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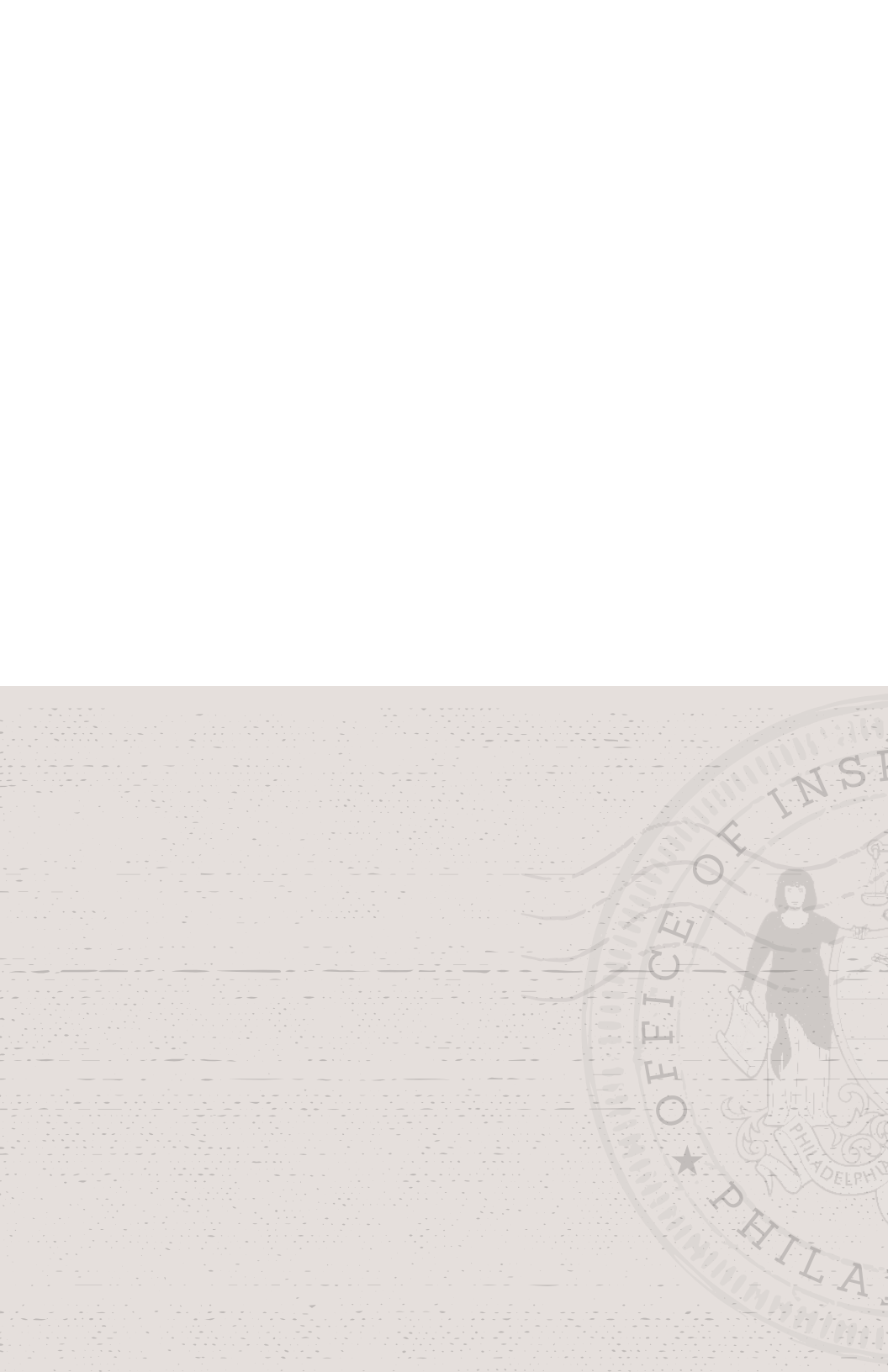
23

