



# INTEGRITY **MATTERS**

ANNUAL REPORT  
**2019**



*City of Philadelphia*  
Office of the  
**Inspector General**



A large suspension bridge, likely the San Francisco-Oakland Bay Bridge, is shown from a low angle, spanning across a body of water. The scene is bathed in a warm, golden-orange light, suggesting a sunset or sunrise. The bridge's cables and towers are visible, and the water reflects the light. In the foreground, a metal railing and some bare branches are visible, adding depth to the image.

# OUR MISSION

The mission of the Office of the Inspector General (OIG) is to boost public confidence in City government by rooting out corruption, fraud, misconduct, waste and mismanagement. A watchdog for City taxpayers, the OIG has authority to conduct investigations of all executive departments, agencies, commissions and boards – as well as any individual or entity that does business with the City or receives City funding. An operationally independent office, the OIG conducts both criminal and administrative investigations. It has the power to issue subpoenas; to examine all City documents, contracts and expenditures; and to demand testimony from City employees.





# TABLE OF CONTENTS

- 2** Our Mission
- 4** Our Message
- 6** Our Numbers
- 8** Our Process
- 12** Our Partners
- 14** Our Cases
- 18** Our Philosophy



Last year – 2019 – marked my final year as your Inspector General, and it has been an honor to serve for the last twelve years. During that time, we have seen an enormous culture change in Philadelphia. We have collectively shown that integrity matters. It matters to all of us who serve in government, as well as those whom we serve each day throughout this great City.

Unlike other government functions, integrity is not something that can ever be completed or achieved – it is more elusive. It must forever serve as our bedrock principle and influence everything that we do. As your Inspector General, it has been my responsibility to lead. But it has been the vast number of honest City employees, residents, contractors and inter-governmental partners who have done the hardest work in furtherance of our ideal – an honest City government that has the public's trust.

Once again in 2019, our results demonstrated the enduring importance of our work. OIG investigations resulted in savings and recovery of more than \$11 million – a figure that is over 6 times the office's modest budget. Our efforts produced 4 criminal enforcement actions and 56 instances of employment discipline, demonstrating that misconduct will not be tolerated no matter the scale. We saved the ever-stressed pension fund over \$2 million in future liabilities through vigorous enforcement of disqualification for convicted lawbreakers. And, our Contract Compliance Unit imposed sanctions against four City contractors that skirted the rules.

# MESSAGE FROM THE INSPEC GENER

These statistics, however, are only our attempt to demonstrate one single aspirational accomplishment that is much larger and more important than the cases we have made. Today, I believe that our residents have more confidence in City government than they did twelve years ago. Today, the OIG is an award-winning internationally recognized model of good government oversight. And years from now – as the Administration continues its support of the OIG and it evolves to its next iteration – I know the same will be true once again.

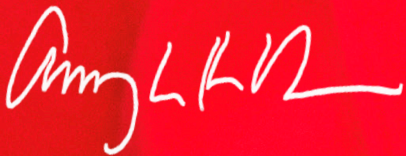
Thank you for your commitment to integrity in our government.



A portrait of a woman with short, curly brown hair, wearing glasses and a red blazer over a white lace top. She is smiling and looking directly at the camera. The background is a blurred outdoor setting with a bridge and buildings.

# TOR AL

Sincerely,

A handwritten signature in black ink, reading "Amy L. Kurland".

*Amy L. Kurland*

Inspector General Amy L. Kurland



# OUR NUMBERS

**\$11,092,058.89**

2019 Savings & Recovery

## FINANCIAL RECOVERY

**\$177,435.34**

Recovery

**\$872,395.00**

Restitution

**\$1,718,540.00**

Fines/Forfeiture

**\$2,768,370.34**

2019 Recovery

## FINANCIAL SAVINGS

**\$47,471.17**

Suspension

**\$31,074.00**

Demotion/Salary Reduction  
(2-yr projection)

**\$5,085,835.00**

Termination (2-yr projection)

**\$330,305.10**

DROP Savings

**\$2,829,003.28**

Pension Savings \*

**\$8,323,688.55**

2019 Savings

\*Pension savings represent disqualification due to criminal conviction or withdraw of contributions due to pending arrest or indictment.



