



City of Philadelphia
Office of the
Inspector General

ACCOUNTABILITY **THROUGH ADVERSITY**

ANNUAL REPORT
2020

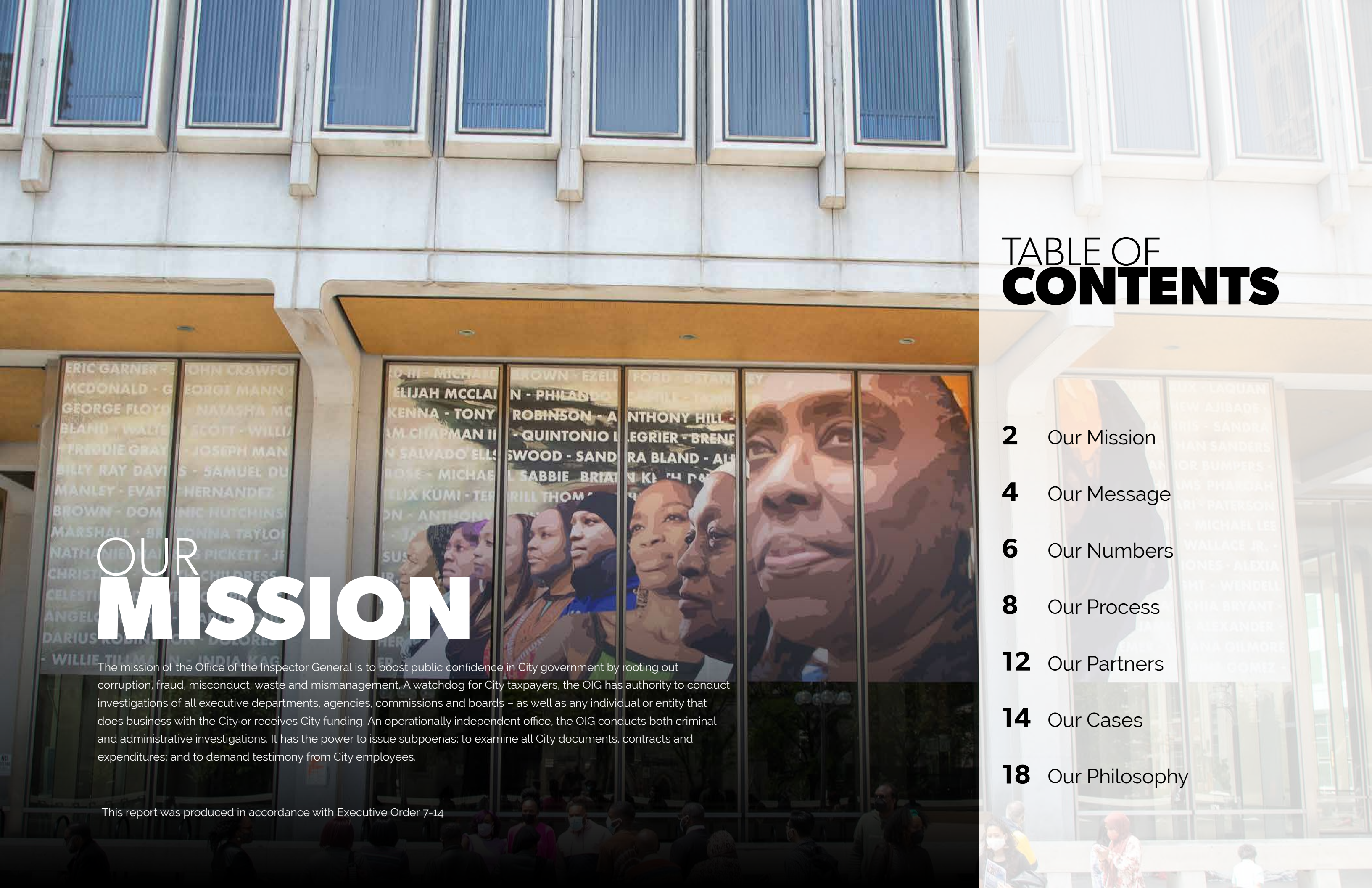


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OUR MISSION

The mission of the Office of the Inspector General 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.

This report was produced in accordance with Executive Order 7-14



MESSAGE FROM THE **INSPECTOR GENERAL**

For all of us, the events of 2020 presented new and unique challenges that will forever change our landscape and the way that we approach our work. In local government, the global pandemic and civil unrest placed immense pressure on our collective commitment to deliver quality City services in the best interests of our community. And, though our environment may have dramatically changed, our duty remains the same. In fact, now more than ever, we must continue to ensure that honesty and integrity are firmly at the foundation of everything that our City does.

