

# INTEGRITY **MATTERS**

ANNUAL REPORT  
**2022**

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



# 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

As Inspector General, I am proud to present our annual report for 2022, highlighting our primary accomplishments in the interest of honesty and integrity in City government. Once again, our work has yielded significant and real savings for City taxpayers, and we saw record-setting numbers for administrative and criminal enforcement actions stemming from OIG investigations.

As we move forward, we will continue to strive for excellence and hold ourselves accountable to the highest standards. We understand the importance of building trust in government, and we are committed to doing our part in service of this goal. Together, we can make a difference and ensure that our organization remains a model of efficiency, effectiveness, and accountability.

Thank you for your commitment to integrity in our government.

Sincerely,

A handwritten signature in black ink, appearing to read "A. DeSantis". The signature is fluid and cursive.

**Alexander F. DeSantis, Inspector General**



# POWER IN NUMBERS 2022

## FINANCIAL SAVINGS & RECOVERY

- \$162,804.44**  
Direct Recovery
- \$4,700**  
Fines/Forfeiture
- \$99,237.73**  
Suspension Savings
- \$4,996,976.90**  
Termination Savings (based on  
2-yr projection)
- \$2,248,074.61**  
Pension Savings\*

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

## CASE RESULTS



- Terminations ..... **55**
- Criminal Enforcement Actions ..... **25**
- Suspensions/Reprimands ..... **18**
- Financial Recoveries ..... **5**
- Demotions ..... **3**
- Policy Recommendations ..... **3**
- Fines/Forfeiture Orders ..... **2**
- Pension Disqualifications ..... **2**

**\$7,511,793.68**  
2022 TOTAL SAVINGS

## INVESTIGATIONS OPENED BY DEPARTMENT



Department of Behavioral Health and Intellectual disAbility .....	2	Mayor's Office of Labor .....	3
Department of Commerce .....	1	Mural Arts Program .....	1
Department of Human Services .....	6	Office of Fleet Management .....	2
Department of Licenses and Inspections .....	15	Office of Innovation & Technology ....	2
Department of Planning and Development .....	1	Office of the Director of Finance - Risk Management.....	1
Department of Prisons .....	4	Office of the Director of Finance .....	1
Department of Public Health.....	6	Office of Property Assessment .....	3
Department of Public Property .....	2	Philadelphia Parks and Recreation .....	3
Department of Revenue .....	4	Police Department.....	2
Fire Department.....	4	Procurement Department .....	1
Law Department .....	1	Streets Department .....	23
Managing Director's Office .....	2	Water Department.....	4
Managing Director's Office - 311.....	1	Other.....	27
Managing Director's Office - OVP .....	1		

**123** 2022 TOTAL



## 2022 OIG CASES

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 submits letters or Reports of Investigation, recommending corrective and disciplinary action to City departments, including termination where appropriate. When OIG investigations uncover evidence of potential criminal violations, we actively partner with law enforcement to hold wrongdoers accountable. Year after year, we rely on our strong partnerships across federal, state and local government to conduct joint criminal investigations that result in charges, convictions and restitution for the City of Philadelphia. 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.

## 2022 COMPLAINTS

by source



### 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. About 75% of the complaints received in 2022 sourced from these courageous groups, who are our first line of defense against fraud and corruption. Another 12% came from anonymous complainants, a valuable option for those who believe in integrity but may fear the consequences of reporting.

## ANYONE CAN

submit an anonymous tip at:



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



215-686-1770

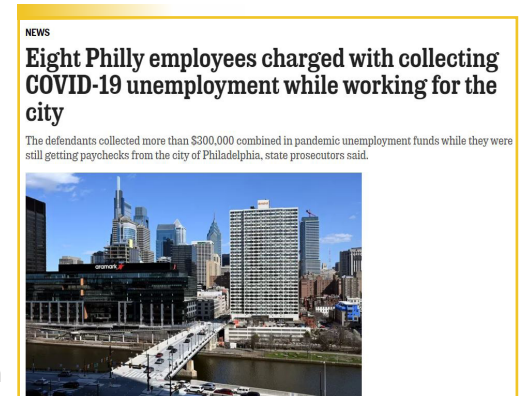


601 Walnut Street  
Suite 300 East  
Philadelphia, PA, 19106

### Pandemic Unemployment Assistance

During the early months of the pandemic, the federal government instituted a new form of unemployment benefits, Pandemic Unemployment Assistance (PUA). PUA provided immediate compensation for those affected by the pandemic who did not otherwise qualify for traditional unemployment. The program was largely intended for so-called "gig workers" and/or the self-employed.

