



Richmond Office of the City Auditor

Office of the Inspector General

Fighting government waste, fraud and abuse

October 16, 2017

Mrs. Selena Cuffee-Glenn
Chief Administrative Officer
City of Richmond

The Office of the Inspector General (OIG) has completed an investigation in the Department of Fire and Emergency Services. This report presents the results of the investigation.

Allegation:

The Office of Inspector General received a complaint that the Deputy Fire Chief authorized three fire personnel to attend unrelated training to a software that the City does not have.

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. In addition, during this investigation, the investigators referred to the following:

- Administrative Regulation 6.4.E – Reimbursable Travel Expenses

Findings:

The investigators found that the Fire Department does not have an automated staffing software. A former Deputy Fire Chief tasked three individuals to research available automated staffing options. The individuals tasked with researching other localities contacted other users of the “Kronos” software. Prior to his position with the City of Richmond, the former Deputy Fire Chief utilized Kronos with his previous employer.

The investigators discovered that Fire personnel obtained a quote from Kronos. The investigators also noted communications between representatives from Kronos and personnel from the Fire Department regarding registration for a user conference. Multiple documents indicated that Fire officials and Kronos were trying to get a lower cost in order to buy the product as a sole source procurement. However, this procurement was halted prior to purchasing the product.

Although the conference was intended for existing users of the software, the former Fire Deputy Chief authorized three fire personnel to attend the conference in Orlando, Florida. According to one of the individuals that attended the conference, the purpose of their attendance was to research and learn more about the software. The total cost of their attendance was \$15,159.

Ineligible Travel Expenditures:

The investigators analyzed the travel documentation and found that employees received money for meals even though the conference cost included meals. The per diem is provided to supplement the employees' expenditures while away from home. The ineligible per diem expenditures are depicted below:

<i>Date</i>	Meals Provided			Ineligible Amount
	Breakfast	Lunch	Dinner	
11/11/16				\$0
11/12/16	✓	✓	✓	\$177
11/13/16	✓	✓	✓	\$177
11/14/16	✓	✓	✓	\$177
11/15/16	✓	✓	✓	\$177
11/16/16	✓	✓		\$84
11/17/16				\$0
<i>Due to the City</i>				\$792

In addition to the ineligible meals, the investigators found other reimbursements that were not incurred:

- An employee claimed \$33 for shuttle service from the airport to the hotel. However, another employee claimed taxi expenses for the three individuals traveling. She provided a flyer to support the expense and not an actual receipt. The transportation company did not have any records of this event. The employee could not recall why the expenditure was included in the settlement.
- Another employee requested reimbursement of \$141.68 for additional hotel charges. He did not book a room for the last day of travel. As a result, he had to pay a higher rate. Originally, the hotel charged the employee the higher rate but later issued a credit. Although his credit card was credited for this amount, he did not exclude the credit from the expenditures presented for reimbursement. According to him, he had not noticed that the hotel had credited the account since that account was not his main account.

The investigators also noted that although the conference ended at 12:30 p.m. on Wednesday, the fire personnel did not return until the following day. This means the City

incurred additional expenditures of \$721 for hotel and \$132 for per diem. This also means that the three staff members lost an extra day of work, although they could have returned to the City the same day.

Conclusion:

Based on the findings, the OIG concludes that the allegation is substantiated. If you have any questions, please contact me at extension 5616.

Sincerely,



William C. Barrett, MFAcc, CPA, CFF, ABV
Interim City Auditor/Inspector General

cc: City Council Members
City Audit Committee
Chief Melvin Carter, Fire and Emergency Services