

**OFFICE OF THE INSPECTOR GENERAL  
FISCAL YEAR 2018 BUDGET TESTIMONY**

**DEPARTMENT MISSION & PLANS**

**Mission:** The Office of the Inspector General's (OIG) mission is to enhance the public's confidence in the integrity of City government by rooting out corruption, fraud, misconduct, waste, and mismanagement. The OIG's oversight extends to all departments, agencies, boards, and commissions under the Mayor's jurisdiction, in addition to any individual, corporation, or other entity receiving City funds.

Through investigation and full-circle resolution, the OIG identifies wrongdoing and presents solutions to prevent future problems of similar character. Investigative outcomes often include corrective disciplinary measures, law enforcement action, internal policy changes for enhanced efficiency, and/or financial resolutions to recompense a loss. All of these outcomes improve the quality and efficiency of City government while serving an important safety function for the City's workforce and Philadelphia at-large.

**Plans for Fiscal Year 2018:** 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.

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.

OFFICE OF THE INSPECTOR GENERAL

**BUDGET SUMMARY & OTHER BUDGET DRIVERS**

Staff Demographics Summary (as of December 2016)				
	Total *	Minority	White	Female
Number of Full-Time Staff	18	6	12	11
Number of Civil Service-Exempt Staff	18	6	12	11
Number of Executive Staff (deputy level and above)	3	0	3	2
Average Salary, Full-Time Staff	\$73,373	\$56,884	\$81,617	\$76,290
Average Salary, Civil Service-Exempt Staff	\$73,373	\$56,884	\$81,617	\$76,290
Average Salary, Executive Staff	\$132,665	\$0	\$132,665	\$145,870
Median Salary, Full-Time Staff	\$71,225	\$60,163	\$73,718	\$72,480
Median Salary, Civil Service-Exempt Staff	\$71,225	\$60,163	\$73,718	\$72,480
Median Salary, Executive Staff	\$132,609	\$0	\$132,609	\$145,870

Employment Levels (as of December 2016)		
	Budgeted	Filled *
Number of Full-Time Positions	19	18
Number of Part-Time Positions	0	0
Number of Civil-Service Exempt Positions	19	18
Number of Executive Positions (deputy level and above)	3	3
Average Salary of All Full-Time Positions	\$73,373	\$73,373
Median Salary of All Full-Time Positions	\$71,225	\$71,225

\* This total is inclusive of an employee who was on leave in December.

General Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$1,390,611	\$1,373,644	\$1,390,611	\$1,407,986	\$1,444,811	\$36,825
Class 200 - Purchase of Services	\$272,975	\$268,120	\$272,925	\$267,411	\$197,975	(\$69,436)
Class 300 - Materials and Supplies	\$3,125	\$4,293	\$3,125	\$3,125	\$3,125	\$0
Class 400 - Equipment	\$2,100	\$515	\$2,100	\$2,100	\$2,100	\$0
Class 500 - Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$1,668,811</b>	<b>\$1,646,572</b>	<b>\$1,668,761</b>	<b>\$1,680,622</b>	<b>\$1,648,011</b>	<b>(\$32,611)</b>

Professional Services Contracts Summary						
	FY12	FY13	FY14	FY15	FY16	FY17 YTD (Q1 & Q2)
Total amount of contracts	\$116,287	\$150,000	\$178,000	\$14,814	\$90,330	\$10,000
Total amount to M/W/DSBE	\$13,000	\$0	\$28,000	\$10,000	\$10,000	\$1,000
Participation Rate	11%	0%	16%	68%	11%	10%

All RFPs were/are forwarded to the OEO for range setting. The services are specialized; therefore, there is little or no opportunity for M/W/DSBE participation. The OIG has reduced its overall use of contractors during FY17 as compared to prior fiscal years. In FY18, the OIG plans to continue to reevaluate Class 200 overall and expects that the Office's participation rate will increase by a noticeable margin, getting the OIG closer to its long-term goal.

OFFICE OF THE INSPECTOR GENERAL

<b>M/W/DSBE Contract Participation Goal</b>			
	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
M/W/DSBE Contract Participation Goal	30%	30%	35%

## **PROPOSED BUDGET OVERVIEW**

### **Proposed Funding Request:**

The proposed Fiscal Year 2018 General Fund budget totals \$1,648,011, a decrease of \$32,611 over Fiscal Year 2017 estimated obligation levels. This decrease is primarily due to class 100 funding that was approved through 2017 only.

