

City of Detroit

Office of Inspector General

2019 4th Quarterly Report

(October 1, 2019 – December 31, 2019)



Ellen Ha, Esq., CIG

Inspector General

January 13, 2020

A Message from the Inspector General



As we close Calendar Year 2019 and reflect back, we are thankful for the growth of our Office and the collective knowledge we've gained during the year on multiple matters concerning how the City of Detroit operates and sustains itself with honesty and integrity. Below are some highlights of our noteworthy and significant accomplishments for this year.

Accreditation of the Inspector General

First, as noted in our last quarterly report, I am now a Certified Inspector General (CIG). As a gesture of our commitment to and in support of the community of Inspectors General in the country, I pursued my certification through the Association of Inspectors General (AIG) Institute. The purpose of the AIG is to “foster and promote public accountability and integrity in the general areas of the prevention, examination, investigation, audit, detection, elimination and prosecution of fraud waste and abuse through policy research and analysis; standardization of practices, policies, and ethics, encouragement of professional development by providing and sponsoring educational programs, and the establishment of professional qualification, certification and licensing.¹” Therefore, my certification was only received after a week of intensive training and testing.

I am proud to report that all of our investigators and forensic auditors are certified in their respective fields of expertise and are current in their certification, which requires 20 hours of annual continuing professional education. Accreditation by professional peers is important to our Office, as it provides meaningful context in what we do as a community. All inspectors general are committed to honesty and integrity in how we conduct and govern ourselves in the public sector.

Personnel Changes

Again, as reported in the OIG's last quarterly report, we have had some personnel changes in the Office. One of our investigators took a job with a federal law enforcement agency. We are currently looking for an investigator to fill the vacant position. Around the same time, because of the increasing number of OIG administrative hearings, interim suspensions and debarments, we hired a law clerk for the Office.

Quarterly Reports

My staff and I are proud to report that all of the 2019 OIG's Quarterly Reports have been timely submitted and published. As reported in the following pages, we have closed 231 complaints and 114 investigations this calendar year.

In addition to the quarterly reports, we strengthened our quality review process by implementing quarterly review evaluations/meetings with each investigator, forensic auditor, and attorney to discuss the progress of their respective open files and goals for the upcoming quarter for each matter. The quarterly review meetings are in addition to the weekly staff meetings where we

¹ Principles and Standards for Offices of Inspector General, Green Book.

discuss cases as a cooperative group. Needless to say, all cases are vetted thoroughly by our Office.

Administrative Hearings

The Charter requires that whenever the OIG's findings are critical of any official action, we are required to provide a copy of the draft report to the affected parties. Thereafter, parties are entitled to provide a written response and/or to request an administrative hearing on the matter. In Calendar Year 2019, we conducted 9 administrative hearings on matters concerning various OIG investigations.

Thus far, all parties who requested administrative hearings have been represented by legal counsel. Seven (7) of the nine (9) administrative hearings are now closed and have resulted in comprehensive reports which have been published. The hearings were held in accordance with the OIG Administrative Hearing Rules and provided the affected party(ies) with an opportunity to present testimony and/or evidence that certain factual findings in the OIG's draft report were either incorrect or inaccurate.

In accordance with the Administrative Hearing Rules, OIG's final reports include a copy the administrative hearing transcript(s) and exhibit(s) introduced during the hearing(s), as well as any written response(s) and information submitted prior to, during, and/or post the hearing(s).

Debarments

Most importantly, in Calendar Year 2019, we were able to exercise the City's right to debar City contractors who engaged in the act of bribery and other misconduct. Debarment proceedings can be complex and tedious as the process requires multiple steps which are time consuming and sensitive.

The proceedings also require sound research and thorough writing. They involve back and forth interactions with legal counsel, as the parties have been represented by determined counsel. During Calendar Year 2019, we debarred 7 companies (5 tow companies and 2 IT companies) and 9 individuals who had significant financial ownership interests of the debarred companies.

Debarment Appeals Hearings

The debarments initiated by the OIG also led to appeals before City Council (Council). We have had 2 debarment appeal hearings before Council during Calendar Year 2019. Debarment appeals are also time consuming and can be complicated, since this is a new process for the City. In both appeals, Council upheld our final determination to debar the contractors and the individuals identified in our reports.

Because not many inspector general offices around the country have the ability to debar contractors or subcontractors, we have become a much sought-after agency by other Inspectors General offices for information about our processes. Moreover, because we have the ability to debar (sub)contractors up to 20 years, more local and federal law enforcement agencies are working with us on their investigations.

