

CITY OF DETROIT
OFFICE OF INSPECTOR GENERAL

REQUEST TO CLOSE INVESTIGATION MEMORANDUM

DATE: 8/12/2019

TO: Ellen Ha
Inspector General

Approved 

FROM: Kelechi N. Akinbosede
File Manager

CASE NAME: Inspector Bribery
OIG # 19-0009-INV
COMPLAINANT INFORMATION: Dave Bell

I. RECOMMENDATION

The OIG will close its investigation and refer any disciplinary action to BSEED.

II. COMPLAINTS

On March 13, 2019, the OIG received a complaint which alleged Buildings, Safety Engineering and Environmental Department (BSEED) Building Inspector Peenal Shah solicited bribery from business owners of properties he had inspected. Thereafter, on March 14, 2019, the OIG received another complaint of bribery allegations against Mr. Shah.

III. SHAH'S SUSPENSION

BSEED suspended Mr. Shah effective July 16, 2019 for a period of Thirty (30) days for a Group Offense IV- Embezzlement and/or accepting bribes/gifts in the course of carrying out assigned duties. Mr. Shah's suspension is with a recommendation for discharge. BSEED Director Dave Bell, BSEED Project Manager Anna Carter, Human Resources Representative Kayetta Wilder-Holly were signatories to the Notice of Suspension. Included with the Notice of Suspension was a Disciplinary Fact Sheet that detailed the statements from five property owners and a BSEED Inspector.

In response to Mr. Shah's suspension, on July 29, 2019, AFSCME #25, Local 1227 filed Grievance #MC21-19 on behalf of Mr. Shah. The Grievance claims the following:

- The Notice of Suspension was issued prior to a complete and thorough investigation by the Department;

- The matter was referred to the OIG and the OIG had not started its investigation;
- The Disciplinary Action Fact Sheet referenced 4 addresses, one of which does not exist and another address of which Inspector Shah was not the inspector of record;
- Business owners' written statements only provide hearsay testimony regarding the alleged payment that have heard or been told by others;
- BSEED issued the suspension based on the written statement of two business owners of which one has been closed by BSEED and may have reason to harm Inspector Shah; and
- There is no evidence to substantiate the claims contained in the Notice of Suspension.

IV. INVESTIGATION

On March 14, 2019, the OIG initiated an investigation. The scope of the OIG investigation was to determine whether there was any evidence of abuse of authority or fraud in Mr. Shah's actions as a BSEED Building Inspector.

The OIG took the following investigative actions:

1. Met with the City of Detroit Police Department (DPD);
2. Reviewed Mr. Shah's reports from Field Force Manager;
3. Reviewed Mr. Shah's reports from Property Maintenance Route Sheets;
4. Reviewed Mr. Shah's reports from Accela;
5. Reviewed Mr. Shah's Notice of Suspension and supporting documents;
6. Reviewed Mr. Shah's Grievance petition;
7. Interviewed five business owners; and
8. Interviewed Mr. Shah.

The following is the summary of the OIG's findings.

A. Meetings with personnel from the DPD and the OIG

Since the receipt of the complaints, personnel from the DPD and the OIG have communicated and met on several occasions. The OIG also met with personnel from the Detroit Land Bank Authority (DLBA) and BSEED to discuss the allegations.

BSEED provided the OIG and the DPD with a list of complainants and their written statements. Several complainants alleged Mr. Shah solicits \$1000 once or twice a year and \$500 for every inspection. BSEED reported that the complainants alleged Mr. Shah targets people of Middle-Eastern descent and threatens to ticket them for inspection violations. For those who agree to cooperate with his demands, he instructs them to put the money in the glove compartment of his car. And for those who do not comply with his demands, he issues a ticket for violation of Certificate of Compliance. BSEED found that Mr. Shah frequently visits properties outside his route without any reason to be there. And he documents his inspection routes on the Property Maintenance Division Route Sheets and Field Force.

