

CITY OF DETROIT
OFFICE OF THE INSPECTOR GENERAL
2017 SECOND QUARTER REPORT

April 1, 2017 – June 30, 2017



JAMES W. HEATH, ESQ.
INSPECTOR GENERAL

October 18, 2017



A Message from the Inspector General

I am pleased to submit the 2017 second quarter Office of the Inspector General (OIG) report. I strive to maintain a transparent environment and as such, this report is compiled and posted for review by the citizens of Detroit. It covers the period beginning April 1, 2017 and ending June 30, 2017.

The OIG is a multidisciplinary organization comprised of attorneys, investigators and auditors who work in concert to investigate allegations of fraud, waste, abuse and corruption involving Detroit public servants and contractors. Our authority is derived from the 2012 Charter of the City of Detroit.

The following report represents the results of investigations that began as complaints which warranted further examination. Anyone can file complaints with our office via our online system, e-mail, telephone and in person. Individuals interested in learning more about the cases discussed in this report should feel free to contact the OIG with questions.

Office of the Inspector General Numbers at a Glance

The OIG received 90 complaints during the second quarter of 2017 and initiated 23 cases. The cases that were closed in this quarter, involved five departments or agencies.

Department/Agency	Number of Complaints
Buildings and Safety Engineering and Environmental Department	1
Detroit Police Department	1
Unemployment Insurance Agency	45
Detroit Land Bank Authority	3
Detroit Department of Transportation	1
Total	51

Closed Cases

A case is classified as closed when an OIG file manager submits a Request to Close Memorandum and the Inspector General approves the finding. During the second quarter of 2017, the Inspector General closed fifty-one (51) cases. Listed below are the synopses of the closed cases.

2017-CA-0018

The complainant alleged that a contractor improperly declared a residential property as “ready for demolition” based upon the condition of the front porch. The OIG began an investigation at which time, the complainant admitted that he did not have personal knowledge of the situation. The OIG made repeated attempts to obtain factual information for the investigation; however, the complainant refused to cooperate.

2017-DA-0011

The complainant alleged that public servants employed by the City of Detroit Office of the Chief Investigator (OCI) abused their authority by failing to investigate several complaints lodged by the complainant. The complainant accused OCI public servants of rude behavior. The OIG determined that OCI had in fact investigated the complainant’s allegations. Additionally, there was no evidence to substantiate the allegation of rude behavior.

2017-CF-0009

The complainant alleged that a City of Detroit contractor submitted an altered photograph to the Detroit Land Bank Authority (DLBA) showing a repaired sidewalk for a property. The OIG investigation determined that the contractor altered the photograph to show completion of the project and submitted it for payment. Based upon the OIG finding, the DLBA suspended the contractor for 90 days from bidding, contracting, or subcontracting on any Request for Proposals of the Detroit Building Authority.

2016-CF-0083

The complainant alleged that a City of Detroit contractor submitted five altered photographs to the Detroit Land Bank Authority (DLBA) showing repaired sidewalks for five properties. The OIG investigation determined that the contractor altered the photographs to show completion of the project and submitted them to DLBA for payment. Based upon the OIG findings, the contractor was suspended from bidding, contracting, or subcontracting on any Request for Proposals of the Detroit Building Authority. The suspension extends to June 1, 2020, or the closing of all Hardest Hit Funds awarded to the DLBA, whichever is later.

2014-NA-0036

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$20,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0057

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$9,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0111

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$14,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0047

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$22,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0112

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$18,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0316

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$8,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0315

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$18,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0311

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$9,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0253

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$8,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0307

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$11,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with felony unemployment fraud.

2014-NA-0294

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$7,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0122

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$8,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0049

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$17,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0263

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$10,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0050

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$22,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with felony unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0030

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$16,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0284

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$12,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0037

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$9,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0249

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$16,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0282

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$20,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0169

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$8,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0342

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$10,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0327

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$10,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0334

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$8,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0251

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$6,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0333

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$10,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0118

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$13,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0329

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$11,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0155

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$12,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0153

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$4,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0227

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$11,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0225

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$8,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0266

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$8,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2015-NA-0081

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$5,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0148

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$30,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with felony unemployment fraud. The employee entered into a stipulated payment agreement to make restitution payments.

2014-NA-0228

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$11,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0345

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$14,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with felony unemployment fraud. The employee paid the restitution amount in full.

2014-NA-0358

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$6,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0357

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$4,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0143

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$7,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0374

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$16,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud. The employee signed a stipulated payment agreement to make restitution payments.

2014-NA-0297

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$7,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0032

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$18,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0055

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$15,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2014-NA-0105

The complainant alleged that this employee fraudulently collected unemployment benefits while working for the City of Detroit. The OIG and the UIA conducted a joint investigation into the allegation. There was sufficient evidence to sustain this allegation. The employee collected over \$5,000 in ineligible unemployment benefits. The State of Michigan Attorney General charged the employee with misdemeanor unemployment fraud.

2017-DF-0016

The complainant alleged that a Detroit Department of Transportation (DDOT) Transportation Equipment Operator (TEO) was unqualified to hold the position. The OIG investigated the complaint and determined that the Human Resources Department had adequate policies and procedures in place to address this concern.