Interim Suspensions

Likewise, during Calendar Year 2019, we have issued interim suspensions to 4 companies and 4 individuals involving demolition matters. We are working diligently with multiple agencies and departments (local, state and federal) to ensure interim suspensions are issued properly under the City's Debarment Ordinance.

OIG Investigations and Reports

During the 4th Quarter of 2019, we closed 15 investigations. Please see pages 17-24 of this report for summary details for each closed investigative file. Combined with this quarter and as noted in our previous quarterly reports, we closed 231 complaints and 114 investigations during the Calendar Year 2019.

Moreover, we recently completed two major investigations pertaining to the Board of Police Commissioners (BOPC) and Make Your Date (MYD), both of which received public attention through various media outlets. In that regard, for the first time since the inception of this Office, we made a formal request to Corporation Counsel to enforce the Charter in relation to OIG File No. 18-0050-INV on various matters pursuant to Section 7.5-209 of the Charter. With respect to OIG File No. 19-0013-INV, we appeared before Council to present our findings and to answer any Council inquiries pursuant to a request from Council President Jones.

Referral for Prosecution

During Calendar Year 2019, two (2) of our investigative files that we referred to law enforcement agencies were accepted for prosecution. One was referred to the Department of Justice and another was referred to the Wayne County Prosecutor's Office. Both resulted in felony charges against individuals who were essentially involved in defrauding the City.

Presentations

As referenced above, because the City's debarment efforts have been thus far successful, at the request of the AIG, we gave a presentation during the 2019 AIG Conference in Florida, regarding the City of Detroit debarment process and procedures. The presentation was well received by AIG members from all over the country and Canada.

Likewise, because the OIG is still a unique concept in the Michigan municipal communities, we were also asked to provide a presentation at one of the conferences of the Michigan Association of Municipal Attorneys (MAMA) in Lansing. This presentation was also well received by its members.

Calendar Year 2020

The lease for our Office at Cadillac Square expires at the end of Calendar Year 2020. Therefore, we will be relocating our Office. We hope to move to a building that is still within walking

distance from the Coleman A. Young Municipal Center. We will keep you informed of our progress.

Lastly, as we close Calendar Year 2019 and begin anew in 2020, we wish everyone a happy, safe and peaceful new year. We hope to open and greet 2020 with renewed strength and commitment to our mission.

Introduction

Prior to filing for bankruptcy in 2013, the City of Detroit suffered another negative historic moment in 2008. At the request of the Detroit City Council, then Governor Jennifer Granholm presided over a forfeiture hearing of then Mayor Kwame Kilpatrick, who was criminally charged with public corruption and eventually sentenced to a lengthy prison term.

Shortly thereafter, the 2009 Charter Commission was created to review and recommend certain revisions to the Charter. The people of the City of Detroit later adopted the Commission's recommendations on November 8, 2011 to ensure such negative history does not repeat itself. The 2012 Detroit City Charter therefore contains lessons learned in 2008 and the prior years.

More specifically, the 2012 Charter of the City of Detroit created the Office of Inspector General (OIG); and provided the OIG with independent authority "to ensure honesty and integrity in City government."

Although the creation of the OIG appears to make the Inspector General (IG) omnipotent over all branches of City government and contractors, its powers are limited under the Charter.

Specifically, Section 7.5-305 of the Charter limits the jurisdiction of the IG to "the conduct of any Public servant and City agency, program or official act, contractors and subcontractors . . . business entities . . . and persons" seeking certification or who are participating in "any city programs."

Section 7.5-306 of the Charter further restricts the power and the authority of the IG to "investigate. . . in order to detect and prevent waste, abuse, fraud and corruption;" and to report such matters and/or recommend certain actions be taken in accordance with Sections 7.5-308 and 311.

To conduct such investigation, Section 7.5-307 of the Charter provides the IG with the power to subpoena witnesses and evidence; to administer oaths and take testimony of individuals; to enter and inspect premises; and to enforce the same.

The Charter further requires that every public servant, contractor, subcontractor, licensee, applicant for certification to cooperate in the IG's investigation, as failure to do so would subject that person "to forfeiture of office, discipline, debarment or any other applicable penalty." See, Section 7.5-310.

To encourage individuals to report "waste, abuse, fraud and corruption," Section 7.5-313 requires all investigative files to be confidential except where production is required by law; and Section 7.5-315 prohibits retaliation against any persons who participate in the IG's investigation.