B. OIG Interviews

BSEED provided the OIG with the following names and business addresses belonging to individuals who were allegedly targeted by Mr. Shah. These business owners also provided written statements to the BSEED, which were consistent with the statements provided to the OIG.

1. Charles Pickett, 9960 Freeland¹

Mr. Pickett stated that about 3-4 years ago, Mr. Shah conducted an inspection on his property with another individual named Tony Sabo². Mr. Shah approached Mr. Pickett and encouraged him to speak with Mr. Sabo so “things will go better with the inspection.” Mr. Sabo informed him that if he pays \$500, Mr. Shah will pass the inspection. Mr. Pickett did not comply with the request and did not hear from Mr. Shah for a while. About a year later, Mr. Shah’s father visited the property to ask Mr. Pickett a few questions about the project he was working on. According to Mr. Pickett, Mr. Shah’s father acted as if he was conducting an inspection by taking notes, but admits that he did not inspect the property. Mr. Pickett stated that later on in June 2019, Peenal Shah conducted an inspection.

Mr. Pickett stated Mr. Shah has a reputation in the neighborhood as being one of the most crooked inspectors in the city. Mr. Pickett believes that since Mr. Shah has been under investigation, he has been hard on every inspection to make it seem like he is very hardworking and thorough, when he actually does not do a good job.

Mr. Pickett reported that Mr. Shah has never issued a ticket to his property.

2. Ali Zagher, 14411 Joy Road

Mr. Zagher stated that sometime ago, while he was cleaning his property, Mr. Shah approached him to report that someone was complaining about him. Mr. Shah then requested \$2500 “to make it go away”. Mr. Zagher complied with his request and paid him \$500 cash every week until the \$2500 was paid in full. Mr. Zagher stated that he never received confirmation of the payment and does not know what the money was used for or whether the money went to the city. He reported that Mr. Shah had not shown up for a few scheduled inspections at his property. Instead, he would request that they meet at different locations.

Mr. Zagher reported that Mr. Shah has never issued a ticket to his property.

3. Ahmad Hourani, 12054 Greenfield

Mr. Hourani stated that he is aware of several businesses around his area that pay Mr. Shah \$1000 every year to pass inspections because they want to continue working. When Mr. Shah inspected his property, he initially failed the inspection. Later in the day, Mr. Shah came back, after having visited another property and issued him a passed inspection. Mr. Hourani

¹ In its Disciplinary Action Fact Sheet, BSEED provided the wrong address for Charles Pickett. The address is 9960 not 9660.

² Mr. Sabo does not work for BSEED.

claims that Mr. Shah had a change of mind when he reminded Mr. Shah of his failed bribery attempt about 3 years ago.

Mr. Hourani stated that he informed the City that he does not want Mr. Shah to do inspections on his property any longer because he does not do a good job. According to Mr. Hourani, Mr. Shah does not work for the city he works for himself.

Mr. Hourani reported that Mr. Shah has issued one ticket to his property for failure to have a Certificate of Compliance.

4. Ali Mezher, 9160 Greenfield

Mr. Mezher stated that on June 25, 2019, he went to court to obtain an extension for his Certificate of Compliance. The extension was granted until July 30-2019. Sometime before the July 30th deadline, Mr. Shah showed up at his property stating that he will recommend that the city shut down his business unless he paid him an unidentified amount of money. Mr. Mezher refused to make a payment and his business was shut down for about a week. Mr. Mezher admitted that he paid Mr. Shah a few years ago when he was trying to get his business up and running but now that he is in compliance, he does not want to pay him.

Mr. Mezher stated that Mr. Shah has been extorting money from hard working business owners for years, but people were too scared to report him. He claimed to have a video recording of Mr. Shah collecting an item in the parking lot across from his property. The property was not due for inspection until next year, however the owner wanted it open ahead of time. Mr. Mezher reported that he submitted this video recording to BSEED³.