ANNUAL
REPORT

OFFICE OF THE
INSPECTOR GENERAL



City of
Philadelphia



ANNUAL

REPORT

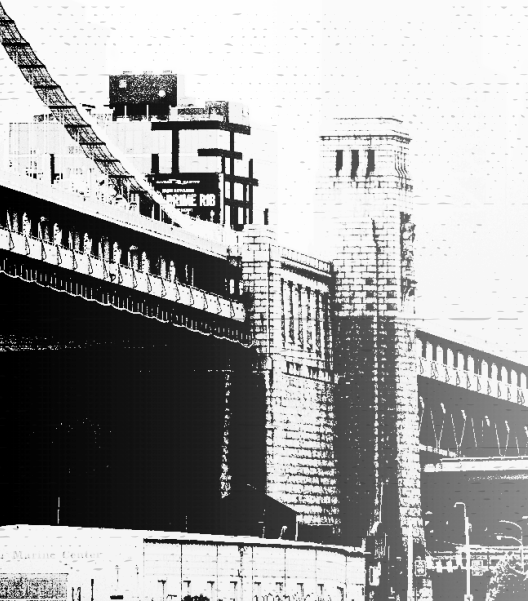


2023



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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,



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

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.

M E S S A G E
F R O M T H E
I N S E P C T O R
G E N E R A L



As Inspector General, I am proud to present our annual report for 2023, 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 significant 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, written over a light blue horizontal line.

Alexander DeSantis
Inspector General

POWER IN M

\$4,526,416.28
2023 TOTAL SAVINGS

CASE RESULTS

FINANCIAL SAVINGS & RECOVERY

Terminations.....17	\$207,642.87 Recovery
Suspensions/Reprimands.....9	\$8,243.00 Fines/Forfeiture
Financial Recoveries.....7	\$3,826.00 Demotion/Salary Reduction
Fines/Forfeiture Orders.....6	\$24,463.16 Suspension
Criminal Enforcement Actions...17	\$2,870,884.00 Termination (based on 2-yr projection)
Policy Recommendations.....2	\$1,411,357.25 Pension Savings*
Pension Disqualifications.....1	

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

NUMBERS

INVESTIGATIONS OPENED BY DEPARTMENT

Department of Behavioral Health and Intellectual disAbility.....	3
Department of Human Services/OCF.....	8
Department of Licenses and Inspections.....	7
Department of Public Health.....	12
Department of Public Property.....	1
Department of Revenue.....	1
Division of Aviation.....	2
Fire Department.....	4
Free Library of Philadelphia.....	3
Managing Director's Office.....	2
Mayor's Office.....	1
Mayor's Office of Community Empowerment & Opportunity.....	1
Office of Homeless Services.....	2
Office of Innovation and Technology.....	1
Office of the Director of Finance.....	3
Philadelphia Parks and Recreation.....	5
Police Department.....	1
Prisons System.....	2
Streets Department.....	16
Water Department.....	10
Other/External.....	15



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.



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 2023, 6 City employees lost or resigned their jobs after OIG investigations confirmed violations. Investigation showed that the employees were found to be residing in as far as the state of Delaware and in Montgomery, Bucks, and Delaware counties.

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 2023, 6 City employees were found to have violated the secondary employment policy. Of those, one was suspended and subsequently terminated, and the rest were removed from their City jobs.





PANDEMIC UNEMPLOYMENT ASSISTANCE

Since August 2020, the OIG has been investigating fraudulent claims for Pandemic Unemployment Assistance (PUA) related to the COVID-19 pandemic. PUA provided unemployment benefits to individuals during the pandemic who were self-employed, part-time employees, lacked sufficient work history, and those who did not otherwise qualify for regular unemployment compensation.