In keeping with due process, Section 7.5-311 of the Charter requires that when issuing a report or making recommendations "that criticizes an official act," the affected party be allowed "a reasonable opportunity to be heard at a hearing with the aid of counsel."

Since all governmental bodies must be held accountable in their role, the Charter requires that the IG issue quarterly reports to the City Council and the Mayor, which shall be made public and published on the City's website. See, Section 7.5-306.

The Detroit Office of Inspector General is a proud and active member of the Association of Inspectors General (AIG). The Association is the professional organization for offices dedicated to government accountability and oversight. The Detroit Office of Inspector General was founded on the model principals of the Association. One of the most important roles the AIG plays is establishing and encouraging adherence to quality standards through its certification program. Each OIG staff member has participated in AIG training and received their certification in their area of discipline.

The Detroit Office of Inspector General joins a growing community of municipal Inspector General Offices across the country including Chicago, Baltimore, New Orleans, New York, and Philadelphia. What used to be a tool for good government for Federal and State Agencies is now making its way to local government.

Office of the Inspector General Organizational Structure: 4th Quarter of 2019

Between October 1, 2019 and December 31, 2019, the City of Detroit Office of the Inspector General (OIG) consisted of the following individuals:

Ellen Ha, Esq., CIG, **Inspector General**;
Kamau Marable, CIG, **Deputy Inspector General**;
Jennifer Bentley, Esq., CIGI, **OIG Attorney**;
Edyth D. Porter-Stanley, CIGA, CFE, **Forensic Auditor***;
Beverly L. Murray, CIGA, CFE, **Forensic Auditor***;
Jacqueline Hendricks-Moore, CIGI, CFE, **Investigator**;
Kelechi Akinbosede, Esq., CIGI, **Investigator**;
Norman Dotson, **Law Clerk**;
Kasha Graves, **Administrative Assistant**; and
Tracey Neal, **Administrative Assistant**.

It is important to note the City of Detroit has three (3) different agencies which employ auditor(s) who perform unique audit functions for each agency. With three (3) different types of auditors performing different functions, it is common to confuse their activities and purpose.

OAG Auditors

The OAG, like the OIG, is an independent agency pursuant to Article 7.5, Chapter 1 of the 2012 Charter of the City of Detroit (Charter). The Charter provides the OAG the authority to “make audits of the financial transactions, performance and operations of City agencies based on an annual risk-based audit plan prepared by the Auditor General, or as otherwise directed by the City Council. . . .” Therefore, the OAG provides internal audits of the City.

The OAG’s internal auditors conduct reviews of City of Detroit departments and programs, usually on regular time intervals. They report on internal control weaknesses, lack of compliance with policies and procedures, laws and regulations that result in project inefficiencies, and financial abnormalities.

External Independent Auditors

The City of Detroit, through its OAG and Office of the Chief Financial Officer, is also required to perform an audit of the City by external auditors on an annual basis.

The external auditors perform the annual financial audit to certify the financial information is presented fairly in the City's Comprehensive Annual Financial Report (CAFR). They accomplish this with an approach similar to that of the OAG, but the external auditors examine the financial accuracy of the CAFR, rather than a specific program or department's operational compliance with policies and procedures.

OIG Forensic Auditors*

The American Institute of Certified Public Accountants (AICPA) and the Institute of Internal Auditor (IIA) both state that the primary purpose of external and internal audits is not to detect and identify fraud. However, ***detecting and identify fraud is the primary purpose of the OIG forensic auditors.***

The OIG's forensic auditors are specially trained to examine various financial records, reveal fraudulent activities, and identify criminal suspects. They are able to use this expertise to identify missing funds, and the reasoning for these missing funds, in conjunction with fraud investigations. As such, the auditors from the OIG often work with the auditors from the OAG; and audits performed by respective agencies complement one another. Some of the OIG investigations which are assigned to the OIG auditors are referrals from the OAG.

The OIG is currently working on policies and procedures to proactively identify fraudulent trends that can help spawn additional OIG investigations and cases for criminal prosecution.

How OIG Complaints Are Received

The OIG receives complaints in the following manner:

Via Internet: www.detoig.org or www.detroitmi.gov/inspectorgeneral

(The website is on a secure server, which allows individuals to provide information on a secure electronic report form 24 hours a day, 7 days a week.)

Via Telephone Hotline: 313-964-TIPS or 313-964-8477

Via OIG Telephone Line: 313-628-2517 or 313-628-2114

Via Facsimile: 313-628-2793

Via Mail: City of Detroit Office of Inspector General
65 Cadillac Square, Suite 3210
Detroit, Michigan 48226

Via Personal Visit to the OIG Office at the above address.