Mr. Mezher believes that Mr. Shah has other people who work for him to collect bribe money. Mr. Shah sometimes uses the individual who files the paperwork for properties that have been issued tickets for non-compliance.

Mr. Mezher reported that Mr. Shah has issued a few tickets to his property for violation of Certificate of Compliance, leaving metal and used tires lying outside the shop, and illegal use of property. Mr. Mezher admitted that he did have metal and tires outside his shop but it was something he had done for many years and other business owners do the same thing without been ticketed. Mr. Mezher disputes the illegal use of property because his shop was zoned correctly.

5. Bassim Shaikham, 7940 Tireman

The OIG contacted Mr. Shaikham on several occasions to obtain a statement. Each time, he made an appointment to come to the office, however, he failed to keep the appointments.

6. Suzanna, 9201 Freeland and 9109 Freeland

³ BSEED confirmed that Mr. Mezher submitted the video recording to them.

The OIG contacted Ms. Suzanna to obtain a statement. She stated that her boss, who is the property owner provided a statement to BSEED and was not willing to provide another statement.

7. Peenal Shah

On July 31, 2019, the OIG interviewed Mr. Shah. He was accompanied by his Union Representative, Michael Clay from the AFSCME Union Local 1227.

Mr. Shah explained that as a Building Inspector, he reviews building plans, advises businesses on how to get permits, conducts property maintenance inspections and cites corrections for property owners and tenants. Management assigns him an area/sector with a list of buildings and he goes by the list to conduct the inspections. However, the sectors are not fixed, so management can change the sector assignments anytime. Mr. Shah also covers properties outside his route when his back up inspector is off work or an emergency complaint arises.

Mr. Shah conducts annual inspections of a property at least once a year. During the inspections, he ensures that the properties are in compliance with the City of Detroit Property Maintenance Code. Mr. Shah stated that he has limited interaction with the business owners during inspections. Most of the communications occur when the business owners appear for their hearings at the Department of Administrative Hearings (DAH) and they are not happy about the outcome.

Mr. Shah stated that he does not collect inspection fees from the property owners. He abides by BSEED's policy that property owners pay all fees at the department or mail a check with the invoice to the department.

Mr. Shah reported that he works alone most times, except when he is training a new inspector. The supervisors request new inspectors rotate with several inspectors before they go on the field alone. Mr. Shah uses his personal car to conduct inspections. BSEED provides a phone, which he uses along with his personal phone during inspections.

Mr. Shah explained that before each inspection, he prints a Zoning Clearance Check showing the address, legal use of the property and previous violations. He records his notes on those sheets during the inspection. The following day, he enters the results (violations and corrections) from the prior day's inspections into a computer system known as Accela. The inspectors started using Accela around December 2018. Before Accela, the paperwork was submitted and stored in the office.

If a property owner passes an inspection, the BSEED clerical staff sends an invoice to the property owner to pay the inspection fees and the DAH clearance fee. However, if they fail an inspection, the inspector issues a correction order with 30 days to fix the errors and schedule a re-inspection. The inspectors have ticket posters⁴ who will return to the property to post the

⁴ A ticket poster is an individual who delivers tickets to businesses that received a ticket for violations.

tickets on the business owner's property so the inspectors do not need to return to the property, unless to re-inspect the property after the correction order is addressed. Mr. Shah has also served as a ticket poster. After the 30 days, the case is referred to DAH for a hearing on the violation of the Certificate of Compliance.

In the past, DAH would issue tickets for failure to have Certificate of Compliance. However, beginning January/ February 2019, the department policy changed, where BSEED Building inspectors started issuing tickets for these violations after 30 days have passed without corrections. For failure to have Certificate of Compliance, first offense is \$250, second offense is \$500 and third offense is \$1000. If the property owners dispute the ticket, they have the option of paying the ticket right away or attending a pre-scheduled Administrative Hearing at the DAH.