# 2019 Statistics

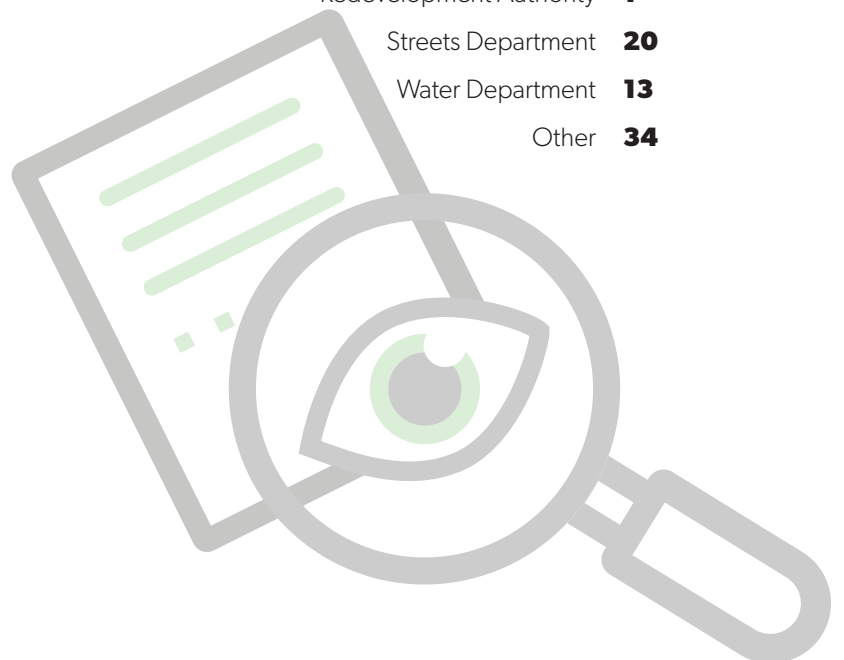


## CASE RESULTS

Terminations	<b>44</b>
Suspensions / Demotions	<b>12</b>
Recoveries	<b>5</b>
Restitution Orders	<b>1</b>
Fines/Forfeiture Orders	<b>1</b>
Criminal Enforcement Actions	<b>4</b>
Policy Recommendations	<b>8</b>
Contract Enforcement Actions	<b>4</b>
Pension Disqualifications	<b>3</b>

## INVESTIGATIONS OPENED BY DEPARTMENT

Department of Commerce	<b>3</b>
Department of Human Services	<b>9</b>
Department of Licenses and Inspections	<b>13</b>
Department of Public Health	<b>9</b>
Department of Public Property	<b>3</b>
Department of Revenue	<b>7</b>
Division of Aviation	<b>1</b>
Fire Department	<b>5</b>
Free Library of Philadelphia	<b>1</b>
Managing Director's Office	<b>3</b>
Office of Fleet Management	<b>2</b>
Office of Homeless Services	<b>1</b>
Office of Property Assessment	<b>4</b>
Office of the Chief Administrative Officer	<b>1</b>
Office of the Director of Finance	<b>2</b>
Parks and Recreation	<b>2</b>
Police Department	<b>2</b>
Department of Prisons	<b>11</b>
Redevelopment Authority	<b>1</b>
Streets Department	<b>20</b>
Water Department	<b>13</b>
Other	<b>34</b>



