



Richmond City Auditor

Office of the Inspector General

Fighting government waste, fraud and abuse.

Umesh Dalal, CPA, CIA, CIG
Richmond City Auditor/Inspector General

INVESTIGATION OF ABUSE OF TIME

COMMUNITY DEVELOPMENT – PERMITS AND INSPECTIONS DIVISION

REPORT IG-2009-02

September, 2008

Executive Summary

September 17, 2008

The Honorable Bill Pantele, Richmond City Council President
The Honorable Members of the Richmond City Council
The Honorable L. Douglas Wilder, Mayor
Mr. Chris Beschler, Interim Chief Administrative Officer
City of Richmond Audit Committee Members

Re: Investigation in the Community Development Department

The Office of the Inspector General has completed an investigation of an allegation related to abuse of time in the Permits and Inspections Division within the Community Development Department. This report presents the details of the investigation.

Methodology

- An investigator for the Auditor's Office performed surveillance on the address given and identified the employee as an inspector for Community Development.
- The Inspector General's Office randomly selected 10 additional inspectors out of the remaining 56 inspectors to determine the extent of the abuse.
- Surveillance was performed on other inspectors working in Community Development.
- The Auditor's Office requested inspectors' daily activity logs from Community Development.
- Data gathered during this investigation was analyzed and compared to the inspectors' daily activity logs.

- Selected inspectors were interviewed.
- Other investigative procedures were followed as necessary.

Background

The adequacy of inspections performed by the Community Development Department is critical for the citizenry as they impact public health and safety. The department is responsible not only for providing this valuable service but also managing public resources in a prudent manner. Inadequately performing inspections represents a waste of public resources and, depending upon the type of inspection, a possible health or safety hazard in the future.

According to the Commissioner of Buildings, the City spends approximately \$2,743,000 on salaries and benefits for inspectors. This is a substantial investment made to assure the health and safety of its citizens. Community Development performs various types of inspections such as mechanical, plumbing, electrical, property maintenance, and code enforcement. The automated phone inspection request line (IVR), if accessed before midnight, allows customers to request inspections for the following day. Therefore, there is no way for an inspector to know his or her work schedule until he or she reports to work each morning. When inspectors arrive at City Hall they work together with their supervisors and fellow inspectors to divide the work load for the day with carryovers (inspections not completed from the previous day) taking priority. They pull permit files and then print inspection tickets for each inspection assigned to them. Also, while in the office, inspectors record activity and inspection results from the previous day. The inspectors are expected to complete the assigned inspections during the day in which they are assigned.

The Commissioner also stated that, for inspectors, the concern is whether or not there is too much work assigned. The average national standard is 10-12 inspections per day, per inspector. He further stated that Community Development's records show that their inspectors are completing an average of 16 inspections per day. The Commissioner

stated, “We don’t want them to be so busy that they cut corners or rush through these important inspections. The property maintenance inspectors have more independence, so that would be the area of concern for accountability.”

Findings

During this investigation the Office of the Inspector General found:

1. A Mechanical Inspector was spending in excess of 45% of his time during work hours at his home rather than performing inspections. This employee spent less than the time required to perform proper verification on each of his inspections during the observation period. This may have resulted in overlooking issues that could become health or safety hazards. The mechanical inspector’s annual salary plus benefits is approximately \$61,000. If the same ratio of abuse had continued throughout the year, the city’s loss would have been about \$27,000. However, that loss could not be confirmed without surveillance for an entire year.

The Community Development Department had conducted its own investigation during November and December 2007 and found the Mechanical Inspector spending time at home. According to the Director of Community Development, the inspector was disciplined based on the assumption that the observations during its investigation were isolated incidents. This report, however, provided additional information about the frequency of the abuse of time indicating recurring abuse since May 2007. In addition, there were misrepresentations related to time spent on inspections on the daily reports prepared by the inspector. The Director of Community Development has indicated that she will contact the Human Resources Department to consider additional disciplinary action against this employee.

2. A Property Maintenance Inspector was not performing any inspections at all during the observation period. He fabricated information reported on his daily

log. He would leave City Hall and visit his ex-wife in Henrico County and spend time at sites outside the City for non business-related purposes. The Property Maintenance Inspector's annual salary plus benefits is approximately \$52,000. This means that the City may not have received much value for the cost of his annual salary and benefits. This inspector resigned soon after being interviewed by the Inspector General's Office.

