



Richmond Office of the City Auditor

Office of the Inspector General

Fighting government waste, fraud and abuse

Umesh Dalal, CPA, CIA, CIG

Richmond City Auditor/Inspector General

July 7, 2015

Mr. Paul Jez, Director
Department of Finance

The Office of the Inspector General (OIG) has completed an investigation in the Department of Finance regarding a temporary employee being charged with felony embezzlement. This report presents the results of the investigation.

Complaint:

The OIG received an anonymous complaint on two temporary employees assigned to the Department of Finance alleging:

- Temporary employee #1 was charged with embezzlement and working in the Department of Finance.
- Temporary employee #2 was consuming and concealing alcoholic beverages while at work. The allegation against subject temporary employee #2 was referred to Human Resources for appropriate action.

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, City Code section 2-231 requires the Office of the Inspector General to conduct investigations of alleged wrongdoing.

Findings:

The Finance Department hired a temporary employee in the Accounts Payable Division to process payments. The investigator identified that this temporary employee was charged with felony embezzlement during the employee's prior employment with a private company. The Accounts Payable Division is considered to be vulnerable to the risk of fraud. Therefore, the charge appeared to conflict with the assigned duties within the Finance Department. The investigator found that the staffing agency conducted a background check in accordance with the contractual provisions that provided limited information. The City of Richmond needs to consider conducting more extensive background checks for the positions where the City is exposed to risk of financial losses.

After verifying the alleged charges against the temporary employee, the investigator conferred with the Deputy Director of Human Resources regarding the allegations and findings. During the meeting, the Deputy Director of Human Resources advised the Investigator that the subject employee will be removed from the assignment. The investigator verified the removal of the subject employee.

Based on the findings, the OIG concludes that the allegation is substantiated. If you have any questions, please contact me at extension 5640.

Sincerely,

Umesh Dalal

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

cc: Selena Cuffee-Glenn, Chief Administrative Officer
Lenora Reid, DCAO Finance and Administration