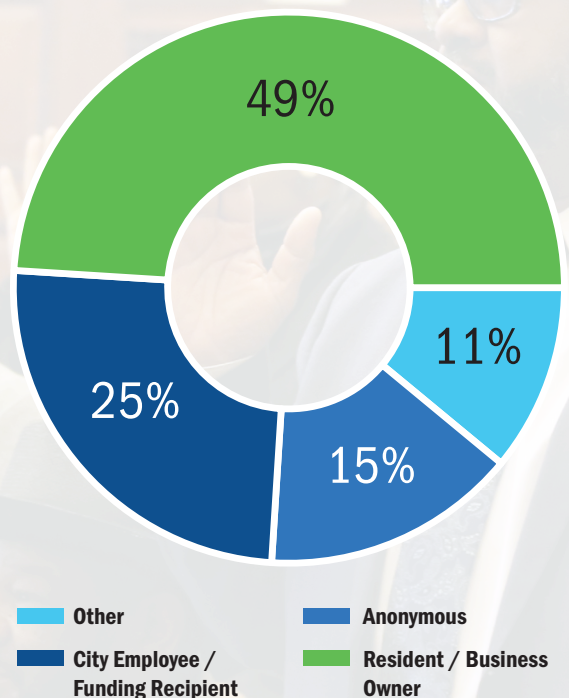
# OUR PROCESS

Most OIG cases start with complaints that are then assigned to investigators, who conduct background research, interview witnesses and review documents to determine whether any policies, regulations or laws have been broken. Where a violation has occurred, the OIG releases Reports of Investigation, recommending corrective and disciplinary action to City departments, including termination where appropriate. And where systemic problems are identified, the OIG issues Policy Recommendation Reports to suggest changes to procedures that improve government efficiency and safeguard taxpayer dollars. We also work closely with law enforcement agencies when criminal violations are suspected.

## The Courage to Report

A reflection of Mayor Kenney's comprehensive commitment to protect those who come forward and identify wrongdoing, most of the complaints the OIG investigates each year come from either City employees or local residents. Nearly 75% of our complaints in 2019 sourced from these courageous groups, who are our first line of defense against fraud and corruption. Another 15% came from anonymous complainants, a valuable option for those who believe in integrity but may fear the consequences of reporting.

## 2019 COMPLAINTS by source







### **Commitment to Professional Excellence**

Our staff understands that the importance of the OIG's mission demands high-quality work and a team of skilled and experienced professionals. OIG employees are encouraged to attend specialized trainings, certification courses and other outside professional development resources.

Almost all of the OIG's investigators are certified by the National Association of Inspectors General (AIG), three are Certified Fraud Examiners and four are licensed attorneys. OIG staff regularly participate in continuing education programs through the AIG, the Association of Certified Fraud Examiners (ACFE), the Center for the Advancement of Public Integrity (CAPI), the Philadelphia Bar Association, the Society of Corporate Compliance and Ethics (SCCE) and other professional development organizations.

**3 certified**  
fraud examiners  
**4 licensed**  
attorneys





## Integrity Officer Program

Most City departments have one or more OIG-trained Integrity Officers who work closely with the OIG, notifying the office of any problems and providing invaluable research, support and knowledge on the ground to aid the office in all of its cases. All of the Integrity Officers were hand-picked by the Inspector General based on experience and a proven track record of ethical service.

Each year at a ceremony in City Hall, the President Judge of the Court of Common Pleas administers the oath to our Integrity Officers. At this event, the Inspector General also announces and presents the annual Joan Markman Award for Integrity to an individual who has made a special effort to work with the OIG to promote ethical government. The award honors the memory of Joan Markman, the City's first Chief Integrity Officer who passed away in 2015.



**Anyone can submit  
an anonymous tip at:**



[phila.gov/ig](https://phila.gov/ig)



[@PhillyOIG](https://twitter.com/PhillyOIG)



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## Joan Markman Award for Integrity

At the annual ceremony in 2019, Inspector General Kurland announced Raymond Jackson, Waste Collection District Supervisor for the Streets Department, as the recipient of the Joan Markman Award for Integrity. Raymond Jackson diligently served as the Streets Department Integrity Officer and contributed to countless investigations over his many years of public service. The 2019 Joan Markman Award winner will be honored at the Integrity Officer Swearing-in Ceremony later this year.