The proposed budget includes:

- \$1,444,811 in Class 100, a \$36,825 increase over FY17. This funding will allow the Inspector General to promote four diverse employees to the supervisory role and title of: Chief Investigator.
- \$197,975 in Class 200, an \$69,436 decrease over FY17. This funding is for the purchase of services. The decrease is due to internal realignment of funding (funding transferred to class 100).
- \$3,125 in Class 300, level with FY17. This funding is for the purchase of materials and supplies.
- \$2,100 in Class 400, level with FY17. This funding is for the purchase of equipment.

OFFICE OF THE INSPECTOR GENERAL

**STAFFING LEVELS**

The department is requesting 19 budgeted positions for FY18. This represents a \$36,825 increase over FY17, but no increase in the number of positions. This funding will allow the Inspector General to promote four diverse employees to the supervisory role and title of Chief Investigator.

**NEW HIRES**

New Hires (from December 2016 to present)			
	Total Number of New Hires	Japanese	Spanish
Black or African American	1	1	1
White	3	-	-
Total	4	0	0

**PERFORMANCE, CHALLENGES, AND INITIATIVES**

FY18 Performance Measures				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate *	FY18 Target *
Terminations (# of cases)	28	12	N/A	
Arrests / Indictments (# of cases)	11	1	N/A	
Pension disqualification (# of cases) **	8	18	N/A	
Cases referred by City employees (# of cases)	146	33	N/A	

\* No FY17 estimates or FY18 targets are available. Given the required objective nature of OIG investigations, it would be inappropriate for the OIG to state a goal for the number of complaints, arrests, terminations, or pension disqualifications it targets on a yearly basis.

\*\* Submitted to the Law Department for pension disqualification review.

**OTHER BUDGETARY IMPACTS**

**Federal and State**

N/A

**CONTRACTING EXPERIENCE**

<b>M/W/DSBE Participation on Large Professional Services Contracts</b>											
<b>Top Five Largest Contracts, FY17</b>											
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)	Waiver for Living Wage Compliance?
Advanced Detective Bureau	Surveillance	\$1,000	7/1/2016	7/1/2014	MBE: Best Efforts	100%	\$1,000	100%	\$1,000	yes	no
					WBE: Best Efforts	0%	\$0				
					DSBE: Best Efforts	0%	\$0				
H.J. Sweeney	Investigative Consultant	\$69,980	4/15/2013	6/10/2013	MBE: Best Efforts	0%	\$0	0%	\$0	no	no
					WBE: Best Efforts	0%	\$0				
					DSBE: Best Efforts	0%	\$0				
Leo Pedrotty	Investigative Consultant	\$14,580	5/7/2014	7/1/2014	MBE: Best Efforts	0%	\$0	0%	\$0	no	no
					WBE: Best Efforts	0%	\$0				
					DSBE: Best Efforts	0%	\$0				



**EMPLOYEE DATA**

<b>Staff Demographics (as of December 2016)</b>					
<b>Full-Time Staff</b>			<b>Executive Staff</b>		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	3	2	<i>Total</i>	0	0
<i>% of Total</i>	18%	12%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$56,442	\$56,990	<i>Average Salary</i>	-	-
<i>Median Salary</i>	\$62,325	\$56,990	<i>Median Salary</i>	-	-
	White	White		White	White
<i>Total</i>	4	8	<i>Total</i>	1	2
<i>% of Total</i>	24%	47%	<i>% of Total</i>	33%	67%
<i>Average Salary</i>	\$78,048	\$83,401	<i>Average Salary</i>	\$106,255	\$145,870
<i>Median Salary</i>	\$72,968	\$74,235	<i>Median Salary</i>	\$106,255	\$145,870
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	6%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	\$58,000	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	\$58,000	<i>Median Salary</i>	-	-
	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>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	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>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	6%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	\$58,000	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	\$58,000	<i>Median Salary</i>	-	-
	Male	Female		Male	Female
<i>Total</i>	7	11	<i>Total</i>	1	2
<i>% of Total</i>	35%	65%	<i>% of Total</i>	33%	67%
<i>Average Salary</i>	\$68,788	\$76,290	<i>Average Salary</i>	\$106,255	\$145,870
<i>Median Salary</i>	\$70,000	\$72,480	<i>Median Salary</i>	\$106,255	\$145,870

OFFICE OF THE INSPECTOR GENERAL

**NUMBER OF BILINGUAL EMPLOYEES**

Number of Bilingual Employees		
	Spanish	Japanese
Administration	2	1
Total - All Divisions	1	1
Total - # of Bilingual Employees	2	
Total - # of Languages Spoken	2	