

OIG Quarterly Report

1st Quarter

January 1, 2022 – March 31, 2022



April 11, 2022

**Ellen Ha, Esq., CIG
Inspector General**

A Message from the Inspector General



On Being Independent

The Detroit Office of Inspector General was created through a 2012 Charter (the Charter) amendment approved by the people in Detroit. Therefore, the purpose, jurisdiction, duties, and responsibilities of the OIG, as described in the Charter, reflect the will of the people of Detroit.

The Detroit OIG was granted the critical independence that is the calling card of Inspector General Offices across the country. In fact, it is our independence that allows us to do the job that is mandated by the Charter. We cannot ensure honesty and integrity in our government if we are beholden to any entity that may direct, influence, or restrict our ability to investigate and make findings and recommendations for elected officials, public servants, and contractors.

However, being independent does not mean we can do anything we want, at any time. Like any other City departments and agencies identified in the Charter, the OIG too must operate within the confines of the limitations set forth by the Charter. The word independent is not specifically defined in the Charter. However, the duties and responsibilities placed upon the OIG in the Charter require the OIG act independently without any outside influence or fear of reprisal.

Dictionary.com defines “independent” as an adjective and a noun. Used as an adjective, it is defined as:

- 1) not influenced or controlled by others in matters of opinion, conduct, etc.; thinking or acting for oneself. . .
- 2) not subject to another’s authority or jurisdiction; autonomous; free. . . .
- 3) not influenced by the thought or action of others. . .
- 4) not dependent; not depending or contingent upon something else for existence, operation, etc.

Based on the above definition, it is clear that the people of Detroit purposefully designated the OIG as an independent body. Only an independent agency can truly exercise its unbiased authority over the official actions of the City government as defined in the Charter. For example, Section 7.5-305 of the Charter states:

The powers and duties of the Inspector General shall extend 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.

Public servants, as defined in the Charter and used in this context, includes elected and appointed officials, as well as City’s union and classified employees and contractors. Therefore, it is important that the body that exercises its jurisdiction over City government and contractors has the autonomy to do so.

Having autonomy does not make the OIG omnipotent, but it is aligned to being independent. As an oversight agency that holds public servants and contractors responsible for their actions, the OIG itself cannot act irresponsibly. In fact, the Charter states the Inspector General may be removed for cause. The OIG cannot be dishonest or impose standards on others that we ourselves would not impose on ourselves. While we aspire to be the ideal agency, we also understand that we are not above reproach. Nothing is perfect, but there is nothing wrong with trying to be perfect.

We must remember that the people of Detroit voted to amend the Charter to include the OIG. Therefore, the people, through the Charter, gave the OIG a defined purpose in how we govern and provided the Office the means to which to carry out their will, as enshrined in the Charter. The OIG's independence is not without parameters. Like all city departments and agencies identified in the Charter, the OIG plays a vital role in our government. The role we play in our government, like other City departments and agencies, are limited by the Charter.

Being independent requires we be responsible for our own actions. As such, the Charter does not require the OIG seek any person's permission to investigate matters concerning waste, abuse, fraud and corruption. In fact, on the contrary, the Charter provides the Inspector General with the authority to initiate its own investigation in order to detect and prevent waste, abuse, fraud and corruption.

The Charter also does not require the OIG go through a particular person or body to obtain information, testimonies, or records from any public servants or contractors while investigating. This too is made quite clear by the Charter, as the Charter requires all public servants and contractors cooperate in the OIG investigations. Moreover, the Charter requires the Inspector General to "[h]ave access to the financial and other records of all city agencies at any time." The people of Detroit placed the duty to cooperate in OIG investigations directly on public servants and contractors so that the inspector general can make independent decisions without any filter, sift or buffer. The OIG was established by the people in the hopes that the City of Detroit can continue to operate with honesty and integrity, free of waste, abuse, fraud or corruption.

The OIG's independence cannot be made more clear in the Charter when the Charter provides: 1) the OIG with the ability to initiate its own investigation; 2) mandatory cooperation from public servants and contractors in OIG investigations; 3) the IG with complete access to all City records, at any time; 4) real consequences to those who do not cooperate in OIG investigations; 5) prohibition against retaliation of people who participate in OIG investigations; and 6) that the City ensure sufficient funding for the OIG to operate.