# OUR PARTNERS

The Office of the Inspector General cannot accomplish its mission alone. Year after year, we rely on our strong partnerships across all levels of government. Only together can we make an impact.



## Law Enforcement Partners

A founding member of the Philadelphia anti-corruption task force, the OIG works closely with the Philadelphia Police Department, the Philadelphia District Attorney's Office, the Federal Bureau of Investigation, the United States Attorney's Office and the Pennsylvania Office of the Attorney General on significant criminal fraud and corruption cases. Each of these partnerships has yielded important victories in the battle against corruption.

In 2019, working together with law enforcement, two individuals were charged with criminal offenses and one former City employee was convicted of wire fraud in connection with his falsification of payroll documentation. Another long-standing joint investigation with the IRS and FBI resulted in a court order to pay \$872,395 in restitution and \$1,718,540 in forfeiture.



One of the largest and most active departments in City government, Licenses and Inspections has always been committed to serving the public with integrity and honesty. In Fall 2019, the OIG and Licenses and Inspections formed a collaborative task force that is strictly dedicated to conducting investigations and integrity-related trainings that are unique to the department and its workforce. So far, three employees were removed from City employment after joint investigations identified serious instances of misconduct, including theft-of-time.



In 2019, the OIG also worked closely with the Streets Department, whose leadership is equally committed to maintaining an ethical workforce. Eight employees were dismissed and three were suspended following investigations that identified actionable administrative misconduct, including accepting or soliciting cash while in the field. In an effort to reduce wrongdoing, the Streets Department initiated a training series for all new sanitation employees, where OIG presenters discuss integrity-related risks that they may encounter while on-the-job. OIG investigators are also working closely with Streets Department officials – in pursuit of restitution and criminal prosecution – to combat the widespread illegal dumping of trash throughout the City.

## **Authorities: Contractor used fake companies to sidestep Philly minority-owned business requirements**

By Michael D'Onofrio, The Philadelphia Tribune · September 19, 2019



### **Joint Investigation with City Controller's Office**

This year also saw the first collaboration with the Controller's Office that resulted in four significant contract sanctions. A joint investigation found that Pirozzi General Contracting skirted the City's anti-discrimination policies by using related firms to meet M/W/DSBE requirements. Pirozzi Contracting was suspended for three years and paid a total of \$145,000 to the City. Two supposed minority firms were debarred and another was removed from the City's OEO Registry.



