



Richmond Office of the City Auditor

Office of the Inspector General

Fighting government waste, fraud and abuse

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Richmond City Auditor/Inspector General

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Ms. Tonya Vincent, Interim Director, Department of Social services

The Office of the Inspector General (OIG) has completed an investigation in the Richmond Department of Social Services (RDSS). This letter informs you of the results of the investigation.

Complaint

During a storm event in 2012, RDSS and the local Red Cross enacted the Emergency/Homeless Sheltering (EHS) for citizens affected by the storm. RDSS employees attempted to gather sheltering sleeping cots from storage, but found them missing. A complaint related to this matter was received by the OIG via the Fraud Website.

Legal Requirements

In accordance with the Code of Virginia, §15.2-2511.2, the City Auditor is required to investigate all allegations of fraud, waste and abuse. Also, the City Code section 2-231 requires the Office of the Inspector General to conduct investigations of alleged wrongdoing.

Background

During June 2012, RDSS employees conducted an inventory of blankets, clothing, and sleeping mats, which were stored at a private local storage. These items were used for the Independent Living Program's needs. In addition to these items, some military style cots belonging to the Emergency Shelter Section of RDSS were stored in the storage facility as well. The employees visiting the storage facility asserted that the supplies and the cots had water damage and were no longer useable. It was claimed that the damage to the cots and the other supplies were reported to management. Subsequently, the supplies and cots alleged to be damaged were removed by a local moving company under the direction of a RDSS Administrative Services employee and disposed of at a City waste facility.

Findings

The investigator conducted numerous interviews with RDSS employees and reviewed documents and emails related to the missing cots. The investigator interviewed the RDSS employees who discovered that the cots were missing and reviewed emails supporting the notification to management about the missing cots.

The interviews reveal the following facts:

1. The EHS section of RDSS stored in a private storage facility 500 cots made of aluminum and synthetic fabric in the unit shared with RDSS Independent Living section. The review of specifications related to the cots revealed that the cots were designed to be extremely stain resistant and could withstand water damage. The review further determined that if the cots are stained, they can be disinfected for continued use. Follow-up discussions with the Independent Living Manager and the Administrative Services Coordinator indicated that they were not aware of the stain resistant qualities of the cots. The cots were stored in a water resistant nylon and rubberized cover. Based on these facts the probability of these cots getting water damage was minimal. None of the City employees involved in inspecting, removing, or approving the disposal of the cots remembers actually inspecting them for water damage.
2. The Administrative Services Program Manager asserted that some of the supplies consisting of mats, blankets, and clothing were gathering mold and mildew and had to be discarded.
3. The Independent Living Manager contacted RDSS senior management and the Administrative Services Program Manager via e-mail about the damaged items within the unit.
4. The Administrative Services Program Manager claimed that direct came from the Independent Living Manager to remove all the damaged supplies from the storage unit. The Administrative Services Program Manager recalled seeing the cots in the unit during the clean up, but could not provide an exact number.
5. The Administrative Services Program Manager was interviewed and acknowledged overseeing the removal of all the contents within the storage unit. The Manager further acknowledged contracting a local moving company to dispose of the items within the unit.
6. During an interview, the RDSS Deputy Director over the EHS indicated that RDSS received a \$45,125 Federal Grant via the Virginia Department of Emergency Management. The Deputy Director stated that EHS used \$15,000 of the grant money to purchase cots for Emergency Sheltering of Richmond citizens.
7. The Deputy Director over EHS stated being on leave and was unaware that the supplies and cots had been discarded. The Deputy Director first learned about this issue after returning to work. Subsequently, the Deputy Director recalled attending a meeting to discuss the disposal of the cots with the RDSS Director, RDSS Deputy Director over Finance and Administration, Child Protective Services Managers, and the Administrative Services Program Manager.
8. A decision was made during the meeting to replace the cots through a re-purchase of \$15,000 from the General Fund.

9. RDSS did not report the incident to the City's Risk Management Division in order to recover the loss from the storage facility's insurance coverage.
10. The investigator interviewed the owner of the moving company. The owner confirmed that the moving company's employees removed the contents of the storage unit. The owner also provided paid receipts from the City waste facility for disposing the contents of the storage unit.

Conclusion

Based on the facts of the case, it appears that managerial employees at RDSS have been negligent in discarding valuable Grant-funded property that resulted in a loss of about \$15,000 to the City. Had these employees exercised due diligence, this loss could have been prevented. To date, no plan to prevent/mitigate the recurrence of the loss of supplies has been put in place.

The OIG recommends that appropriate disciplinary action be taken against employees involved in inspecting and approving disposal of the cots in accordance with City Policies.

If you have any questions, please contact me at Extension 5616.

Sincerely,

Umesh Dalal

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City Auditor/Inspector General

cc: Byron Marshall, Chief Administrative Officer
City Council Members
City Audit Committee