Under the Charter, it is the duty of the OIG to detect, root out, and prevent waste, abuse, fraud and corruption. Therefore, the OIG cannot carry out its duty without the authority and the ability to make independent decisions based on facts. Facts do not change with time or people, as facts are true in nature.

Having served the City as an Inspector General for over three years, I find the independence vested in me through the Charter both an honor and a burden. I'm honored that Council entrusted me to the job. However, I carry out my duties with a heavy burden in my heart and shoulder, knowing the actions of my office may affect people and their lives in many ways.

The job requires me to do what is right by pointing out what is wrong, no matter how slight. This is how the OIG can detect and root out waste, abuse, fraud and corruption. Moreover, to prevent future waste, abuse, fraud and corruption, the OIG makes recommendations for corrective actions or to take corrective measures. Our recommendations must be made independently without any external or internal bias or pressure. We make recommendations in the hopes that public servants and contractors will review and consider them. Whether any reasonable changes are made based on our recommendation, but this is up to the public servant, department/agency, or the contractor.

Moreover, unless criminality is involved, if our initial findings are critical of the conduct of any public servant or contractor, we send a copy of our initial findings to the affected parties pursuant to the Charter. This is our final attempt to ensure that we have all the facts necessary to reach a conclusion based on all available evidence. If there are corrections to be made in our initial findings based on the affected parties' response, we do so. We also include with our final formal report or memo any written response from the affected party, giving them an opportunity to state their position. Our hope always is that the affected party review our findings and recommendations with meaningful consideration. Progress requires improvements and we can always find places to make improvements. However, we cannot make improvements if we do not acknowledge them, or if we are oblivious to where improvements can be made.

Lastly, the OIG must not only be independent in words alone. Honesty is only meaningful when we can be honest with each other. Integrity can only be preserved where honesty is unwavering. Honesty and integrity cannot be ensured where there is doubt in the independence of any findings. Therefore, it is important that the OIG be able to function and operate independently, as willed by the people in Detroit.

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. As

such, OIG investigators, auditors, attorneys, the deputy and the inspector general participated in AIG training and received their certification in their area of discipline. We are currently in the process of having our associate attorney to receive training and to obtain certification from the AIG.

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: 1st Quarter of 2022

Between January 1, 2022, and March 31, 2022, 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, CIGI, CFE, **Investigator***
Kelechi Akinbosede, Esq., CIGI, **Investigator**
Norman Dotson, Esq., **Associate Attorney****
Kasha Graves, **Administrative Assistant**
Tracey Neal, **Administrative Assistant**

**After a nation-wide search, Columbus, Ohio appointed Jacqueline Hendricks as its first Inspector General for the Columbus Division of Police. We are proud of IG Hendrick's many accomplishments, and we wish her our best.*

*** Norman Dotson left the City of Detroit OIG after he was offered a position with Oakland County. We appreciate Mr. Dotson's many contributions to the OIG, including the timely publishing of our quarterly reports, and we wish him our best.*

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.

Office of Auditor General (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 identifying fraud is the primary purpose of the OIG's forensic auditors.***

The OIG's forensic auditors are specially trained to examine various financial records to reveal fraudulent activities and identify criminal suspects. They 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 at times 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 audit 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
615 Griswold, Suite 1230
Detroit, Michigan 48226

Via Email: oig@detoig.org and/or Suggestions@detoig.org

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

Some complaints are received via a referral from various City departments and/or 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 complainant¹.

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 number 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.

¹ 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.

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 initiate 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 memorandum/report. All formal/final reports have been and will continue to be published on-line. In addition, from time to time, we exercise our discretion to publish some of our internal memoranda through the City and the OIG's website at:

<https://detroitmi.gov/government/office-inspector-general> or www.detoig.org.

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." Therefore, when our draft findings are critical, we send a copy of our draft findings, either as a draft memorandum or as a draft report to the affected parties. Thereafter, pursuant to the OIG's Administrative Hearing Rules (Hearing Rules), the parties have 14 days to either provide a written response and/or seek an administrative hearing.

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. The purpose of the written response and the administration hearing is to provide the affected parties with an opportunity to point out to the OIG why the findings and the conclusions in the draft memorandum or report contain error(s). In support of their position, the affected parties can submit any new evidence or information, by way of providing additional documents or testimonies of additional witnesses. It is important to note that the OIG's proceedings are administrative and not adversarial in nature. Therefore, submission of additional record or testimony are not governed by the Michigan Rules of Evidence.