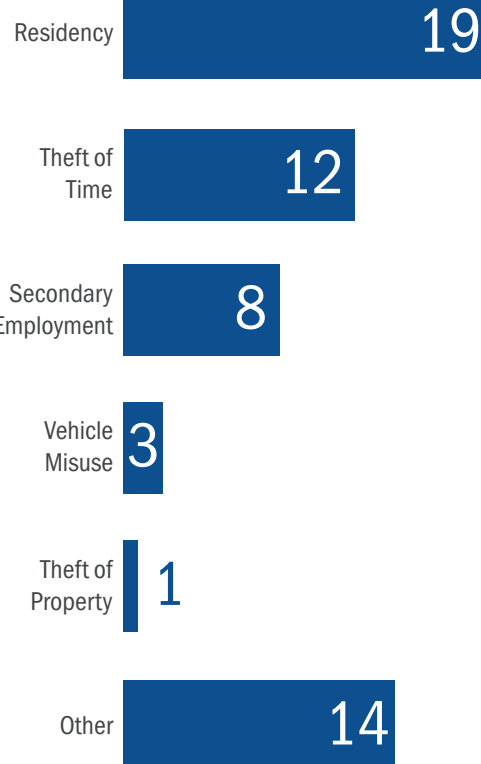
# OUR CASES

## 2019

SUBSTANTIATED  
Allegations by Category

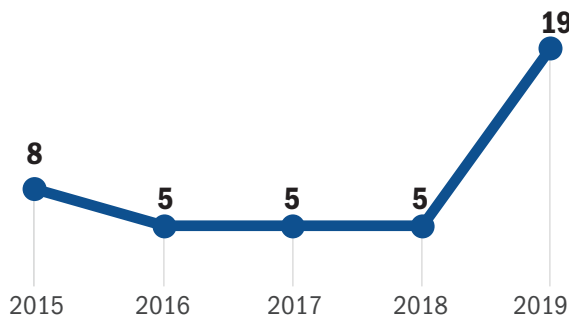
City employees are bound by a variety of City Charter provisions, Civil Service and Administrative Board regulations and departmental policies – all of which are aimed at ensuring an honest and efficient workforce. If a violation of these rules has been sustained against a City employee, the OIG issues a Report of Investigation that recommends disciplinary action up to and including termination from employment.

In 2019, we saw a significant increase in the number of substantiated misconduct allegations – the bulk of which involved residency, theft-of-time and/or secondary employment violations.

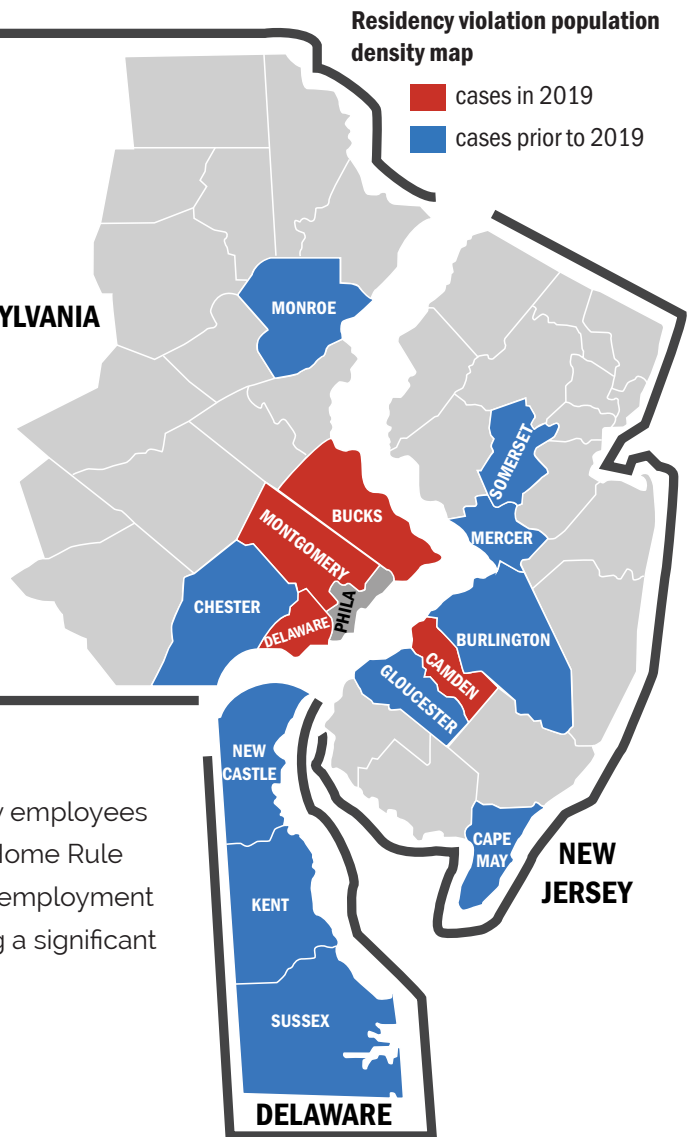


# SUBSTANTIATED

Residency Allegations by Year



PENNSYLVANIA



## Residency Violations

We continue to aggressively pursue allegations that City employees are violating the residency requirement set forth in the Home Rule Charter. In 2019, 19 employees were removed from City employment in connection with residency investigations, representing a significant increase from recent years.