The above incidents resulted in a loss of productivity. Based on the above discussion, there appears to have been potential abuse of about \$79,000. However, the total employment cost of various types of inspectors in the Community Development Department is approximately \$2,743,000. To determine the City's exposure to the risk of abuse in this area, the City Auditor's Office has initiated a complete audit of this function.

The department has taken some corrective action to address this issue by providing guidance to inspectors and code enforcement personnel about the use of their time during field activities.

Detailed finding are included in the attachment. This matter should be further pursued for criminal prosecution related to misuse of City resources (employee time) and falsification of government records.

The additional information provided by the department has been included in this report. Please contact me if you need any additional information.



Umesh Dalal, CPA, CIA, CIG
Inspector General

Cc: Rachel Flynn, Director, Community Development

Attachment Detailed Findings

The City Auditor's Office installed GPS units on 11 inspectors' vehicles out of a total of 57 inspectors. GPS data revealed that two of the 11 inspectors tracked were either performing inspections in a very short period of time to create large amounts of unaccountable time or not going to their assigned inspections at all.

Mechanical Inspector I

- An investigator for the Auditor's Office, on four separate work days, personally observed the employee at his residence for about 5 of the 8 hours of each of his scheduled work days.
- The employee's vehicle was then tracked using GPS for a five-day period, revealing that the employee spent over 18 hours out of 40 hours at his residence within this time frame.
- The employee would drive the City vehicle to his residence in Chesterfield County, stay at home for most of the afternoon, and then drive the City vehicle to Elkhardt School to end his work day.
- This activity took place every day of the surveillance and GPS monitoring.
- The employee spent minimal time at each inspection and recorded much greater time per inspection on his daily activity log. By employing this method, he was able to spend this large amount of time at home without being detected.
- During the interview, the employee admitted to spending large amounts of time at his home during his work hours.
- The employee revealed that he doesn't have enough work to fill his day and he informed his supervisors of that fact. According to him, he was told not to come back to the office after finishing his inspections. An interview of his supervisor didn't reveal any information to substantiate that statement.

- The employee further informed the interviewer that during the period of the investigation, Community Development had hired more inspectors when there was not enough work.

A review of the GPS data revealed that a large majority of inspections are performed in a short period of time and though it is understandable that some inspections could be finalized quickly, not all inspections would allow such a rapid turnaround time. It seems convenient that these inspections were performed very quickly which afforded the employee the latitude to spend large amounts of time at his residence. This practice brings into question the quality of the inspections performed and if allowed to occur, could create a dangerous situation for property owners and residents.

Property Maintenance Inspector II

- The employee's vehicle was tracked using GPS for a four-day period, revealing that the employee did not visit any of his 19 inspections recorded for that week.
- The employee picked up his vehicle from North 9th Street and Clay and proceeded on I64/I95 stopping at certain locations within Henrico County. At the end of the day the employee would return the vehicle to North 9th Street and Clay.
- The employee visited seven locations within Henrico County; some locations he visited daily and some just once or twice.
- During the interview, the employee informed the investigator that he lives on a certain block of a street in Henrico County, which is one of the locations he visited daily. He then retracted his statement and said that his ex-wife resides there.
- The employee submitted paperwork for inspections that he never performed.

In this case, the employee disregarded all assigned inspections for four days. It is questionable how an inspector could only be assigned 19 inspections in a four-day period, which equates to less than 5 inspections per day. The Commissioner stated that the inspectors were performing an average of 16 inspections per day and the average

national standard was 10-12 inspections per day. The Commissioner further stated that property maintenance inspectors have more independence which is an area of most concern for accountability. Along with the light work load, the inspector decided not to perform any inspections that week, which is an abuse of time for that period. GPS data shows that the inspector spent this time driving a City vehicle in Henrico County, which is also prohibited. The paperwork filed for these inspections was falsified.

A comparison between GPS data and daily activity logs revealed the following:

- Time documented in official records by the Mechanical Inspector was much greater than the amount of time the employee spent at the location representing the actual inspection time.
- There were some inspection locations on record that were never visited.
- There were some other locations visited as indicated by GPS records that were not on the inspector's daily activity logs.
- Daily activity log sheets are discarded leaving no original record of actual inspection.
- Supervisors didn't appear to check or review the inspectors' work.

Supervisors were neglectful in their duties because someone should have been aware of one inspector spending afternoons at home and another not performing any assigned inspections for a four-day period. It was a known fact that the property maintenance inspectors have more independence which is an area of concern for accountability. Supervisors were also negligent as they assigned only 19 inspections to an inspector over a four-day period.