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.”

When Are OIG Investigative Summaries Published?

The information regarding what we publish may also be found on our website at <https://detroitmi.gov/government/office-inspector-general> under the FAQ section. The following is a short response to the inquiry the OIG submitted and presented to the Internal Operations Standing Committee of the Detroit City Council.

Section 75-306 (2) of the 2012 Charter of City of Detroit (the Charter) requires the OIG to “issue quarterly reports to the City Council and Mayor concerning results of investigations and audits undertaken by the OIG.” It further states “all reports shall be a public record and additionally published electronically on the World Wide Web.”

Therefore, ***all OIG’s quarterly reports and formal/final reports have been and will continue to be published on-line.*** In addition, from time to time, we exercise our discretion to publish some of our internal memoranda through the City and the OIG’s website at: <https://detroitmi.gov/government/office-inspector-general> or www.detoig.org.

The purpose of the formal report is to assist public servants, City agencies, contractors and all other bodies that fall under the jurisdiction of the OIG, as well as the public, in preventing waste, abuse, fraud, or corruption by providing a detailed analysis related to the recommendation made in the formal report.

Generally, after an OIG file manager (FM)² completes his/her/their investigation or audit, the FM seeks to close the investigation or initiate an action by submitting a memorandum to the Inspector General (IG), or when necessary, to the Deputy IG (DIG). After the IG or the DIG completes the review of the memorandum, the IG or the DIG must approve the FM’s Request To Close (RTC) or Request To Initiate (RTI) action. We typically do not publish our internal memoranda unless we find that the publication of the RTC or the RTI may be of a significant public interest. Here are some of the reasons why we exercise such discretion:

1. We want to encourage FMs to be candid and frank with their analyses, interpretations, evaluations, assessments of their findings and recommendations, without any external pressure or influence;
2. Some of the allegations or complaints require our Office to seek and confirm certain information that are personal and private to an individual;
3. Some of the complaints we receive are politically or personally motivated between individuals that lack merit and cannot be substantiated. However, the allegations by themselves, if published, can be prejudicial or harmful to an individual; and
4. Sometimes the allegations by themselves can identify the complainant even if the complainant wished to remain anonymous and, as such, publication of such memorandum could have a negative impact on submitting or filing any future complaint.

In order to maintain the integrity and the efficiency of our Office, we must maintain our independence. Our independence is dependent on our ability to exercise discretionary authority in the operation of the Office without any undue influence, bias or fear of reprisal. As such, we

² The FM is typically an OIG attorney, investigator, forensic auditor, law clerk or intern or a combination of OIG staff.

remain engaged and committed to the privilege and the opportunity that are provided to us through the Charter.

2022 1st QUARTER OIG STATISTICS

(January 1, 2022-March 31, 2022)

Sources of Complaints Received by the OIG in the 1st Quarter

Complaint Source	Number Received
Internet (Website)	55
Telephone Hotline	3
OIG Telephone	49
Mail	1
Personal Visit	3
Email	16
OIG Initiation	0
Other-Referral from City Council	1
Total	128

Categories of Complaints Received by the OIG in the 1st Quarter

Categories of Complaints	Number Received
Waste	0
Abuse	19
Fraud	8
Corruption	5
Other	96
Total	128

How Complaints Were Resolved by the OIG in the 1st Quarter

Complaints Pending Prior to Quarter	4
Complaints Received During the Quarter	128
Total	132
Open investigative files	4
Open audit files	0
Pending	11
Referral	95
Decline investigation (No Action)	22
Total	132

Categories of OIG Investigations Initiated by the OIG in the 1st Quarter

Categories of Investigations	Number Initiated
Waste	0
Abuse	0
Fraud	2
Corruption	1
Other	1

Status of OIG Investigations in the 1st Quarter

Investigations Pending Prior to the 1 st Quarter	13
New Investigations Opened in the 1 st Quarter	4
Total	17
Prior Investigations Closed During 1 st Quarter	2
New Investigations Closed in the 1 st Quarter	2
Investigations Pending as of 3/31/2022	13

Short Summary of Investigations Closed in the 1st Quarter of 2022

The following reflects four investigations the OIG closed in the 1st Quarter of 2022 with an accompanying synopsis for each investigation.