A number of City employees applied for and received PUA despite being fully employed by the City of Philadelphia. Due to the OIG's investigation, a number of City employees have resigned or been terminated after disciplinary hearings since 2021. The OIG then referred all cases to our law enforcement partners at the Office of the State Attorney General and the Department of Justice for further investigation and prosecution.

Last year, three additional City employees who had previously resigned in lieu of termination from their respective City positions pleaded guilty to various PUA theft charges. They were sentenced to pay restitution in varying amounts to the Commonwealth of Pennsylvania, court costs/fines, and must serve a period of reporting probation.



POLICY RECOMMENDATIONS

In a joint investigation with the Office of Risk Management, the OIG investigated two different itemized estimates of damages submitted to the City that were suspected of being fraudulent. As a result, the claim was denied. The OIG provided ORM with policy recommendations to prevent and/or mitigate financial loss of City funds through this scheme and standardize this process.



CRIMINAL ENFORCEMENT ACTIONS

Working together with the Philadelphia Police Department, OIG investigations in 2023 resulted in criminal charges for 3 different former employees and one non-City employee. Of those, two had active warrants and were arrested, and one was arrested for driving with a suspended license. The OIG investigated an individual who impersonated a Philadelphia Law Department employee. That individual was also arrested.

CONTRACT COMPLIANCE

In collaboration with the Office of the Controller, the OIG investigated Philadelphia-based firms General Asphalt Paving and Empire Supplies and Services. To make it appear that these firms were engaged in legitimate business transactions, Empire invoiced GAP for services and GAP paid Empire accordingly. But, the investigation revealed that those payments were



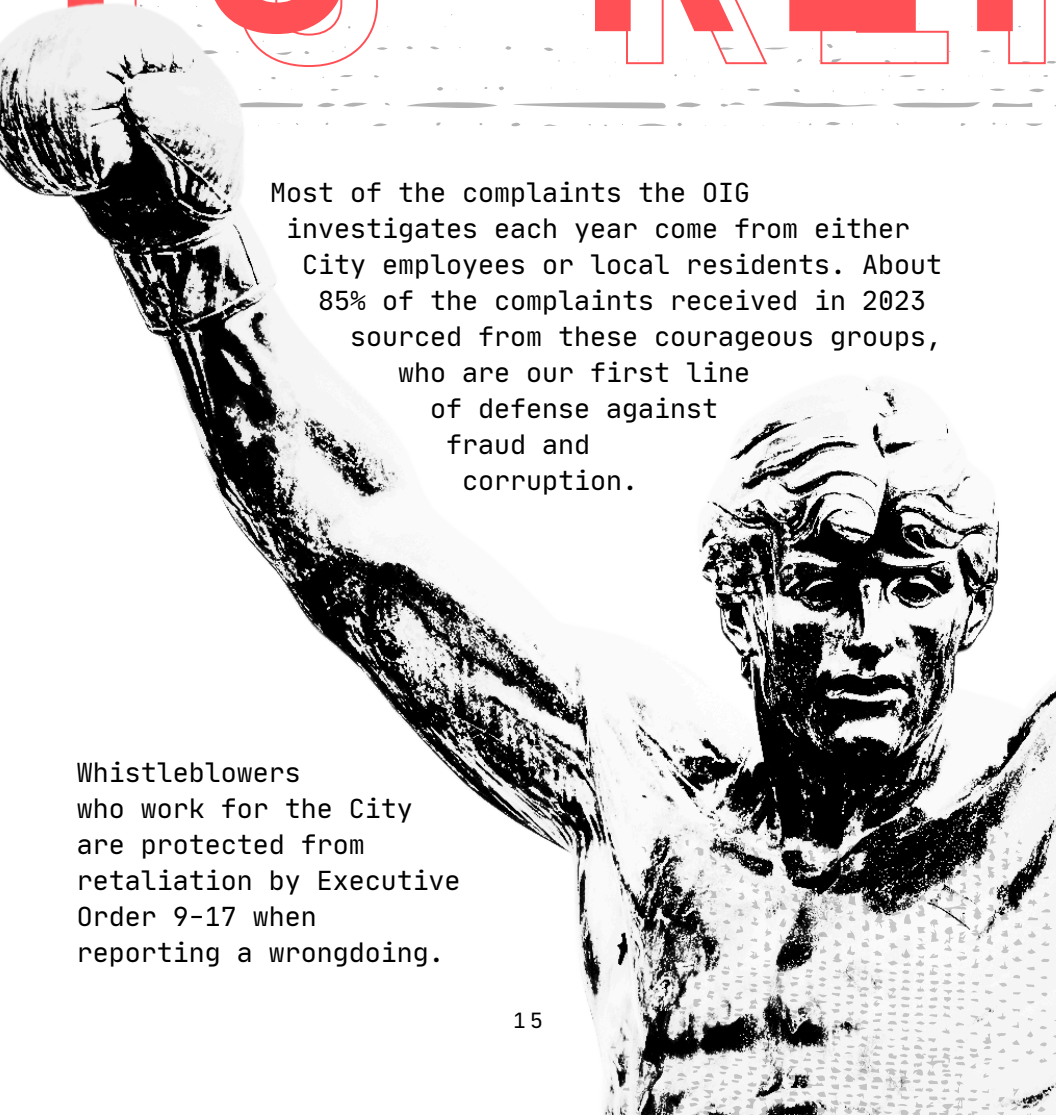
routinely returned to GAP, purportedly to repay an undocumented no-interest loan. In fact, evidence showed that Empire funneled more than \$4 million to GAP in this way, allowing the majority-owned GAP to realize significant profit from its sham minority subsidiary.

