharing their J-number with other individuals, resulting in rides for people not qualified for the program. Ms. Wright believes it is possible others could be riding using the J-numbers of individuals not currently using the service, resulting in the appearance of overbilling. Ms. Wright indicated that she wants her drivers to request identification, but claims that DDOT representatives told her that the company was not allowed to do so. The OIG asked DDOT to

² The audits of other providers also revealed unsafe driving practices (driver's falling asleep, speeding and using their cell phone when driving); clients frequently being late for work and clients being left without transportation home.

confirm the accuracy of Ms. Wright's statement. DDOT confirmed that identification is not required from the clients. However, the department maintains that their representatives did not tell Wrightway they could not request identification from the riders.

IV. Internal Controls Recommendations

Supporting Documentation

While DDOT is performing verification audits for the trips, which has exposed the billing problems, a number of the questionable trips could have been caught prior to payment with the requirement of sufficient supporting documentation. An example of such documentation would be requiring sign-in logs, with all of the necessary information, to support the invoices.

Wrightway is currently maintaining sign-in sheets for the trips, however, some of the important information required is lacking. The sign-in sheets show the date, client, location of drop-off and fare, but does not include the pickup location or time. The sign-in sheets also do not state whether the client is riding one-way or riding twice a day. The sheets are also based on the drop-off location, meaning everyone going to the same location would sign in on the same sheet.

The OIG recommends that the sign-in sheets be based on the individual, not the drop-off location. The sign-in sheets would also include the pick-up locations, and require the clients to sign-in a second time for return trips to make the billings more accurate. Not only would this help Wrightway reduce errors in billings, it would help DDOT verify the invoices as they are received.

Audit Verification Forms

The forms currently used by DDOT appear to be geared more towards gauging customer service. To better verify the trips, the form should include questions that verify the pickup/drop-off locations, times, and last date of service. The OIG has noted several clients who are still using the service, but their pickup/drop-off locations were not properly reflected in the records. This would be another way to reduce any chance of overpayment.

Client Identification

DDOT should encourage providers to check for proper identification when providing the client with transportation. If clients are sharing J-numbers, as Ms. Wright claims, identification checks should eliminate that. Another possible solution would be to create identification cards specifically for the clients. This would eliminate some of manual processes that are both time consuming and prone to errors.

V. Conclusion

There is some type of billing error for 48% of the sample for the sample week ending October 18, 2015. The error rate is even higher, 55%, for the sample week ending June 28,

2015. Wrightway did not present accurate records for billing purposes, which likely resulted in the company being paid more money than it was owed during those time periods.

The limitations of the audit process utilized makes it difficult to make a clear determination between purposeful fraud and negligence. The discrepancies between what clients told DDOT and what the clients told the OIG is concerning. The reliance on the memories of clients explains some of the variance. However, the overall similarities between the OIG's and DDOT's finding is compelling. These errors likely led to Wrightway being overpaid. Further, DDOT should consider the OIG recommendations to reduce waste in the JARC Program.

City of Detroit
Office of Inspector General

OIG Case #2015-CF-0171



March 14, 2016

I. Office of Inspector General Jurisdiction

The City of Detroit Office of Inspector General is an independent office established by the 2012 Charter of the City of Detroit. The purpose of the office is to investigate allegations of waste, abuse, fraud, and corruption.¹ The Inspector General's jurisdiction extends "to the conduct of any Public Servant and City agency, program or official act, contractors and subcontractors providing goods and services to the City, business entities seeking contracts or certification of eligibility for city contracts and persons seeking certification of eligibility for participation in any city program."²

II. Background & Allegations

On September 4, 2015, the City of Detroit Office of Inspector General (OIG) initiated an investigation involving Carol Banks, a personal services contractor on the staff of Detroit City Councilmember Scott Benson. Ms. Banks began working for the City of Detroit in January 2014 and was hired by the Detroit Public Schools (DPS) as its Ombudsperson in February 2014.

Questions involving Ms. Banks' employment came to light following a local news report alleging that she submitted conflicting work hours to DPS and the City of Detroit. The OIG's investigation focused on the question of whether Ms. Banks received compensation from the City of Detroit for work she claimed to be doing on Councilmember Benson's behalf when she was in fact working for DPS.