Mr. Shah explained that the Auto Scrap Yard Project was initiated by the Mayor's office in January/February 2019 in an effort to ensure body shops, dealerships, junkyards, repair shops and the like have a valid and current Certificate of Compliance. For businesses that do not have a Certificate of Compliance, the inspectors are authorized by management to shut down the businesses until they are in compliance. Lots of business owners have complained about the increased enforcement. Prior to the Auto Scrap Yard project, the DAH was responsible for issuing tickets for non-compliance, but they did not really enforce it.

Mr. Shah reported that he received his Notice of Suspension on July 16, 2019. Dave Bell, Michael Clay, Kayetta Wilder-Holly, Anna Carter, and Kevin Pierson were present in the meeting to discuss his suspension. Mr. Shah's understanding of why he was suspended is because complaints from property owners at 7940 Tireman, 9660 Freeland, 9160 Greenfield, and 12054 Greenfield claimed to have paid bribes to him. Shortly after the meeting, Mr. Shah submitted a written response to the allegations.

In his response, Mr. Shah claims to have never inspected 7940 Tireman. He claims that 9660 Freeman does not exist. He admitted to inspecting 9160 Greenfield on June 9, 2019 and June 26, 2019 and failed the inspection due to illegal use of auto repair shop and other property maintenance code violations. He issued a ticket under the Auto Scrapyard project and another inspector closed the business pending corrections. He later observed that the illegal operation resumed on the property, so he contacted management to report the incident. Mr. Shah believes this property owner took it personal and is retaliating against him.⁵

Mr. Shah admitted to inspecting 12054 Greenfield on April 9, 2019 and failed the inspection due to illegal use of auto repair shop and other property maintenance code violations. He issued a ticket for failure to obtain Certificate of Compliance and the owner was found responsible by the DAH Hearing Officer. The owner later called for a re-inspection. Mr. Shah

⁵ The OIG requested BSEED's response to Mr. Shah's assertions. As of the date of this report, this information has not been verified.

conducted the inspection and passed it, which resulted in the owner's ability to obtain a Certificate of Compliance.

Mr. Shah reported that he has issued a number of tickets to business owners for non-compliance, but he has never shut down a business. He explained that he informs the business owners who are engaged in illegal use of their property to apply for a Special Land Use Zoning Application. The cost of the Conditional Use Permit is generally \$1000. He believes this is why the complainants have thought he was asking for \$1000 as a bribe to him. Mr. Shah stated that he has never requested payment or accepted payment from anyone in exchange for passing an inspection.

Mr. Shah indicated that he does not know Tony Sabo. He indicated that he knows Mike Sema because he is a consultant for several properties that he inspects and he comes to BSEED regularly, but has not worked with him on any inspection. He stated that he knew Ronald Muir because he was his previous supervisor who recently retired from BSEED.

Mr. Shah does not agree with his suspension. He claims that he has not accepted any bribe. He also stated that he was suspended before the OIG's investigation was complete. Mr. Shah requested that the OIG recommend that BSEED reinstate his employment to another division in the department pending the outcome of the investigation.

Mr. Shah stated that the property owners are retaliating against him for issuing tickets and shutting their business down. They are targeting him and other front line people for putting them out of work. These increased targeting started a few months ago. Prior to that, he claims to not have any issues with the properties he inspects.⁶

Mr. Shah mentioned that he has not been to any of the properties since his suspension. He has not accessed Accela or his work email since his suspension. And he has not discussed this investigation with anyone outside the Union and his family.

Mr. Clay mentioned that there is a culture of an aggressive campaign of shutting down businesses which could create a concern where anyone could make allegations against the inspectors.

V. ANALYSES

According to BSEED, there are 58 Building Inspectors. Only three of these Building Inspectors have received bribery allegations in the last six years. In 2013, six inspectors were investigated by the Federal Bureau of Investigation for bribery allegations. Based on this data, it appears that these bribery allegations are rare among Building Inspectors.