As a result of the Office of the Controller and the OIG's recommendations, the firms were debarred from participating in City contract opportunities for a period of three years, following an administrative hearing that found that GAP used Empire as a shell company to skirt the City's anti discrimination rules.



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Most of the complaints the OIG investigates each year come from either City employees or local residents. About 85% of the complaints received in 2023 sourced from these courageous groups, who are our first line of defense against fraud and corruption.

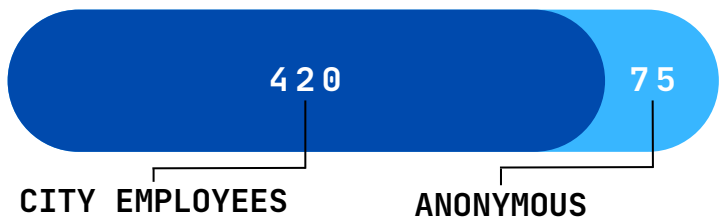
Whistleblowers who work for the City are protected from retaliation by Executive Order 9-17 when reporting a wrongdoing.

ENCOURAGE REPORT




Another 15% came from anonymous complainants, a valuable option for those who believe in integrity but may fear the consequences of reporting.

2023 COMPLAINTS BY SOURCE






**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.

EXONERATE THE INNOCENT

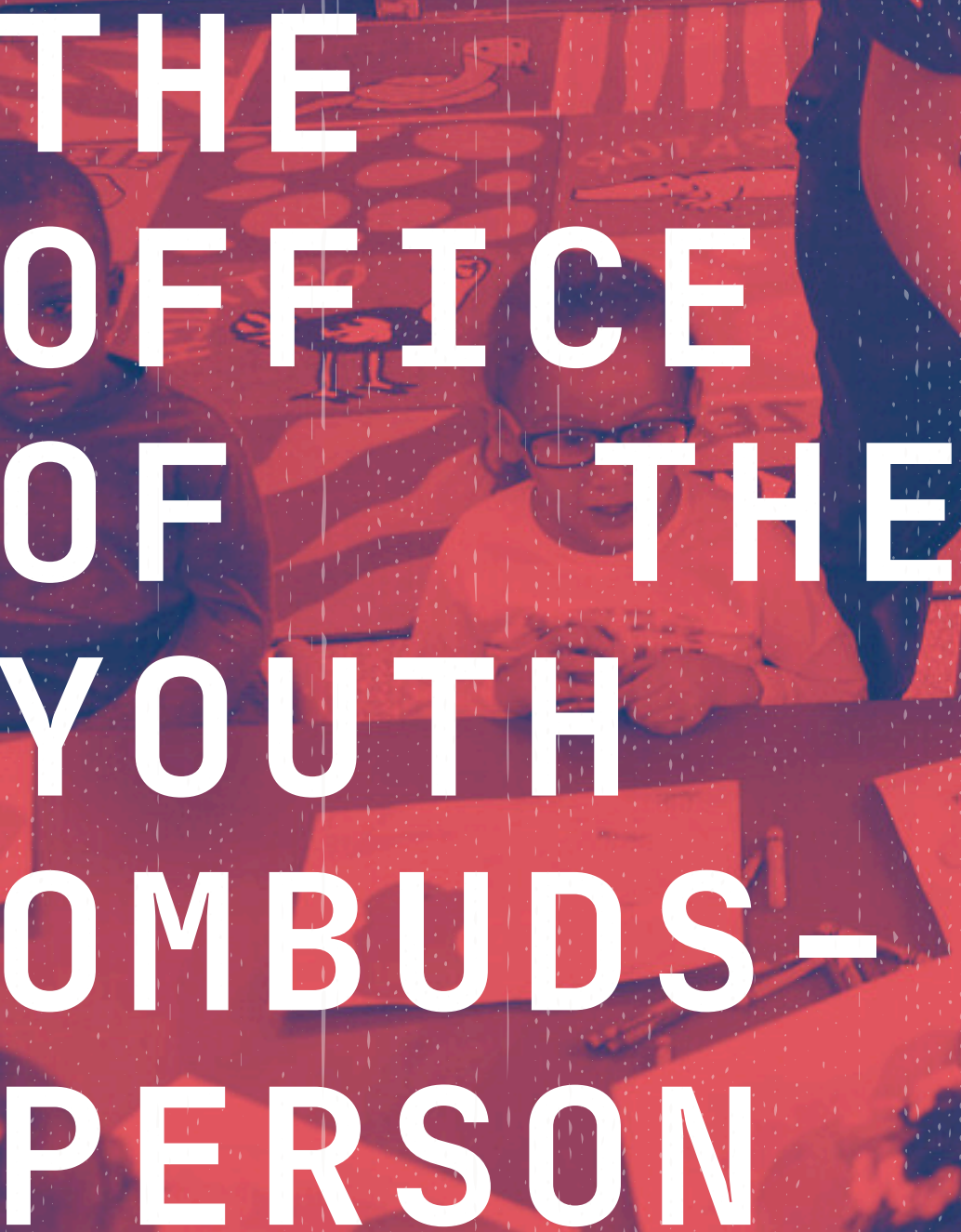


**15% OF
COMPLETED
INVESTIGATIONS
IN 2023
RESULTED IN
CORRECTIVE
ACTION.**

TING OCENT

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 2023, we completed 108 investigations in various stages – and only 16 resulted in a recommendation for corrective action.



A red-tinted photograph of children in a classroom setting. The text is overlaid in large, white, sans-serif capital letters. The background shows children sitting at desks, some looking towards the camera, others looking down at their work. There are papers, books, and classroom supplies visible on the desks. The overall mood is educational and focused.

THE
OFFICE
OF THE
YOUTH
OMBUDS-
PERSON



In 2022, former Mayor Jim Kenney signed Executive Order 5-22 to establish the Office of the Youth Ombudsperson within the OIG. Tracie Johnson joined the Office of the Inspector General in March 2023 as the City's first ever Youth Ombudsperson and was tasked with supporting youth in congregate care and advocate for better quality services for youth in placement. Since her appointment last year, Johnson expanded the OYO team and created new oversight processes in investigations of congregate care facilities.



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