(Please note that the current lease for the City of Detroit OIG Office is set to expire at the end of Calendar Year 2020. We anticipate to move from 65 Cadillac Square sometime in 2020 prior to the lease expiration. Upon confirmation of our new location, we will update our website.)

Some complaints are referrals from the city's various departments and agencies. The OIG is proud of the professional relationship it maintains with its fellow public servants.

How OIG Complaints Are Resolved

All complaints submitted via the website automatically generate an OIG File with a complaint number.

Most complaints, either audio or on paper will result in an OIG File with a complaint number.

Some complaints received over the telephone directly by OIG personnel may result in a referral to another City department or agency, or to another legal entity. For example, the OIG does not handle matters involving private parties, such as identity theft, land-lord tenant dispute, or personal injury. In these cases, the OIG will refer the complainant to the appropriate entity without creating an OIG File.

Based on initial review of the complaint, one or two of the following may occur:

- 1) An investigative file may be opened and a new file number will be assigned;
- 2) An OIG employee may follow up with the complainant to obtain additional information pertaining to the complaint;
- 3) The OIG will send a letter stating that we have decided not to investigate your complaint or that we have closed your complaint (*sometimes, we are not able to obtain additional information from the complainant which may assist us in determining whether we are able to investigate the allegations made in the complaint*);
- 4) A referral to another department, agency, or legal entity, such as the City's Ombudsman's Office, Detroit Police Department, City of Detroit Buildings, Safety Engineering, and Environmental Department, Wayne County Sheriff or Prosecutor's Office, FBI, Michigan Department of Health and Human Services, or a legal aid office; or
- 5) The OIG will close the complaint without notifying the complainant. This usually occurs when the complainant has not left contact information or if the OIG does not believe it is appropriate to contact the complainant.

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

Based on the OIG's historical data, the majority of complaints received by the OIG do not result in an investigation. However, all of the complaints are carefully reviewed before the complaint is rejected or referred to another agency.

For example, in the first three quarters of 2018, the OIG received 204 complaints but only initiated 32 investigations. One of the primary reasons we did not initiate investigations into all complaints is a common misunderstanding of the OIG's jurisdiction. People often mistake the

OIG as an agency which performs inspection of buildings, or as an agency which enforces the law. Therefore, we typically receive an inordinate amount of requests for building inspections. Other common complaints involve parking ticket resolutions, identity theft, and property owner disputes. The OIG attempts to aid each complainant in finding the appropriate entity to resolve their problems. In particular, our administrative support staff works tirelessly to ensure that each complaint is addressed appropriately in a professional manner. Therefore, the initiated investigations-to-complaints ratio should not be confused with the OIG's workload.

How OIG Investigations Are Conducted and Resolved

The OIG may initiate an investigation based on information received in the complaint or on its own initiative.

An investigation is initiated when an Investigative File is opened and an auditor(s) and/or investigator(s) is/are assigned to the file.

An investigation would generally involve one or more of the following:

- 1) Interview of complainant(s) and/or witness(es);
- 2) Acquisition of evidence and/or documents and review of the same; and
- 3) Analyses of the evidence and/or documents reviewed, including forensic audit or review.

An OIG investigation would result in findings by the OIG, which may substantiate the complainant's allegation of waste, abuse, fraud or corruption in the City's operation or personnel or that of its contractors and/or subcontractors.

In some instances, although the complainant's allegations do not equate to waste, abuse, fraud or corruption, during the investigation of the allegations, the OIG may find other instances of waste, abuse, fraud or corruption. In such instances, the OIG will launch a separate investigation on its own initiative.

Likewise, if the investigation reveals that criminal activity may be involved, pursuant to Section 7.5-308 of the 2012 Charter of the City of Detroit (the Charter), the Inspector General is required to "promptly refer the matter to the appropriate prosecuting authorities."

The OIG summarizes the findings of the investigation in the OIG's final report. However, pursuant to Section 7.5-311(1) of the Charter, "no report or recommendation that criticizes an official act shall be announced until every agency or person affected [by the report or recommendation] is allowed a reasonable opportunity to be heard at a hearing with the aid of counsel."

The Inspector General conducts the hearing pursuant to Sections 2-111 and 7.5-311 of the 2012 Charter, and in accordance with the OIG Administrative Rules for Hearings.

Lastly, Section 7.5-311(2) of the Charter requires "after the hearing, if the Inspector General believes it necessary to make a formal report, a copy of any statement made by an agency or person affected shall accompany the report."

