



Richmond Office of the City Auditor

Office of the Inspector General

Fighting government waste, fraud and abuse

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Richmond City Auditor/Inspector General

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Honorable Members of the Richmond City Council

The Office of the Inspector General (OIG) has completed an investigation in the City Assessor's Office. This report presents the results of the investigation.

Allegations:

The OIG received a complaint alleging the Richmond Mayor's land value was assessed \$60,000 below the previous year's assessment. The complainant also alleged undue influence for the reduction.

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.

Background:

In 2013 and 2014, the above property was assessed as follows:

<i>Year</i>	<i>Land</i>	<i>Improvement</i>	<i>Total</i>
<i>2013</i>	\$104,000	\$150,000	\$254,000
<i>2014</i>	\$40,000	\$182,000	\$222,000
<i>Difference</i>	(\$64,000)	\$32,000	(\$32,000)
	(62%)	21%	(13%)

Methodology:

The investigator conducted the following tasks:

- Interviewed the City Assessor and his staff
- Reviewed the records for the assessment of the entire community where the subject property is located.
- Requested an independent analysis of the properties located in the above community. The independent reviewer had to visit the community to physically inspect the properties and use the published guidance to complete the analysis.

Findings:

During the interviews the Appraiser II who appraised these properties, indicated that there was no conversation conducted with or direction received from the Mayor or his designee about her work. There was no other evidence on record to dispute this statement.

In 2014, the City Assessor's Office adopted a new methodology to ensure uniformity and equity in assessments in various communities. In 2014, they adopted "Land Schedule" which determined the value of the land in communities based on a range of square footage. For example, in the above community, all the land parcels were valued as follows:

<i>Square footage of land (Range)</i>	<i>Assigned Value</i>
<i>0 - 15,000</i>	\$20,000
<i>15,001 - 20,000</i>	\$25,000
<i>20,001 - 30,000</i>	\$30,000
<i>30,001 - 43,560</i>	\$40,000
<i>43,561+</i>	Manual calculation

The above table was a guidance. The appraiser was required to consider larger land parcels that did not conform to the attributes of the other properties in the community on a case-by-case basis.

Further evaluation found that there were 17 properties that needed to be assessed on an exception basis. The following are the five largest of these seventeen properties:

<i>Land</i>	<i>Square Feet</i>
<i>Parcel A (undeveloped)</i>	1,497,898
<i>Parcel B</i>	360,572
<i>Mayor's Property</i>	148,137
<i>Parcel C</i>	138,603
<i>Parcel D</i>	101,320

The appraiser was supposed to extrapolate the guidance provided to uniformly assess the land values in the above community to accommodate these larger parcels. The Appraiser adjusted the value of all of above parcels, except for the Mayor's property. However, during numerous interviews the Appraiser claimed that the error in the Mayor's land appraisal was inadvertently overlooked. Accordingly, this property was assessed at \$40,000, which is the highest value listed in the guidance table above.

According to the independent appraiser, adjustments in values is needed for 17 properties in the community, including the Mayor's property due to numerous errors committed by the Appraiser II. The Assessor's Office is currently re-appraising these properties.

What went wrong?

Typically, the Supervising Appraiser verifies the accuracy of the work done by the appraisers. The Deputy City Assessor was required to verify the overall accuracy of the appraisals of the parcels in the City. However, both levels of reviews failed to identify the errors committed by the Appraiser II.

Note: The Deputy City Assessor retired prior to the start of the investigation and the subject Appraiser resigned during the investigation.

Conclusion:

Based on the findings, the OIG concludes that the allegation is unsubstantiated. Although, errors were committed, there was no evidence of any influence exerted directly or indirectly by the Mayor. The OIG recommends that appropriate training be given to supervisors and appraisers to prevent similar errors from occurring.

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

Sincerely,

Umesh Dalal

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City Auditor/Inspector General

c: City Audit Committee
Honorable Mayor Jones
James Hester, City Assessor
Lou Ali, Council Chief of Staff