21-0016-INV

The OIG received an allegation that the Detroit Police Department (DPD) Human Resource Director abused her authority. The complainant alleged the HR Director abused her authority when she refused the complainant's request to appeal her performance evaluation ratings (PER). The complainant alleged that the HR Director's refusal violated DPD policy. The OIG investigated the complainant's PER appeal request to determine if her appeal request complied with DPD policy. The complainant advised the OIG that the complaint included communications with 2nd Deputy Chief Ha, the brother of Inspector General Ha. Immediately, Inspector Ha recused herself from all communications and access to documents related to the complaint. The investigation was reviewed and approved solely by Deputy Inspector General Marable.

The OIG's investigation revealed that the complainant submitted her PER appeal request in accordance with DPD Manual Directive No. 401.1-6.1 to her commanding officer. However, HR never received the complainant's PER appeal request that was emailed by the complainant's commanding officer. Given the amount of time that passed between the complainant filed an appeal and when the OIG received a complaint, the OIG was not able to determine why HR did not receive the complaint. The HR Director's decision to deny the complainant's request for a PER appeal was based on HR's research that found no records of ever receiving the complainant's appeal request.

The OIG's investigation concluded that the HR Director did not abuse her authority as it relates to the complainant's allegations because she was not aware of the complainant's appeal request. However, the OIG concluded that the complainant submitted her PER appeal request in compliance with DPD policy. Therefore, in accordance with DPD Manual Directive No. 401.1-6.2 the OIG concluded that the complainant is entitled to a PER appeal hearing.

The OIG recommended that DPD revise its policies to mandate a set time that HR must hold an appeal hearing. Also, HR must notify the person that their appeal request was received by HR within a specified time after receiving it.

21-0018-INV

The OIG received a complaint that alleged a Detroit Fire Department (DFD) employee abused their authority while serving in a leadership position of the Fire Fighters Association. It was also alleged that the employee violated the Detroit Fire Fighters Association Collective Bargaining Agreement (CBA) by working as a firefighter and having outside employment. The OIG was unable to substantiate the allegation that the DFD employee abused their authority. However, the OIG found that the employee violated the CBA and a City of Detroit Human Resource Directive by not disclosing outside employment. The OIG recommended that DFD management take any action required by the CBA and City of Detroit Corrective Disciplinary Action Guidelines & Attendance Policy. The OIG also recommended that DFD management provide training for all DFD employees on the City of Detroit's Outside Employment Policy.

22-0001-INV

The OIG received a complaint from the Detroit Deputy City Clerk of an unauthorized sale of a City of Detroit (City) computer. The complaint alleged a staff member, who was assigned to the City of Detroit Department of Elections (DOE), was responsible for the unauthorized sale.

The City Charter requires the OIG to refer criminal matters. Section 7.5-308 of the 2012 Charter of City of Detroit states that “[i]f the Inspector General has probable cause to believe that any Public Servant or any person doing or seeking to do business with the City has committed or is committing an illegal act, then he or she shall promptly refer the matter to the appropriate prosecuting authorities.” Due to the criminality of the allegation, the OIG referred the complaint to the City of Detroit Police Department Office of Internal Affairs (IA).

IA’s investigation found that the DOE failed to properly complete an itemized inventory of the laptop computers. As such, IA could not cross-reference laptop computers in stock versus the allegedly stolen computer. IA also found that its inability to interview the DOE staff member, who was a key witness, prevented further investigation. Based on these findings, IA administratively closed its investigation.

After learning that IA closed its investigation and that the staff member resigned from DOE, the OIG decided to review the matter for any systemic issues that may have resulted in fraud, waste, or abuse. In that regard, the OIG concurred with IA’s conclusion that the DOE did not have adequate security measures and controls in place to ensure the proper inventory and security of the laptop computers issued to the DOE. Unfortunately, this lack of adequate controls made it difficult to determine whether the staff member was indeed responsible for the unauthorized sale of a City computer. Therefore, the OIG was not able to substantiate the allegation.