2019 4th QUARTER OIG STATISTICS

(October 1, 2019 – December 31, 2019)

Sources of Complaints Received by the OIG in the 4th Quarter

Complaint Source	Number Received
Internet (Website)	61
Telephone Hotline	4
OIG Telephone	4
Mail	2
Personal Visit	3
Email	8
OIG Initiation	1
Total	83

Categories of Complaints Received by the OIG in the 4th Quarter

Categories of Complaints	Number Received
Waste	0
Abuse	16
Fraud	8
Corruption	3
Other	56

How Complaints Were Resolved by the OIG in the 4th Quarter

Open investigative files	8
Decline investigation or Referral	75

Categories of OIG Investigations Initiated by the OIG in the 4th Quarter

Categories of Investigations	Number Initiated
Waste	0
Abuse	3
Fraud	4
Corruption	0
Other	1

Status of OIG Investigations in the 4th Quarter

Open	Closed
8	15

2019 YEAR-END OIG STATISTICS²

(January 1, 2019 – December 31, 2019)

Sources of Complaints Received by the OIG in 2019

Complaint Source	Number Received
Internet (Website)	127
Telephone Hotline	27
OIG Telephone	10
Mail	5
Personal Visit	11
Email	46
OIG Initiation	2
Other	3
Total	231

Categories of Complaints Received by the OIG in 2019

Categories of Complaints	Number Received
Waste	4
Abuse	61
Fraud	24
Corruption	15
Other	127

How Complaints Were Resolved by the OIG in 2019

Open investigative files	38
Decline investigation or Referral	193

² The annual statistics for Calendar Year 2019 are slightly different from the statistical sum of each quarterly report. This is solely due to a minor systematic tabulation issue regarding the number of open investigations in the 2019 2nd Quarterly report.

Categories of OIG Investigations Initiated by the OIG in 2019

Categories of Investigations	Number Initiated
Waste	2
Abuse	16
Fraud	10
Corruption	5
Other	5

Status of OIG Investigations in 2019

Open	Closed
38	114

Short Summary of Investigations Closed in the 4th Quarter of 2019

The following reflects fifteen (15) investigations the OIG closed in the 4th Quarter of 2019 with an accompanying synopsis for each investigation.

17-0065-INV

The Office of Inspector General (OIG) received a complaint alleging that the Detroit Department of Transportation (DDOT) received defective parts from a vendor, resulting in wasted funds. The complainant did not provide specific information or instances to support the validity of the complaint, and due to the vast number of repairs the DDOT Vehicle Maintenance Division (VMD) performs daily, the OIG determined it would not conduct an investigation of this complaint.

However, based on information the OIG obtained from the VMD, it was determined that DDOT did not have sufficient policies and procedures to ensure that the parts removed from DDOT coaches by mechanics were properly handled by VMD staff. Therefore, the OIG initiated audit number 2020-0001 to determine whether DDOT was subject to waste, fraud, abuse or corruption related to the mishandling of defective or scrap parts removed from DDOT coaches. This OIG will provide information to DDOT to ensure their revised policy related to scrap materials adequately safeguard the departments scrap materials from waste, fraud, abuse and corruption.

18-0016-INV

The complainant alleged that the Director of the Board of Zoning Appeals (BZA) added an “Expedite Fee” to the BZA fee schedule without the approval of the City Council. The OIGs investigation confirmed that City Council approved fee increases that were made to the fee schedule in November of 2013. However, the City Council did not approve the “Expedite Fee” which the Director added to the fee schedule. Based on the investigation the Director agreed to: 1) revert to the last City Council-approved BZA fee schedule; 2) ensure all applicable City of Detroit department that distribute the BZA fee schedule have the last City Council approved version; 3) obtain guidance from the Office of the Chief Financial Officer regarding compliance with CFO Directive 2018-101-037 to officially determine whether the “Expedite Fee” is appropriate for submission to the City Council; and 4) obtain training regarding compliance with the 2012 City of Detroit Charter from the Law Department regarding changes to the BZA Fee Schedule.