III. Discussion

A. Carol Banks Personal Services Contract

Ms. Banks began working for Councilmember Benson in January 2014. As is common for legislative staffers, Ms. Banks was hired under a personal services contract. Her initial contract covered the period of January 2014 through June 2015. Her current contract covers July 1, 2015 through June 30, 2016. Ms. Banks earns \$33.00 per hour with a contractual limit of \$19,800.00 for providing general assistance to Councilmember Benson.³

The contractor is engaged to assist the Councilmember in the performance of duties on behalf of the Detroit City Council. The Council Member may define assignments and regular duties deemed necessary to ensure that the obligations of the Office of the City Council are diligently performed. Additionally, this contract shall be performed in accordance with all federal, state, and local laws, city policies, rules and regulations.⁴

¹ 2012 Charter of the City of Detroit, Art 7.5, Sec 7.5-301

² 2012 Charter of the City of Detroit, Art 7.5, Sec 7.5-305

³ Ms. Banks received a new contract in September 2015. She remains at \$33.00 per hour but now works 40 hours per week. However, this change is not relevant to this investigation.

⁴ Personal Services Contract #87201

B. City of Detroit Outside Employment Policy

Because she is classified as an “independent contractor” Ms. Banks is not subject to the City of Detroit’s outside employment policy.⁵ That policy requires city employees to “notify and obtain permission from their department or agency head to begin or continue employment with an outside employer.” Covered employees are required to complete a “Request for Approval of Outside Employment” form and present it to their supervisors. Ms. Banks’ contract clearly distinguishes her from a regular city employee:

[T]he relationship of the Contractor to the Agency is to be that of an independent contractor and no liability or benefits, such as retirement benefits or liabilities, pension rights or liabilities, insurance rights or liabilities, holiday pay, sick pay, vacation pay, personal injury or property insurance rights or liabilities, or such other rights, provisions or liabilities arising out of a contract of hire or employer-employee relationship either express or implied shall arise or accrue to either party as the result of this agreement and undertaking. The Contractor shall, under no circumstances, represent himself (herself) as an employee of the Agency or the City of Detroit.⁶

The OIG consulted the Human Resources Department which confirmed that personal services contractors are not covered by this policy. However, as is noted later in this report, Councilmember Benson was aware of Ms. Banks’ employment with DPS, and would have presumably approved a request for approval had she been required to submit one.

C. Carol Banks Interview

On October 26, 2015 Carol Banks met with OIG staff members to discuss the alleged conflicting time submissions. Ms. Banks stated that she rarely works in Councilmember Benson’s downtown office. She estimated that she spends 65% of her time at his district office located at 13560 W. McNichols and spends the majority of the remainder of her time accompanying Councilmember Benson to community events. Ms. Banks reported that even when she worked more than 10 hours in a week, she limited her time submissions to 10 hours to avoid exceeding the yearly contractual earning limit. An OIG review of her time card submissions supports this statement with respect to the pattern of billing 10 or fewer hours in a week. Ms. Banks stated that she would begin her DPS workday early, approximately 7:30 a.m., on many of the dates that she intended to work for the City of Detroit. This allowed her to begin working for the City of Detroit in the afternoon and fulfill her obligations to both entities.

Ms. Banks submitted her work hours by emailing them from her personal account to Councilmember Benson’s Executive Director. Ms. Banks believed that Councilmember Benson reviewed her submissions for accuracy because he would on occasion notify her when he found a discrepancy or had questions.

The OIG presented Ms. Banks with 12 dates for which there appeared to be a conflict between her DPS and City of Detroit time submissions. Her position was that her submissions to

⁵ Outside Employment Policy Human Resources Directive #2009-1

⁶ Personal Services Contract #87201, III. Unclassified Service, 3.01

the City of Detroit were accurate and reflected hours actually worked for Councilmember Benson. Further, Ms. Banks stated billing DPS for the same time periods resulted from a mistake because she did not actually work those hours for DPS. Consequently, any inaccuracies would have resulted in DPS paying her for hours that she did not work for them but instead worked for the City of Detroit. Ms. Banks stated that the mistakes she referenced were occasionally made by both her and DPS.⁷

The OIG requested documentation (ie. emails, calendar entries, etc.) from Ms. Banks which would substantiate her claim that she was working on behalf of Councilmember Benson on the days in question. Ms. Banks produced a document entitled “Request for Approved Short Term Absence” signed and dated by a DPS employee appearing to authorize her to be absent from work on July 25, 2014 for “personal reasons.” Ms. Banks claims to have submitted the document to DPS and indicated that she requested the absence so that she could work a full day with the City of Detroit. However, DPS recorded her as working eight hours for this day. For the remaining 11 days, Ms. Banks provided calendar entries relating to meetings, community events, or other activities at which she claims to have been present and working on behalf of Councilmember Benson.⁸

D. Councilmember Scott Benson Response

Councilmember Benson supported Ms. Banks’ contention that her City of Detroit time submissions accurately reflected hours she actually worked on his behalf. He reviewed the days for which the OIG noticed a conflict. For six of the dates he located documentation to confirm that Ms. Banks worked for the City of Detroit.⁹ While he could not locate written documentation for the remaining six days, Councilmember Benson was adamant that Ms. Banks worked for the City of Detroit on those days.