The OIG concluded that DOE’s lack of computer inventory controls increases the risk of equipment that is missing or otherwise unaccounted for in the future. Therefore, the OIG recommended that, absent any restrictions on grant funding, the Department of Innovation & Technology (DoIT) should be involved with the purchase of all computer devices purchased by City departments, including the DOE. The DOE should also develop its own tracking system for all computers assigned to the DOE and cross-reference its list with DoIT’s inventory list for any inconsistency. This practice will allow DoIT to assign identification numbers, user IDs and passwords to the computer devices as provided by the City’s Workstation Usage Policy. Further, this practice will allow for the adequate tracking of the computer devices, as well as protect against unintended disclosure of any private or confidential information saved or stored in the computer.

In addition, the OIG recommended that the DOE develop a policy or practice for its employees and poll workers during elections to complete the electronic forms or affidavits to sign-out each computer device used within and outside the DOE. These forms should be accessible by administrative and supervisory DOE staff members instead of just one individual. This practice will also allow for the adequate tracking of the computer devices.

22-0002-INV

The OIG received an anonymous complaint regarding L.I.J.B.S. Towing and Transport (LIJBS). The complainant alleged the following:

1. LIJBS engaged in the potential bribery of a former Detroit Police Department (DPD) officer now convicted of extortion.
2. LIJBS' owner "presented testimony which was almost entirely false" to the Board of Zoning Appeals (BZA) regarding Case No. 74-21.
3. LIJBS made false representations on its response to RFP No. 21PC181588.

The OIG did not investigate the bribery allegation due to restriction in the City of Detroit Charter. Section 7.5-308 of the 2012 Charter of City of Detroit states that "[i]f the Inspector General has probable cause to believe that any Public Servant or any person doing or seeking to do business with the City has committed or is committing an illegal act, then he or she shall promptly refer the matter to the appropriate prosecuting authorities." During the trial of the DPD officer held in 2019, a witness stated that he believed LIJBS was paying officers for tows. Given that the statement was made in court, it is evident that prosecuting authorities are aware of the allegation so a referral from the Inspector General is not warranted in this instance.

The OIG was not able to substantiate the allegation that the owner of LIJBS presented false testimony to the BZA. The OIG found no evidence to dispute the claim made by the owner that the vehicles were improperly stored on the unpermitted lot due to the flood emergency. Further, it is at the discretion of the BZA board members to make decisions based on the totality of the circumstances. There is no indication that the Board improperly relied on the information presented or that the information provided by the owner was false.

The OIG found that the bid response inaccurately stated that LIJBS can store 1,000 vehicles. However, an interview with the owner of LIJBS led the OIG to conclude the error was not intentional. Furthermore, the storage yard size was not a deciding factor in LIJBS being awarded the contract. Therefore, the OIG concluded the inaccurate statement was not material and did not take any further action.

Status of OIG Audits in the 1st Quarter

Audits Pending Prior to 1 st Quarter	3
Prior Audits Closed During 1 st Quarter	1
New Audits Opened in the 1 st Quarter	0
New Audits Closed in the 1 st Quarter	0
Audits Pending as of 3/31/2022	2

Short Summary of Audits Closed in the 1st Quarter of 2022

The following reflects the audit the OIG closed in the 1st Quarter of 2022 with an accompanying synopsis for the audit.

21-0001-AUD

The OIG initiated agreed-upon procedures with the Office of the Chief Operating Officer (OCFO) Treasury Office (Treasury) to obtain Unclaimed Funds held by the State of Michigan (State). The objective of the agreed-upon procedures was to help Treasury obtain funds held by the State as Unclaimed Property that are payable to the City of Detroit. To date, the Treasury has not been able to obtain any funds from the State.

The OIG determined that impediments outside of Treasury's control are preventing Treasury from obtaining the funds. Specifically, neither the State nor the organizations that submitted the funds to the State can provide adequate information for the Treasury to properly attribute the funds to the accounts of individuals or property accounts. Without this information, the Treasury cannot determine which funds belong to the City.

Therefore, the OIG recommended that Treasury report to the State organizations that have transferred their unclaimed property to the State without maintaining supporting documentation as the State requires. Furthermore, as a preventative measure to reduce or eliminate organizations from sending funds to the State of Michigan in the future, the OIG recommended the OCFO revise the policies and procedures to instruct non-financial personnel to send all checks to the Office of Departmental Financial Services.