18-0025-INV

The Office of Inspector General (OIG) was notified by Beau Taylor, Executive Director for the Detroit Public Lighting Authority (PLA), that StateLine Construction and Maintenance, LLC (Stateline), a PLA contractor, was fraudulently billing the PLA. Mr. Taylor alleged StateLine submitted forged invoices to the PLA for services provided by Bennett/Daly’s Answering Service (Bennett). StateLine provides operations and maintenances services for the PLA. Bennett is a subcontractor of StateLine, which provides call center services for all of PLA’s street lighting matters. Typically, Bennett billed StateLine for the services rendered and

StateLine would then request payment from PLA. PLA would pay StateLine and StateLine would then pay Bennett. The OIG reviewed documents from PLA and Bennett, interviewed employees of PLA and Bennett. The OIG's investigation found that: 1) StateLine overcharged the PLA by \$17,612.24 for services that were neither performed by StateLine nor Bennett; and 2) there was sufficient evidence that StateLine submitted at least six (6) fraudulent invoices to PLA for payment.

The 2012 Detroit City Charter requires if the Inspector General has probable cause to believe that a public servant or a contractor doing business with the City has committed or is committing an illegal act to refer the matter to the appropriate prosecuting authorities. Therefore, the OIG forwarded its investigative summary with findings to the Office of the Wayne County Prosecutor (WCPO) for further legal action.

On October 17, 2019, the WCPO charged Melanie Steele, Chief Operating Officer, and Ernest Coger, owner of StateLine, with felony: 1) False Pretenses \$20,000 or more; and 2) Embezzlement \$20,000 or more. On November 12, 2019, at the preliminary hearing, all charges against Ms. Steele were dropped. The embezzlement charge against Mr. Coger was dropped, but he was bound over for trial on the charge of "False Pretenses" and is currently awaiting a trial date.

18-0050-INV

The complainant alleged the Board of Police Commissioners (BOPC) Board Secretary Gregory Hicks abused his authority while filling the positions for Executive Manager-Police. While conducting the investigation the OIG received additional complaints against the BOPC alleging abuse of authority, violations of the Michigan Open Meeting (MOA), harassment and retaliation.

The OIG conducted a review and evaluation of BOPC's emails, documents and policies. Also, the OIG interviewed BOPC employees and board members. The OIG's investigation found that:

1. The BOPC violated Section 7-804(3) of the 2012 Detroit City Charter by improperly delegating its Charter mandated authority to the Board Secretary Mr. Hicks.
2. The BOPC violated the 2012 Detroit City Charter and the Michigan OMA when hiring for the Executive Manager – Police (Fiscal, Policy and Administration) position.
3. Former BOPC Chair Willie Bell violated the 2012 Detroit City Charter and the Michigan OMA when unappointing Mr. R. Brown the Executive Manager-Police (Administration) position;
4. The Board Secretary Mr. Hicks abuse his authority by crafting job descriptions to support his decision to hire Mr. R. Brown for the Executive Manager-Police (Administration) position.
5. Mr. Hicks and Ms. F. Johnson provided false statements to the OIG pertaining to the assistance Mr. Hicks gave Ms. Johnson with updating her resume that was submitted to the City's HR Department for the Executive Manager – Police (Fiscal) position.

6. The BOPC did not violate the 2012 Detroit City Charter or the Michigan OMA when hiring the Chief Investigator for the Office of the Chief Investigator (OCI) and the Director of Police Personnel.

The OIG recommended that:

1. All actions taken by the BOPC comply with the Michigan OMA.
2. The BOPC rescind the board's delegation of authority (Mr. Hicks).
3. The BOPC issue appropriate discipline to Mr. Hicks, Ms. F. Johnson and Commissioner Bell.
4. The BOPC and staff be trained on procedures pertaining to the Michigan OMA and 2012 Detroit City Charter to ensure compliance.
5. All positions created within the BOPC be consistent with the requirements of the City HR's regulations.

Moreover, because the BOPC and former BOPC Chair Bell had neglected their Charter mandated responsibilities, the OIG referred these violations of the Charter to the Corporation Counsel to enforce the Charter pursuant to Section 7.5-209 of the Charter..

19-0001-INV

The complainant alleged that the Detroit Land Bank Authority (DLBA) fails to post all properties that are for sale on its website, preventing members of the public from purchasing those properties. The Complainant further alleged that the properties that are not posted are left to the discretion of the members of the Detroit Real Estate Committee who sell them to preferred third-party real estate companies. The OIG's investigation found that through various disposition programs, an extensive application process and comprehensive policies, the DLBA demonstrated that it has a fair and open process of marketing and distributing its properties to the public. Additionally, the OIG found no evidence that the DLBA Community Partners are given preferential treatment over others. The OIG concluded that the DLBA did not abuse its authority in marketing and distributing its properties to the public, and accordingly, closed the investigation.