Councilmember Benson explained that Ms. Banks generally worked on an “as-needed” basis. He was aware of her employment with DPS and he saw her work there as an asset to his office because of the knowledge it afforded her regarding public education in Detroit. He saw the DPS position as her primary job and explained that her work for the city was designed to accommodate her DPS schedule. Councilmember Benson stated that Carol Banks’ DPS position never interfered with her duties for the City of Detroit. He stated that he randomly reviewed her time submissions to confirm their accuracy. Councilman Benson believes that Ms. Banks routinely worked hours for which she was not compensated because of her weekend activities on his behalf.

⁷ Ms. Banks’ official response to this report contradicts this statement.

⁸ The calendar entries provided by Ms. Banks are from her personal Google account. She claims that she does not regularly use GroupWise, the City of Detroit’s email and calendaring system.

⁹ March 20, 2015; March 27, 2015; April 7, 2015; April 8, 2015; April 30, 2015; and May 1, 2015.

E. Time Card Submission Analysis

1. Time Submission Process

Ms. Banks, like all employees in Councilmember Benson's office, submits her time using the city's Workbrain system. Workbrain is a software program used by employees and personal services contractors to record and submit their work hours to the City of Detroit for payment. The OIG reviewed both her City of Detroit and DPS time submissions covering April 2014 to September 2015.¹⁰ The City of Detroit submissions list the specific times that she worked (ie. 8am-4pm). DPS submissions note the number of hours she worked without mention of the specific hours (ie. 8 hours). The OIG relied upon Ms. Banks' normal DPS work schedule (8:30am to 4:30pm) to analyze conflicting submissions. Ms. Banks stated that she often began her workday at DPS before 8:30 am on the days that she also worked for the City of Detroit. On these days, her 8-hour workday would end before 4:30 pm. Since DPS automatically logged Ms. Banks for 8-hour days, the OIG considered conflicting hours to be any City of Detroit workday that started before 4:00 pm on days in which she also submitted eight hours of time to DPS.

2. Carol Banks submitted conflicting work hours to the City of Detroit and the Detroit Public Schools on 12 occasions

Ms. Banks had a total of 33.5 hours of conflicting time submissions occurring over a period of 12 days. The conflict represents hours for which she represented to both the City of Detroit and DPS that she was working on their behalf. The OIG's review period covered 711.5 hours over a period of 198 days. As a result, Ms. Banks' City of Detroit and DPS hours conflicted 4.7% of the time in the examined period. Given her rate of pay, this would represent a total loss to the City of Detroit of just over \$1000 if the conflicting hours were improperly billed. She earned just over \$22,000 over the covered time period.

¹⁰ The OIG's review covered this time period because City Council staffers did not begin using Workbrain until April 2014.

Conflicting Hours Billed to DPS & City of Detroit

Date	Day of Week	COD Time Frame	Number of Conflicting Hours
7/21/2014	Monday	3:30 p.m. - 9:00 p.m.	0.5
7/25/2014	Friday	3:30 p.m. - 8:30 p.m.	0.5
3/20/2015	Friday	9:00 a.m. - 5:00 p.m.	8
3/27/2015	Friday	1:00 p.m. - 6:00 p.m.	3
4/7/2015	Tuesday	1:00 p.m. - 4:00 p.m.	3
4/8/2015	Wednesday	1:00 p.m. - 3:00 p.m.	2
4/30/2015	Thursday	10:00 a.m. - 12:30 p.m.	2.5
5/1/2015	Friday	12:00 noon - 6:30 p.m.	4
5/11/2015	Monday	3:00 p.m. - 7:30 p.m.	1
5/18/2015	Monday	3:00 p.m. - 7:30 p.m.	1
6/2/2015	Tuesday	12:00 noon - 3:00 p.m.	3
6/12/2015	Friday	10:00 a.m. - 3:00 p.m.	5
	Totals	N/A	Totals
Monday	3	N/A	2.5
Tuesday	2	N/A	6
Wednesday	1	N/A	2
Thursday	1	N/A	2.5
Friday	5	N/A	20.5
All	12	N/A	33.5

3. Councilmember Benson confirms the accuracy of Carol Banks' time submissions

Councilmember Benson responded to two sets of questions during the OIG investigation. In his first response received on October 22, 2015, the councilmember stated his confidence that Ms. Banks only received compensation for work she completed on his behalf. At the time of his initial response the OIG had not yet determined that there were conflicting time submissions, so his statements reflected his general confidence with the accuracy of the submissions. On December 1, 2015 he responded directly to the dates in question. Councilmember Benson once again stated unequivocally that Ms. Banks was only paid for hours that she actually worked for him.