Unfortunately, a significant number of City employees participated in this program and received unwarranted payments. OIG investigation confirmed that more than 30 employees admitted to filling out the PUA applications, sometimes with assistance, and to receiving the PUA benefits, despite having been fully employed and paid by the City at the time. Some also failed to report the wages earned from the City, which would have offset or completely eliminated any PUA benefits they might have otherwise been entitled to receive.



**UNFORTUNATELY, A SIGNIFICANT number of City employees participated in this program and received unwarranted payments.**



As a result of the OIG's investigations into this widespread fraud, 39 employees faced administrative discipline and were terminated from City employment. To date, eight of these employees have also been criminally charged by the Attorney General's Office. In 2023, we will likely see more criminal charges for this same group of proven wrongdoers.

## **EIGHT OF THESE EMPLOYEES have also been criminally charged by the Attorney General's Office.**

### **Residency Violations**

With the City operating under a hybrid work schedule, the OIG continues to aggressively pursue complaints of City employees violating the residency requirement set forth in the Home Rule Charter. In 2022, five City employees lost or resigned their jobs after OIG investigations confirmed violations. Investigation showed that the employees were found to be residing in Montgomery and Delaware counties, as well as the state of California.

### **Secondary Employment**

City employees can work second jobs only in select circumstances where the work does not conflict with City duties and after receiving department approval. In 2022, seven City employees were found to have violated the secondary employment policy. Of those, three were removed from their City jobs, three were suspended and another was demoted.



## Policy Recommendations

After an investigation that found a Philadelphia Water Department employee mishandled contracting information, the OIG examined internal rules and procedures surrounding PWD's contracting and bidding process. Acting upon the OIG's recommendations, the PWD immediately implemented stricter communication guidelines for employees interacting with vendors, as well as regular training for employees on how to appropriately handle confidential information.

In 2022 the OIG also concluded an investigation into the Targeted Community Investment Grant Program. The investigation identified deficiencies in planning, inadequate staffing and a broader lack of internal controls. The OIG issued several recommendations to improve the grant selection process, grant program oversight, and post-program follow-up to ensure that the City maximizes its impact on violence prevention at the community level.

During another investigation, the OIG found procedural deficiencies within the City's payroll unit. As recommended by the OIG, the Office of the Director of Finance implemented second-level safeguards for certain account change requests, to ensure that all payroll transactions are accurate and authentic.

## Paycheck Fraud

Working together with the Philadelphia Police Department, OIG investigations in 2022 resulted in criminal charges for two different former employees who twice attempted to cash City paychecks. In both cases, the employees presented their paycheck at a check-cashing location, after having already deposited the check electronically.

## Employee Theft

In 2022, the OIG concluded an investigation into former Water Department employee Thomas Staszak, who was found to have falsified computer inventory records in order to justify the removal of maintenance materials from a PWD storeroom. Staszak stole inventory valued in excess of \$150,000, such as bulk wire, sold them to local scrap yards and pocketed the proceeds. As a result of the OIG's joint investigation with the FBI, Staszak was indicted on multiple counts of theft and computer fraud. Staszak pleaded guilty and was sentenced to 14 months in prison. He was also ordered to pay full restitution to the City for the loss that he caused.

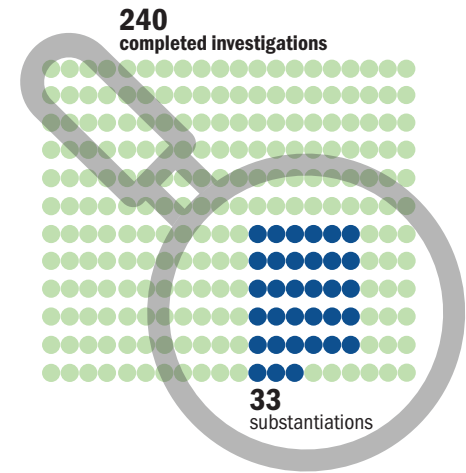


### Law Enforcement Partners

None of these case results would be possible without the help of our 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.

### Exonerating the Innocent

Despite the outcomes presented here, the overwhelming 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 2022, we completed 240 investigations in various stages – and only 33 resulted in a recommendation for corrective action.







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