19-0007-INV

The complainant alleged that the former Detroit Health Department (DHD) inappropriately relinquished its role in a fatherhood program, Fathers Forward, to the nonprofit Black Family Development (BFD), because of a familial relationship between the former director and a staff member of the BFD. The complainant further alleged that DHD resources were inappropriately used for BFD activities. The OIG found no evidence that DHD abused its authority by providing preferential treatment to BFD. Additionally, there was no evidence that BFD received additional resources.

19-0010-INV

The complainant alleged a Buildings, Safety Engineering and Environmental Department (BSEED) Building Inspector solicited bribery from Hispanic residents. The OIG found that the complaint did not include sufficient information to investigate the complainant's claims.

19-0013-INV

On April 5, 2019, in accordance with the 2012 Charter of the City of Detroit (Charter), the Office of Inspector General (OIG) initiated its own investigation pertaining to questions surrounding Wayne State University's Make Your Date (MYD) program and the support it received from the City.

It is important to note that the OIG is an independent agency that is charged with ensuring honesty and integrity in the City. Our jurisdiction is limited by the Charter to investigate matters concerning abuse, waste, fraud, and corruption. We do not have jurisdiction over legal matters, and as such, we do not provide legal analyses or make legal determinations. We gather evidence during the course of our investigation and make factual findings. The OIG investigation led to two (2) key findings which are reflected in detail in the OIG's Report. The key findings are

1. MYD was unilaterally selected by the Mayor based on his experience and the advice of members of his transition team. However, the OIG finds that any time an agency, non-profit, or other organization receives City of Detroit resources, it should be selected through a fair, open, and transparent process. This is necessary to ensure the public that City time and resources, including taxpayer dollars, are being expended wisely, efficiently, and effectively.
2. The Mayor's Chief of Staff, Alexis Wiley, ordered certain Office of Development and Grants (ODG) employees to delete their respective emails pertaining to MYD through Chief Development Officer Ryan Friedrichs and Deputy Chief Development Officer Sirene Abou-Chakra. The deletion of emails only serves to undermine the public's trust in an open and transparent government. Therefore, the OIG finds such conduct as abuse of authority.

Of the above-referenced OIG's key findings, the OIG found the latter to be more egregious conduct for the reasons stated in this summary. The very fact that they were ordered to be deleted alone casts a shadow over transparency.

Additionally, it is important to note that the OIG is not making a determination on whether the support provided by the City in MYD's effort to reduce infant mortality in the City was wrong. In fact, the OIG recognizes and applauds Mayor Duggan and the City of Detroit's, including the Detroit Health Department and SisterFriends Detroit, efforts to reduce infant mortality as well as the significant contributions made by MYD. It is entirely appropriate that City time and resources be allocated to this goal. However, there must be a process by which any agency, non-profit, or other organization is selected to receive these resources.

The OIG recommended that:

1. The City of Detroit establish policies and procedures to ensure fairness, openness, and transparency in the selection of organizations, agencies, and nonprofits that will partner with the City of Detroit and receive any type of City resource.
2. Provide training to ODG staff as well as Alexis Wiley regarding Michigan Record Retention Policy.
3. Issue appropriate discipline to Alexis Wiley for ordering ODG staff to delete MYD emails as well as for providing misleading public statements regarding MYD funding.
4. Issue appropriate discipline to Ryan Friedrichs for ordering ODG staff to delete MYD emails.
5. Issue appropriate discipline to Sirene Abou-Chakra for ordering ODG staff to delete MYD emails.
6. Establish a policy preventing all public servants from conducting City business on personal email accounts.

19-0019-INV

The complainant alleged that Office of the Chief Investigator (OCI) Supervisor Lawrence Akbar took his subordinates out for an extended lunch which involved the consumption of alcoholic beverages and using a city vehicle as their means for transportation. The OIG investigation included a review of OCI documents/policies and City policies. Additionally, the OIG interviewed OCI investigators under Mr. Akbar's supervision.

The OIG's investigation found that: 1) on May 2, 2019, Ms. Coulter, Ms. Stewart and Ms. Madrigal went out to lunch and consumed an alcoholic beverage during work hours which is in violation of the City's Substance Abuse Policy; 2) Ms. Coulter operated a city vehicle after consuming an alcoholic beverage which is in violation of City's Substance Abuse Policy; 3) there was no evidence to substantiate the allegation that Mr. Akbar consumed alcohol during work hours on May 2, 2019; and 4) several of Ms. Madrigal's answers to the OIG's questions were inconsistent and contradictory to the statements provided by Ms. Coulter, Ms. Stewart and Mr. Akbar.