The OIG requested information to show whether Mr. Shah has received any previous bribery or other allegations. As of the date of this report, this information has not been provided to the OIG.

⁶ The OIG requested BSEED's response to Mr. Shah's assertions. As of the date of this report, this information has not been verified.

The following is the summary of the OIG's analyses of the documents and information provided by BSEED.

A. Field Force Manager Data

Field Force Manager is a web-based application that is connected to mobile phones. It operates as a GPS tracking system used to measure inspector efficiency in the field. BSEED implemented the Field Force system on January 21, 2019. Building Inspectors and Property Maintenance Inspectors are required to login and logout of the system every day. The data generated by the system records the name of the inspector, start time, departure time, stop duration, and travel duration.

On July 4, 2019, the OIG received access to view the reports generated by Field Force Manager. The OIG reviewed Mr. Shah's Field Force data from February 20, 2019 to July 16, 2019.⁷ The OIG used this information in an effort to determine a pattern in the locations Mr. Shah visited frequently, and whether Mr. Shah visited the business addresses of the complainants.

Out of the five business owners that were interviewed by the OIG, the OIG found data on only one address, 9960 Freeland⁸ belonging to Charles Pickett. The data showed that Mr. Shah visited this property on July 1, 2019.

Mr. Shah reported that he inspected 9160 Greenfield on June 9, 2019 and June 26, 2019.⁹ The data does not show that Mr. Shah visited that property. Without a review of Mr. Shah's inspection data of those addresses in Accela, the OIG cannot confirm Mr. Shah's statements.

Mr. Shah reported that he inspected 12054 Greenfield on April 9, 2019 and June 12, 2019.¹⁰ The data does not show that Mr. Shah visited that property. Without a review of Mr. Shah's inspection data of those addresses in Accela, the OIG cannot confirm Mr. Shah's statements.

B. Property Maintenance Division Route Sheets Data

Prior to the implementation of Field Force Manager, BSEED Inspectors utilized Property Maintenance Division Route Sheets to manually record information on inspections. The sheets indicated property location, type of inspection, sector, entry and disposition.

BSEED reported that the day Mr. Shah's father retired, he turned in both his and his son's route sheets which were stored at their home for an unknown period of time. There is no

⁷ No data available from July 2-9 because Mr. Shah was on vacation.

⁸ BSEED may have mistakenly recorded 9660 Freeland instead of 9960 Freeland in its Disciplinary Fact Sheet. And in Mr. Shah's response to his suspension, he stated that he never inspected 9660 Freeland because it did not exist.

⁹ The OIG is not aware of how Mr. Shah verified this information.

¹⁰ The OIG is not aware of how Mr. Shah verified this information.

indication why they were at his house or why his father turned them in to the BSEED through his son. BSEED reported that it is against department policy for inspectors to take those sheets home.

The OIG reviewed Mr. Shah's Route Sheets from January to December 2018. The OIG used this information in an effort to determine the locations Mr. Shah visited frequently, and the disposition of the inspections of the properties that Mr. Shah inspected. The OIG was not able to locate the properties belonging to the business owners in order to draw a conclusion from the data.

C. Accela Data

Accela is a system where Inspectors input data from their inspections. BSEED provided Accela data from several properties Mr. Shah visited for inspections. From the data, it appears that Mr. Shah inspected the properties even though the Certificate of Compliance had not yet expired. There were no allegations of bribery from the property owners of those properties, therefore, the OIG is not able to draw a definite conclusion from the data.

VI. CONCLUSION

Based on the OIG's investigation, we find that the statements from the complainants contradict Mr. Shah's statements. However, we were not able to corroborate neither the complainants nor Mr. Shah's statements with tangible evidence. Additionally, the OIG is not able to draw a definite conclusion from the data from Field Force Manager, the Property Maintenance Route Sheets, and Accela.

The OIG will close its investigation and refer any disciplinary action to BSEED.