



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 AUTHORITY
BY CONTRACTED PARKING ENFORCEMENT
SERVICE**

**PARKING CONTRACT MANAGED BY THE
DEPARTMENT OF GENERAL SERVICES**

REPORT IG-2009-03

October, 2008



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October 9, 2008

The Honorable Richmond City Council Members
The Honorable L. Douglas Wilder, Mayor
Mr. Christopher Beschler, Interim Chief Administrative Officer

Re: Investigation of Abuse of Authority by Contracted Parking Enforcement Service

The City has hired a contractor, Lanier Parking Meter Services LLC (Lanier) based in Atlanta, Georgia to administer parking meter enforcement including meter collections, maintenance and replacements and general parking management, since 2005. The contract has been renewed three times and has added services to include vehicle booting. The contract limit has increased from \$743,067 in its first year to \$1.2 million this year. The highest contract authorization was in its first renewal of approximately \$1.35 million.

For the purposes of enforcement, the employees of Lanier are authorized to issue summonses for violations of parking regulations, which impose a fine. Contractually, Lanier is required to ensure that their employees demonstrate high ethical standards of conduct and observe all written rules and regulations concerning their work assignments.

Complaint

The Office of the Inspector General received a hotline complaint alleging corruption among Lanier employees. They were alleged to be receiving food from vendors in exchange for not issuing summonses for vendors' illegally parked vehicles in downtown Richmond.

Investigation

- The Office of the Inspector General conducted several surveillances and made observations of vendors and Lanier employees' activities. The investigators gathered evidence for this investigation and worked with the Richmond Police Department and the Commonwealth Attorney's Office to prepare the case.
- The Acting Parking Operations Manager responsible for managing the Lanier contract was interviewed.

- Summonses were issued under the Code of Virginia section 18.2-444 to five Lanier employees for accepting the free food and/or beverage. One summons, to a former Lanier employee, is still to be issued.
- The case was referred to the Commonwealth Attorney's Office for further prosecution.

Results

The Inspector General's Office conducted surveillances of downtown Richmond on 17 separate work days. On 12 out of the 17 days, Lanier employees were observed receiving free food and/or beverages from the various vendors. Accepting free food for not issuing summonses appeared to be a normal practice. The investigation also revealed limited or no supervision by Lanier Parking Systems. The investigator observed a Lanier supervisor in the enforcement zone only once during the investigation.

During the surveillance, six Lanier employees were observed accepting free food and/or beverage from the vendors on 24 separate occasions during the period from August 6, 2008 through October 6, 2008 as follows:

Employee	Observation Dates
A	August 21, 2008, September 10, 2008, September 12, 2008 (2), September 17, 2008, September 23, 2008, September 24, 2008 (2), and October 1, 2008
B	August 6, 2008, August 19, 2008, September 23, 2008, September 29, 2008, and September 30, 2008
C	August 6, 2008, September 24, 2008, September 30, 2008, October 1, 2008 and October 6, 2008
D	August 6, 2008 and August 21, 2008
E	August 6, 2008 and September 23, 2008
F	September 23, 2008

On the above occasions, the Lanier employees were observed issuing summonses for parking violations to several vehicles, except to the illegally parked vendor vehicles. The investigator observed that certain vendors were illegally parking their vehicles in No Parking, Loading, and/or Tow Away Zones in downtown Richmond. The Lanier employees did not take any enforcement action for these occurrences.

According to the Acting Parking Operations Manager in the General Services Department, the Lanier employees are expected to patrol their respective assigned area once every hour. The investigator observed that this practice was not consistently

followed. Therefore, parking violations may not be detected due to the lack of adequate patrolling which could result in lost revenue for the City.

Summonses were issued to the Lanier Parking employees involved for violating Virginia Code section 18.2-444. This Code section includes:

“(1) Any person who gives, offers or promises to an agent, employee or servant any gift or gratuity whatever, without the knowledge and consent of the principal, employer or master of such agent, employee or servant, with intent to influence his action to the prejudice of his principal's, employer's or master's business; or

(2) An agent, employee or servant who, without the knowledge and consent of his principal, employer or master requests or accepts a gift or gratuity or a promise to make a gift or to do an act beneficial to himself, under an agreement or with an understanding that he shall act in any particular manner as to his principal's, employer's or master's business; ...

...shall be guilty of a Class 3 misdemeanor.”

In order to determine the accuracy of City payments and pursuant to section 10.2 of the contract, the City Auditor’s Office will review supporting documentation for all payments issued to Lanier by the City of Richmond.

The Inspector General’s Office would like to extend their thanks to the Richmond Police Department and the Commonwealth Attorney’s Office for their assistance. If you have any questions related to this report, please contact the Inspector General’s Office at (804) 646-5632.



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Cc: City of Richmond Audit Committee
M. Stephen Fancher, Director General Services
Daisy Weaver, City Council Chief of Staff