

**OFFICE OF THE INSPECTOR GENERAL
FISCAL YEAR 2019 BUDGET TESTIMONY**

DEPARTMENT MISSION & PLANS

Mission: The Office of the Inspector General's (OIG) goal is to keep City government free from all forms of misconduct. The Office conducts both criminal and administrative investigations of all departments, agencies, commissions, and boards under the Mayor's jurisdiction, as well as individuals or companies that do business with the City or receive City funding. The OIG has the power to: issue subpoenas; examine all City documents, contracts, and monetary expenditures made from the City treasury; and demand testimony from City employees. The Office works with federal, state, and local law enforcement when reviewing issues related to criminal activity and serious cases of fraud and corruption. OIG work also relies on the support of fellow Philadelphians who report allegations of wrongdoing in City government.

Plans for Fiscal Year 2019: The OIG plans to continue to investigate allegations of fraud, corruption and wrongdoing. Each of the following initiatives will continue to be a major focus of the office's work:

- Pension Disqualification Program
- Integrity Office Program
- Contract Oversight
- City-Wide Training
- School District Partnership

In addition, over the next five years, the OIG will also devote significant attention and resources to the following long-term projects, each of which has been targeted to support the policy priorities of the Administration:

Non-Profit Enforcement: Given the Administration's focus on neighborhood development and our underserved communities, it is especially important to ensure that when City funds are used to provide services to our most vulnerable citizens, the money is really reaching those in need and the services are actually being provided. Therefore, the need for strong oversight of non-profit entities is especially important. Because the impact of fraud is real and direct, the OIG's collaborations with other offices on local, state, and federal levels have led to criminal convictions, financial restitution, and meaningful policy change. This continues to be a major focus of the office.

Philadelphia Beverage Tax Initiatives: The OIG is providing oversight for the City's implementation of three strategic initiatives funded by the Philadelphia Beverage Tax: 1) Rebuild, a long-term effort to repair and revitalize City parks and recreation facilities; 2) PHLpreK, a City-wide commitment to early childhood education; and 3) Community Schools, an effort to transform local schools into broader, community-based centers of activity, engagement, and resources.

OIG is coordinating with the Chief Integrity Officer (CIO) to design and implement several oversight functions to protect the integrity of these initiatives. The OIG and the CIO have developed a plan to provide education and training, to help employees and contractors identify and prevent fraud; public reporting, to ensure public transparency across all spending; audit efforts, to screen for issues and identify anything that may require corrective action; and investigation and enforcement to assure accountability. The offices have drafted a rulebook to guide the City agencies in policies and procedures for administering the three initiatives in an equitable and transparent manner. As the initiatives that are funded by the Philadelphia Beverage Tax progress, the OIG and CIO will assign staff to train staff and contractors on appropriate

OFFICE OF THE INSPECTOR GENERAL

financial controls, advise on program policies, investigate any questions of misuse of funds, and monitor reporting activities to ensure the programs are operating efficiently, openly, and in the best interests of the Administration's policy.

Joan Markman Award for Integrity: At times, there are individuals outside of the Inspector General's Office who provide meaningful assistance in a significant OIG investigation. The OIG strives to recognize these individuals who go above and beyond the call of duty and consequently, created the Joan Markman Award for Integrity. The award began in 2015 and will continue on an annual basis over the next several years.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2017)				
	Total	Minority	White	Female
Number of Full-Time Staff	18	6	12	10
Number of Exempt Staff	18	6	12	10
Number of Executive Staff (deputy level and above)	3	0	3	2
Average Salary, Full-Time Staff	\$61,733	\$59,667	\$63,111	\$64,750
Average Salary, Exempt Staff	\$61,733	\$59,667	\$63,111	\$64,750
Average Salary, Executive Staff	\$132,665	\$0	\$132,665	\$145,870
Median Salary, Full-Time Staff	\$65,000	\$60,000	\$65,000	\$67,500
Median Salary, Exempt Staff	\$65,000	\$60,000	\$65,000	\$67,500
Median Salary, Executive Staff	\$132,609	\$0	\$132,609	\$145,870

Employment Levels (as of December 2017)		
	Budgeted	Filled
Number of Full-Time Positions	19	18
Number of Exempt Positions	19	18
Number of Executive Positions (deputy level and above)	3	3
Average Salary of All Full-Time Positions	\$71,714	\$61,733
Median Salary of All Full-Time Positions	\$65,000	\$65,000

General Fund Financial Summary by Class						
	FY17 Original Appropriations	FY17 Actual Obligations	FY18 Original Appropriations	FY18 Estimated Obligations	FY19 Proposed Appropriations	Difference: FY19-FY18
Class 100 - Employee Compensation	\$1,390,611	\$1,355,599	\$1,444,811	\$1,533,111	\$1,533,111	\$0
Class 200 - Purchase of Services	\$272,975	\$122,322	\$197,975	\$97,975	\$97,975	\$0
Class 300/400 - Materials, Supplies & Equipment	\$5,225	\$5,181	\$5,225	\$5,225	\$5,225	\$0
	\$1,668,811	\$1,483,102	\$1,648,011	\$1,636,311	\$1,636,311	\$0

Contracts Summary (Professional Services only)						
	FY13	FY14	FY15	FY16	FY17	FY18 YTD (Q1 & Q2)
Total amount of contracts	\$150,000	\$28,000	\$14,814	\$90,330	\$6,774	\$61,744
Total amount to M/W/DSBE	\$0	\$1,500	\$10,000	\$10,000	\$0	\$0
Participation Rate	0%	5%	68%	11%	0%	0%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY17	FY18	FY19
M/W/DSBE Contract Participation Goal	30%	30%	0%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2019 General Fund budget totals \$1,636,311, level with Fiscal Year 2018 estimated obligation levels.

