



December 8, 2011

Ms. Doris Moseley, Director, Department of Social Services

The Office of the Inspector General (OIG) has completed an investigation in the Department of Social Services (DSS). This letter informs you of the results of the investigation.

Complaint

The OIG received a complaint alleging that a DSS Administrative Project Analyst responsible for the procurement of goods and services received gifts from vendors doing business with the City.

Legal Requirements

In accordance with the Code of Virginia, §15.2-2511.2, the City Auditor is required to investigate all allegations of fraud, waste and abuse. Also, the City Code section 2-231 requires the OIG to conduct investigations of alleged wrongdoing.

Background

The City's Administrative Regulation Number 1.1 (A.R. 1.1) related to the Code of Ethics governs the standards of conduct that employees must follow in the performance of their duties. Section III of A.R. 1.1 states "An employee shall not solicit or accept either directly or through the intercession of others, any gift, gratuity, favor, loan, entertainment, or other like thing of value from a person who singularly or in concert with others:

- Has, or is seeking to obtain, contractual or other business or financial relations with the City of Richmond government;
- Conducts operations or activities that are subject to regulation by the City of Richmond government; or
- Has an interest that may be favorably affected by the performance or non-performance of the employee's official duties and responsibilities."

Findings

The investigator identified three furniture vendors and one food vendor who may have given gifts to the Administrative Project Analyst. During subsequent interviews with the four vendors and several DSS employees, the investigator determined the following:

- In the summer of 2011, the Administrative Project Analyst solicited one of the furniture vendors to donate an office chair. The Administrative Project Analyst informed the vendor that the chair would be used as a giveaway prize for a DSS staff recognition event. The Administrative Project Analyst had established a

business relationship with this vendor several years ago. The vendor agreed to this solicitation and provided a leather executive chair with a retail value exceeding \$200. The investigator confirmed that a different DSS employee received the chair during a staff recognition event.

- The evidence obtained did not indicate the Administrative Project Analyst solicited or received gifts from the remaining three vendors.

The investigator interviewed the Administrative Project Analyst after reviewing the evidence. The Administrative Project Analyst initially claimed one of the furniture vendors presented the chair to her without any solicitation on her part, but she eventually admitted to soliciting the vendor for the chair and receiving it. The Administrative Project Analyst stated she was not aware of A.R. 1.1 and her responsibility related to the Code of Ethics. However, she recognized her actions could be construed as a violation of the City's Code of Ethics.

During the course of this investigation, the investigator determined the Administrative Project Analyst is responsible for the procurement of services to renovate three DSS buildings. Approximately \$86,000 has been spent to date on this project, which has a budget of \$439,000. Due to the scope of this project and the significant involvement with multiple vendors, it is critical this employee understands her responsibilities as a procurement liaison. The investigator determined that the Procurement Department invited the Administrative Project Analyst to attend training the last two fiscal years, but it does not appear that she attended the training. Having a more in-depth understanding of procurement policies and responsibilities would help prevent potential conflicts of interest.

Conclusion

The OIG finds the allegation to be substantiated. The employee violated the City's Code of Ethics when she solicited a gift from a vendor. The OIG recommends appropriate disciplinary action against the subject employee.

If you have any questions, please contact me at extension 5616.

Sincerely,



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

Cc: Byron C. Marshall, Chief Administrative Officer
Dr. Carolyn Graham, Deputy Chief Administrative Officer, Human Services