4. The Detroit Public Schools investigation concluded that the school district was the victim of the conflicting time submissions

The OIG has been in contact with the DPS general counsel from the onset of this investigation and has worked collaboratively with DPS outside counsel who conducted an independent investigation. The DPS and OIG investigations ran concurrently and focused on the same basic point – for whom was Carol Banks working during the conflicting dates? The OIG

requested that DPS provide it with any available documentation (emails, calendar entries, video footage, etc.) suggesting that Ms. Banks was working for the district during the relevant time periods. They were not able to produce such documentation. Similarly, Ms. Banks' supervisors at DPS were not able to confirm her attendance for the conflicting dates. The result of the DPS investigation is that Ms. Banks was not working for the school district during the dates in question. Consequently, DPS has terminated Ms. Banks based upon its findings.

IV. Conclusion

For the purposes of this investigation the question which the OIG must answer is whether there is actionable evidence suggesting that the City of Detroit is the victim of the conflicting submissions. In other words, is there evidence that Ms. Banks billed Councilmember Benson for time she spent at DPS? The answer to that question is that there is not. For the following reasons the OIG determines that there is insufficient evidence that Ms. Banks committed fraud against the City of Detroit based upon its review of conflicting time submissions to the City of Detroit and the Detroit Public Schools:

- 1) Carol Banks' supervisor, Councilmember Benson, confirms the validity of her submissions and the OIG did not find any evidence to suggest that Ms. Banks was not working for the City of Detroit during the submitted hours; and
- 2) The Detroit Public Schools has determined that it was the victim of inaccurate reporting

Councilmember Benson maintains that Ms. Banks' employment with DPS was a positive factor in his decision to select her as his Chief of Staff. This indicates that even if she was covered under Detroit's outside employment policy, he would have approved a request to work for the school district. The evidence uncovered in both the DPS and the OIG investigations suggests that DPS was billed for work it did not receive. However, the OIG investigation did not uncover sufficient evidence to assert that the City of Detroit was the victim of purposeful or even mistaken time card submissions. Consequently, this office is not recommending any criminal or administrative action against Ms. Banks.

DPS has not publically released its report describing the full results of its investigation. Therefore, the full reasoning behind its termination decision is not known to this office or the general public. However, the OIG will continue to stay abreast of further developments as they may be relevant to future contracting decisions.

V. Waiver of OIG Hearing & Public Servant Response to Report

The Charter precludes the Inspector General from issuing any report critical of a public servant without first giving the public servant the opportunity to respond at a hearing.¹¹ The OIG has adopted administrative rules which allow a public servant to waive his or her right to a hearing and instead offer a written response to the draft of a report. On January 3, 2016, the OIG

¹¹ 2012 Charter of the City of Detroit, Art 7.5, Sec 7.5-311

sent a draft of this report to Ms. Banks and Councilmember Benson. Councilman Benson provided verbal feedback to the report and several of his suggestions were incorporated into the final draft. On January 14, 2016 Ms. Banks' attorney requested a hearing on her behalf. The OIG scheduled the hearing for February 14, 2015. It was subsequently adjourned to March 10, 2015. Prior to the hearing, Ms. Banks's attorney contacted the OIG and waived the hearing.

On March 14, 2015 Ms. Banks submitted written comments to the report. She made several points. First, she disputed the OIG's suggestion that some of the inaccuracies with her DPS time submissions may have been the result of mistakes on her part. Ms. Banks stated that she did not make any mistakes when submitting her time to DPS and that any mistakes made by DPS. However, in her October 26, 2015 interview with the OIG she allowed for the possibility that she had made mistakes. However, since this issue speaks to the integrity of DPS' process and not the City of Detroit's, the distinction is not material to the findings of this report. Second, Ms. Banks maintains that she was wrongfully terminated by DPS. Similarly, the legitimacy of her termination, given that DPS' report had not been made public, is not a central tenant of this report.