Through adversity, our results demonstrated the enduring importance of our work and the OIG's unbreakable commitment to the public interest. OIG investigations resulted in nearly \$3 million of savings – almost twice the OIG's modest budget. Leveraging our longstanding partnerships with law enforcement, in 2020 we saw eleven individuals charged with criminal corruption offenses following joint investigations. And, more than 30 City employees were administratively disciplined as a result of OIG investigations that substantiated allegations of wrongdoing.

These measurable results, however, are just one small part of a much larger picture that must also recognize the hard work of the many honest and upright City officials and employees who adapted and overcame to serve you – the people of Philadelphia. No matter what may happen, no matter what obstacles we may face in the future, we will never waiver from our commitment of honest service. Every person in City government must share that view, and the OIG is always here to protect that ideal. That is why I am proud to be a City employee, and I am proud of our work – but it is never done.

Thank you for your commitment to integrity in our government.

In Service,

Alexander F. DeSantis, Inspector General

OUR NUMBERS

\$2,920,443
2020 Savings

FINANCIAL ACCOMPLISHMENTS



\$365,698
Restitution

\$629
Recovery

\$30,405
Suspension

\$2,503,695
Termination (based on 2-yr projection)

\$20,016
DROP Savings (resigned/terminated prior to drop date)

2020 STATISTICS

TERMINATIONS
22

SUSPENSIONS
10

RESTITUTION
ORDERS
4

CRIMINAL CHARGES
11

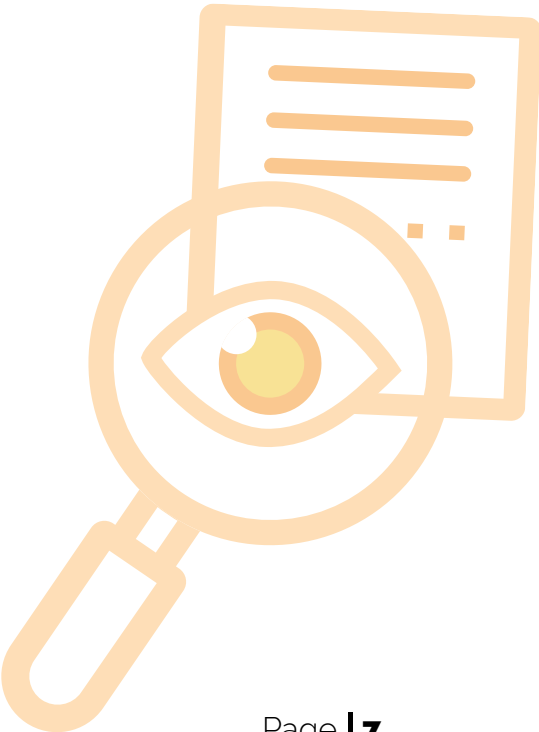
CRIMINAL CONVICTIONS
8

POLICY
RECOMMENDATIONS
7

INVESTIGATIONS RESULTS



INVESTIGATIONS OPENED BY DEPARTMENT



City Treasurer
Department of Commerce
Department of Behavioral Health and Intellectual disAbility
Department of Human Services
Department of Licenses and Inspections
Department of Public Health
Department of Public Property
Department of Revenue
Division of Aviation
Fire Department
Free Library of Philadelphia
Managing Director's Office

1 Office of Arts, Culture and the Creative Economy
3 Office of Emergency Management
2 Office of Homeless Services
4 Office of Innovation & Technology
1 Office of Property Assessment
3 Office of the Director of Finance
1 Other/External
24 Philadelphia Parks and Recreation
1 Department of Prisons
5 Streets Department
16 Water Department
3



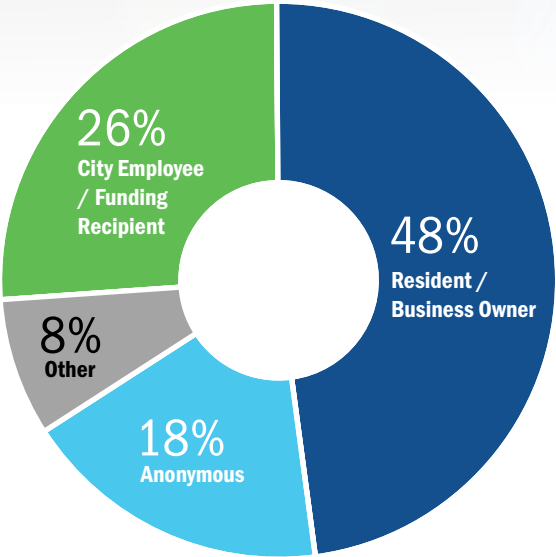
OUR PROCESS

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 2020 sourced from these courageous groups, who are our first line of defense against fraud and corruption. Another 18% came from anonymous complainants, a valuable option for those who believe in integrity but may fear the consequences of reporting.