The OIG recommended that OCI take appropriate disciplinary actions against Ms. Coulter, Ms. Stewart and Ms. Madrigal. Furthermore, the OIG found that Ms. Coulter and Ms. Stewart were truthful in their answers, cooperated fully with the OIG's investigation, and expressed remorse for their inappropriate decision. The OIG recommended that Ms. Coulter and Ms. Stewart cooperation and honesty be taken into consideration with disciplining them.

19-0023-INV

The complainant alleged misconduct by a member of the Board of Police Commissioner (BOPC). Specifically, the complainant alleged: 1) A police commissioner lied on a report about two police officers; 2) This same police commissioner submitted a false Garrity statement pertaining to the two officers; and 3) The Detroit Police Officers Association (DPOA) had five complaints against this same police commissioner involving the BOPC' denial of legal representation to police officers. The OIG interviewed the DPOA's current President and Vice President about these allegations. The OIG's investigation found no evidence to substantiate the complaint. Accordingly, the OIG closed the case.

19-0029-INV

The complainant alleged that contracts awarded to Clark Hill PLC and Fink + Associates Law violated Section 4-122 of the 2012 Detroit City Charter ("the Charter"). Moreover, it was alleged that the Detroit City Council abused its authority when approving the legal services contracts of Clark Hill PLC and Fink + Associates Law. The OIG's investigation found no evidence to substantiate the allegation regarding the contracts of Fink + Associates Law, nor evidence to support the allegation that Detroit City Council abused their authority by approving the contracts. However, the OIG found that the Clark Hill contracts resulted in a technical violation of the Charter by failing to include the provisions and stipulations required under Sections 4-122 and 7.5-310. The OIG notified the Law Department of our findings, and in turn, the Law Department updated the Clark Hill contracts to include the language contained under Sections 4-122 and 7.5-310 of the Charter, and updated all contract templates to the language required by the Charter.

19-0032-INV

The complainant alleged that the Detroit Land Bank Authority (DLBA) showed favoritism in its auction programs. Specifically, the complainant alleged the DLBA worked with a high profile purchaser in the sale of his property at 253 Marston, but failed to work with the purchaser of 258 Smith to rehabilitate the property. The OIG found that the DLBA followed its Policies governing Auctions in disposing 258 Smith and 253 Marston. The OIG concluded that there was no evidence of favoritism or fraud in the disposition of those properties.

19-0033-INV

The Office of Inspector General (OIG) received a referral from the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). The referred complaint alleged that City of Detroit Mayor Mike Duggan owned public properties in his personal name. The complaint further alleged that the Complainant was in the Detroit Land Bank Authority's (DLBA) Buy Back program to purchase property located at 16800 Edinborough Detroit, MI 48219, but was defrauded out of the purchase. The OIG found no evidence of Mayor Duggan owning DLBA properties in his name. The OIG also found that there was no evidence of fraud in the DLBA's Buy Back Program pertaining to the sale of 16800 Edinborough.

19-0035-INV

The complainant alleged that Detroit Department of Transportation (DDOT) Transportation Station Workers (TSWs) abused their authority by requiring Transportation Equipment Operators (TEO) to drive coaches after they documented defects of the assigned coaches. The OIG reviewed the alleged defects the TEOs documented on specific coaches. However, the OIG found no evidence the TSWs abused their authority based on DDOT policy regarding issues that warrant the removal of coaches from service and the authority vested in the TSWs and the mechanics related to assessing the condition of coaches. Accordingly, the OIG closed the case.

19-0036-INV

The complainant alleged that the City of Detroit held an improper sale of the property located at 55 Mt. Vernon. The property was available for the City of Detroit to elect to take by its Right of Refusal from Wayne County before the 2018 auction cycle. The OIG found that due to budget limitations, the Housing and Revitalization Department (HRD) removed the property from City Council's approved list of properties to take by Right of Refusal, and sold it at auction. The OIG concluded that HRD did not abuse its authority in selling the property at auction.

19-0038-INV

The complainant alleged that Vanguard Community Development Corporation purchased two properties from the DLBA and had not done anything to rehabilitate the properties. In a related investigation, 19-0001, the OIG found that Vanguard was in default of the Maintenance Agreement with the City for failure to complete the necessary repairs on the properties it acquired from the City. The City and Detroit Land Bank Authority are in the process of working with Vanguard to bring its properties in compliance with the Maintenance Agreement. Accordingly, the OIG closed the case.