The proposed budget includes:

- \$1,533,111 in Class 100. This funding will allow the Inspector General to run daily operations.
- \$97,975 in Class 200. This funding is for the purchase of services.
- \$5,225 in Class 300/400. This funding is for the purchase of materials, supplies and equipment.

OFFICE OF THE INSPECTOR GENERAL

STAFFING LEVELS

The department is requesting 21 budgeted positions for FY19, an increase of 2 positions from FY18.

During 2018, an internal transfer moved funds from 200 to 100. The position count increased from 19 to 21.

NEW HIRES

The OIG had no new hires during the first two quarters of FY18. Since December, the OIG had four new hires. Out of the four new hires, 3 are males, and 1 is a female. Two new hires identify as Asian, and two identify as White. One new hire who identifies as an Asian male, speaks English, Hindi and Urdu.

PERFORMANCE, CHALLENGES, AND INITIATIVES

FY19 Performance Measures ¹				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Administrative Actions (number of cases) ²	48	N/A	30 to 50	30 to 50
Criminal Actions (number of cases) ³	10	N/A	10 to 20	10 to 20
Pension disqualification (number of cases) ⁴	2	1	N/A	N/A
Cases referred by City employees (number of cases) ⁵	79	35	N/A	N/A

¹ *OIG investigations widely vary in scope, complexity, and character. Not every investigation results in a measurable outcome, and cases often take several years to finalize, especially when criminal enforcement is involved. As the OIG holds wrongdoers accountable and educates the public about the City’s commitment to integrity, taxpayers and citizens become more confident in the quality of City services. Fraud is identified more often, bad actors are deterred, the public is more encouraged to invest in City infrastructure, and government services improve as a result.*

² *Targets are based on historical outputs over the last decade. This measure is tabulated annually. These actions include any case that resulted in administrative discipline, like a suspension or demotion, not just those that resulted in termination.*

³ *Targets are based on historical outputs over the last decade. This measure is tabulated annually. “Criminal actions” include all criminal enforcement activities, such as initial charging events, convictions, and sentencing.*

⁴ *OIG does not project targets for this measure. Case intake is dependent on factors outside of the OIG’s control, including the existence of wrongdoing in the first place. These are cases that are submitted to the Law Department for pension disqualification review.*

⁵ *OIG does not project targets for this measure. Case intake is dependent on factors outside of the OIG’s control, including the existence of wrongdoing in the first place.*

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

N/A

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Largest Contracts, FY18											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits) [yes / no]	Waiver for Living Wage Compliance? [yes / no]
HJ Sweeney	Investigative Consultant	\$65,000	2/17/2017	6/10/2017	MBE: Best Efforts	0%	\$0	0%	\$0	yes	no
					WBE: Best Efforts	0%	\$0				
					DSBE: Best Efforts	0%	\$0				

EMPLOYEE DATA

Staff Demographics (as of December 2017)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	3	3	<i>Total</i>	0	0
<i>% of Total</i>	20%	20%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$65,333	\$54,000	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$78,000	\$45,000	<i>Median Salary</i>	N/A	N/A
	White	White		White	White
<i>Total</i>	4	5	<i>Total</i>	1	2
<i>% of Total</i>	27%	33%	<i>% of Total</i>	33%	67%
<i>Average Salary</i>	\$53,000	\$71,200	<i>Average Salary</i>	\$106,255	\$145,870
<i>Median Salary</i>	\$53,500	\$78,000	<i>Median Salary</i>	\$106,255	\$145,870
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Asian	Asian		Asian	Asian
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Other	Other		Other	Other
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Male	Female		Male	Female
<i>Total</i>	7	8	<i>Total</i>	1	2
<i>% of Total</i>	47%	53%	<i>% of Total</i>	33%	67%
<i>Average Salary</i>	\$58,285	\$64,750	<i>Average Salary</i>	\$106,255	\$145,870
<i>Median Salary</i>	\$65,000	\$67,500	<i>Median Salary</i>	\$106,255	\$145,870

LANGUAGE ACCESS

1) Has your leadership received language access training?

Yes. Amy Kurland, Inspector General, has received language access training as part of the A-Team Executive Language Access Trainings.

2) Do you currently have a language access coordinator?

Yes, Brian Tom.

3) Has your department written a language access plan and is it posted online?

Yes, and it is available here: <https://beta.phila.gov/documents/language-access-plans/>

4) Explain what your department has done to improve language access services over the past year.

The Office of the Inspector General has prioritized hiring staff persons who speak more than one language, including one new hire in the last year who speaks three languages. OIG also has telephone interpretation services available for communicating with populations that are unable to speak English.