2020
COMPLAINTS by source



Policy Recommendations

The OIG often makes policy recommendations in response to specific complaints against employee actions in order to prevent others from engaging in similar misconduct in the future. However, OIG policy recommendations are not limited to addressing individual actions alone. They may also be in response to policies and practices that impact the effectiveness, efficiency and integrity of City programs and operations.

In 2020 the OIG spearheaded two extensive policy reviews dealing with monetary collections and transactions. The first focused on the effectiveness and administration of the city’s Sanitation Code Enforcement Fee. The OIG found that the city’s tax rate was one of the lowest in the country for trash and recycling services offered to commercial entities. The OIG also pinpointed several gaps in the administration of the tax, which involves multiple city agencies, and recommended low-cost enhancements to increase revenue collection.

The second addressed policies and practices of Registered Community Organizations, commonly known as RCOs. In an effort to improve the transparency of an RCO’s role in the Zoning Board of

Adjustment appeals process, the OIG recommended the City standardize rules regarding donations to RCOs. In particular, establishing guidelines as to who may make donations to RCOs, as well as creating reporting requirements for financial contributions to RCOs that are accessible to the public.

The OIG also worked extensively on internal recommendations at the Philadelphia Department of Prisons to address complaints of racial bias in roster assignments and shift supervision. While the allegations were unsubstantiated, the OIG offered numerous recommendations to create a fairer work environment for PDP corrections officers.

City agencies also seek assistance from the OIG in dealing with non-traditional policy examinations at times. The OIG’s extensive experience in analyzing government actions and proposing corrective measures provides a unique perspective that can aid decision-makers in an unbiased manner. In this regard the OIG served as a monitoring agency between the City and outside consultants hired to conduct an after-action review of the Philadelphia Police Department’s role in addressing the civil unrest in the summer of 2020.

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

Forging strong partnerships 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 continues to be essential to success as the OIG expands its reach. The OIG's collaborative relationship with these members of the anticorruption task force resulted in successful outcomes on significant criminal fraud and corruption cases in 2020.



PHILADELPHIA PARKS & RECREATION

In 2020, the OIG also worked closely with the Parks and Recreation Department, whose leadership is equally committed to maintaining an ethical workforce. Between 2012 and 2019, **Leo Dignam, a Parks and Recreation Department senior employee**, misused two bank accounts to pay off personal expenses such as cellphone bills, groceries, and online shopping binges. He was charged with stealing approximately \$150,000 worth of funds. **Paul Dignam, also a Parks and Recreation employee**, opened a bank account, which on the surface appeared to be for community fundraising for park upkeep and playground repair. However, from this account he wrote over 100 checks in excess of over \$100,000 for personal expenses.



Department of Revenue

Revenue Department
Damarys Natal, a Revenue Department Collections Service Representative, orchestrated a bribery scheme in which she offered to reduce penalties and fees on outstanding taxes to late-paying customers in return for direct financial compensation in the form of blank money orders ranging from \$100 to \$500 in value.

The OIG received a complaint that **Revenue Department employee Jarredd McQueen attempted to solicit money from a resident** in order to "zero out" the resident's outstanding property tax balance. After an extensive investigation, the allegations against McQueen were substantiated and he was charged criminally with bribery.

He accepted \$9000 related to this scheme which included debts on refuse and small business taxes as well.

Collections Service Representative, Nicole Mixon was indicted on a bribery charge after entering taxpayers into Owner Occupied Payment Agreements on ineligible properties as well as other manipulation of outstanding tax debts through the Revenue Department's payment system. In return, Mixon collected over \$20,000 in cash payments from property owners.

Extensive cooperation by Revenue Department officials helped lead to the indictment of all three former employees.



Philadelphia Health Management Corporation
Beginning in 2016, **Barbara Conway-Williams, an employee of a City vendor, the Philadelphia Health Management Corporation (PHMC)**, stole food vouchers funded by the Department of Public Health's AIDS Activities Coordinating Office. She was charged by information with theft from a federally funded program of nearly \$40,000.