302  
completed investigations

84  
recommendations

## Exonerating the Innocent

By far, the majority of City employees are honest, forthright and committed to their jobs. But these honest individuals are rarely recognized. The OIG works tirelessly to protect those City employees who have served faithfully and with integrity. The vast majority of OIG investigations yield no affirmative finding of wrongdoing, we only recommend action when an allegation is supported by independent evidence. In 2019, we completed more than 300 investigations in various stages – and only 84 resulted in a recommendation for corrective action.





### **Secondary Employment**

City employees serve the public first and foremost. Only in select circumstances, with prior approval and where the work does not conflict with official duties, may City employees work second jobs. Mayor Kenney updated and reinforced these long-standing rules, and the OIG has been committed to enforcement. In 2019, 8 members of the City workforce were found to have violated this policy.

### **Theft of Time**

The OIG also remains committed to holding employees accountable for misrepresenting work hours and/or abusing paid leave regulations. In 2019, 12 employees received discipline after OIG investigations substantiated that they made active misrepresentations on official timesheets.

### **Equal Employment Opportunity**

Working in support of the Mayor's Office of Labor Relations, the OIG also conducted three investigations that included allegations of employment discrimination – which did not result in any substantiated findings of misconduct.

### **Continuing Contract Compliance**

The OIG's Contract Compliance Unit works to ensure a level playing field for City vendors and protect the integrity of the City's contracting process – from bid to award to performance. The Unit also enforces the City's anti-discrimination policies in support of minority-, women-, and disabled-owned business enterprises (M/W/DSBE). The office works closely with the Law Department to tailor enforcement actions to the facts of each case and to pursue a multifaceted solution – including monetary recovery, removal from various certified lists, debarment, suspension and corporate compliance agreements.

In 2019, three investigations of City contractors resulted in OIG Policy Recommendations for enhanced internal controls, contract bidding and/or monitoring procedures. One case resulted in the termination of a City contract, and another resulted in the debarment/suspension of three New Jersey companies that violated the City's anti-discrimination policies. In another matter, the OIG facilitated the repayment of more than \$25,000 from a former employee of a City contractor who misappropriated food vouchers.



A low-angle shot of pink cherry blossom branches against a bright sky, with a blurred city skyline in the background.

**2 contractor**

debarments

**1 contractor**

suspension



# OUR PHILOSOPHY

Each and every Philadelphia resident, employee and contractor has a role in building an effective, efficient and honest government. The OIG cannot accomplish its mission without active and open participation from members of our community and our workforce. Because most of the OIG's cases originate from tips from members of the public and City employees, it is important to continue increasing awareness of the office – both to generate more investigative leads and to deter wrongdoing by showing that a vigilant watchdog is guarding the City.

## **City-Wide Training**

Prevention begins with education, and in 2019 the OIG continued to expand its City-wide educational programming. Now, every new City employee participates in OIG training as part of the QuickStart Philly onboarding process. The OIG team teaches new employees about the importance of reporting wrongdoing in the interest of upright public service.

In addition to our trainings for new employees, the OIG also designed and delivered more than 30 department-specific presentations at the Philadelphia

Airport, the Department of Human Services, the Department of Licenses and Inspections, the Office of Economic Opportunity, the Office of Property Assessment, Parks & Recreation, the Streets Department and the Water Department. Each training was specifically targeted to meet the needs of the department's workforce and place them in the best position to identify and report wrongdoing.



## Professional Organizations

The OIG is a key organizational member in a number of professional and academic associations that focus on integrity and ethics in government. Inspector General Kurland served on the faculty of the National Association of Inspectors General, where she instructed other practitioners on contract compliance techniques and anti-discrimination investigations. In 2019, Inspector General Kurland also led a session about whistleblower protections and investigations at the AIG's annual conference.



The Philadelphia OIG is recognized by other organizations and cities as a leading model in government oversight. Inspector General Kurland partnered with various local, national and international organizations to further the cause of good government; including the City of Atlanta, the City of Paris, Temple Law School, University of Pennsylvania's FELS Institute, Columbia University's School of International & Public Affairs, Community College of Philadelphia, the Pennsylvania Bar Institute and Philadelphia's International Visitors Leadership Program.





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