Three former Philly revenue dept. employees facing bribery charges



Two Philly officials and brothers, one who oversaw the Broad Street Run and Mummers Parade, have been charged with embezzlement



Ex-Philly official who oversaw Mummers and Broad Street Run sentenced to 15 months for embezzlement

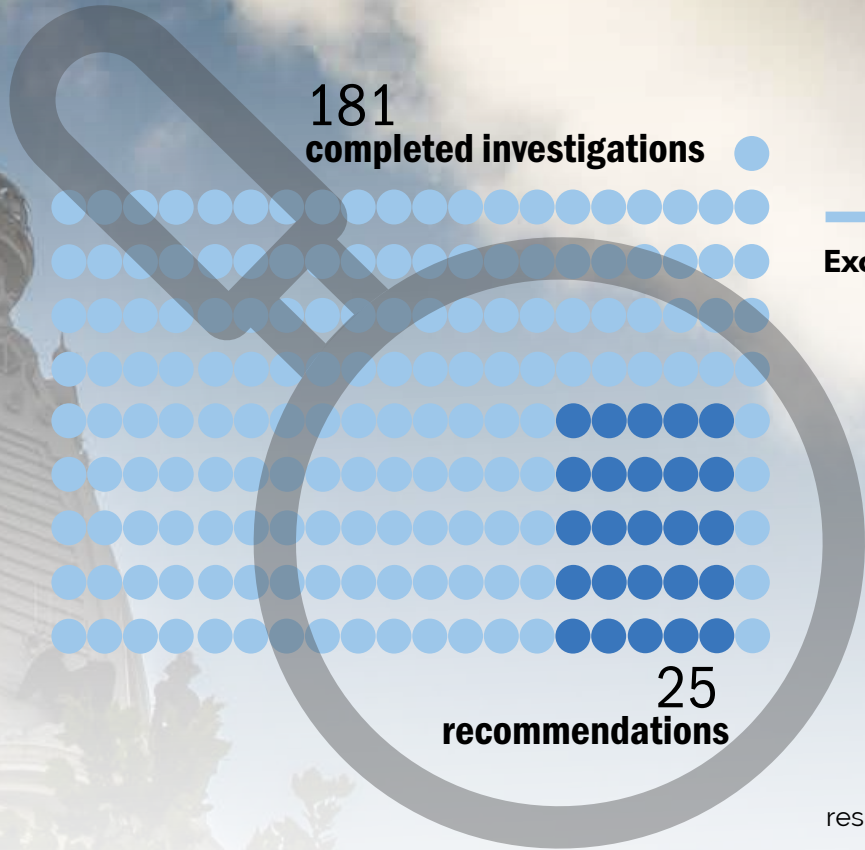


Philly Dept. of Revenue workers accused of taking bribes for erasing debts



OUR CASES

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.



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 2020, we completed more than 181 investigations in various stages – and only 25 resulted in a recommendation for corrective action.



Residency Violations

We continue to aggressively pursue allegations that City employees are violating the residency requirement set forth in the Home Rule Charter. In 2020, 5 employees were removed from City employment in connection with residency investigations.

2020 MISCONDUCT FINDINGS by Category



Residency
5



Theft of Time
2



Secondary Employment
4




Sick Abuse
3



Misuse of Equipment
8



Other
10

The background image is a composite of two photographs. The left side shows a park area with trees having yellow and orange autumn leaves. In the background, a large blue suspension bridge is visible. The right side shows a similar park scene with trees and a wooden bench, with the sun shining brightly through the foliage, creating a lens flare effect.

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 2020, 4 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 2020, 5 employees received discipline after OIG investigations substantiated that they made active misrepresentations on official timesheets.

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.

**THESE ACCOMPLISHMENTS
demonstrate the City of Philadelphia's staunch
commitment to integrity in government and the
honest use of taxpayer dollars.**

- ALEXANDER F. DESANTIS, INSPECTOR GENERAL

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 2020 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 department-specific presentations at the Philadelphia Airport, the Office of Economic Opportunity, the Department of Licenses + Inspections, the Health Department, the Procurement Department, and the Streets 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. Through the U.S. Department of State, Inspector General DeSantis spoke to a number of international delegations about best practices in good governance. In 2020, Inspector General DeSantis also led a session about antifraud and government corruption prevention.

A man in a light blue suit, white shirt, and red tie is standing and presenting to an audience. He is gesturing with his right hand. In the foreground, the back of a person's head wearing a black cap is visible, along with a yellow water bottle and a clear water bottle on a table. The background shows a window with vertical blinds and a dark curtain.

EVERY NEW EMPLOYEE
participates in OIG Training as part of the
QuickStart Philly onboarding process.



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