



# Richmond City Council

The Voice of the People

Richmond, Virginia

## Office of the Inspector General

May 24, 2021

Mr. Lincoln Saunders  
Acting Chief Administrative Officer  
City of Richmond

The Office of the Inspector General (OIG) has completed an investigation within the Department of Planning and Development Review (PDR), Property Maintenance Code Enforcement (PMCE) as it relates to a complaint made by a contractor under the City of Richmond Lot Abatement contract. This report presents the results of the investigation.

### **Legal & City Policy Requirement:**

1. In accordance with the Code of Virginia, §15.2-2511.2, the Inspector General is required to investigate all allegations of fraud, waste, and abuse.
2. City Code section 2-214 requires the Office of the Inspector General to conduct investigations of alleged wrongdoing.
3. Code of Virginia, §18.2-168, Forging public records.

### **Allegation:**

An employee from Property Maintenance Code Enforcement forged an invoice from a city contractor for the amount of \$3,615, in violation of Code of Virginia, §18.2-168, Forging Public Records.

A contractor for the City of Richmond alleges that a city employee in Property Maintenance Code Enforcement denied payment of \$13,677.50 invoice for lot abatement. The contractor stated in his complaint that the invoice was completely re-written and the amounts changed to \$3,615.00 without his acknowledgment or authorization. The contractor alleges that an employee from PDR forged this invoice in the amount of \$3,615.00. The contractor alleged that the dispute involved the use of several construction dumpsters used by the contractor and approved by the city for use. The dispute was about where the dumpster company disposed of the waste and the interpretation of a line in the contract, "When disposing of material removed from a lot the Contactor shall use an approved dumping site."

The contractor requested all documentation from the Environmental Abatement Coordinator (subject employee) that denied the payment and was sent the requested documents. The contractor was provided copies of the two invoices. One invoice was the invoice the contractor submitted for \$13,677.00, the second invoice was for the same project but in the amount of \$3,615.00. The contractor alleges that the second invoice was a forgery, the invoice was completely re-written and the amounts changed to \$3,615.00.

**Background:**

Property Maintenance Code Enforcement is responsible for investigating abatement violations of city code in regards to environmental concerns. When a property owner is cited and does not abate the violation, Property Maintenance Code Enforcement uses a city contractor from the lot abatement contract to abate the violation. The city pays the contractor the appropriate fees and bills the property owner. The contract is administered by a non-supervisory employee in Property Maintenance Code Enforcement. Property Maintenance Code Enforcement is under the supervision of the Commissioner of Buildings within the Department of Planning and Development Review.

**Findings**

Allegation of Forgery by an employee of PDR in violation of Code of Virginia, §18.2-168, Forging public records. This allegation is substantiated.

The investigator interviewed the complainant/contractor who stated he/she was contacted by the Environmental Abatement Coordinator to abate a lot that had been cited and was not cleared by the property owner. The contractor said he/she went by the site to be abated and it required extensive cleanup and would require the use of several construction dumpsters to do the job. The contractor made the request to the subject employee and was told to submit a bid for the dumpsters. The contractor submitted the bid and the use of the dumpsters was approved for the submitted amount of \$2,100.00. The contractor subsequently cleared the lot and had the construction dumpster company pick up the dumpsters. The dumpsters were taken back to the dumpster company's lot, where they were weighed, and the empty weight of the dumpsters was subtracted and billed to the contractor. The contractor provided documentation that showed a total of 40.25 tons of material were removed. The contractor submitted that tonnage along with 2.7 tons they carried to a local landfill in their trailer for a total of 42.95 tons and payment to the dumpster company.

Subsequently, the subject employee contacted the contractor about the tonnage taken by the dumpster company and that the city could not pay for the tonnage because it was not taken to an "approved dumping site" per the contract. The disagreement of an "approved dumping site" continued for an extended period of time. The contractor eventually asked the subject employee for all paperwork related to this lot abatement. The contractor received the documents which included two different invoices, one of the invoices was not a copy of the invoice that was sent to the subject employee. The amount on the invoice had been changed and the contractor did not give anyone permission to change the invoice.

The investigator reviewed the contract. In regards to lot abatement by the contractor, the contract states, (pg. 6, Part I, Specifications, 3b.) "When disposing of material removed from a lot the Contractor shall use an approved dumping site." The contract also states in regards to invoicing, (pg. 24, Part III, General Terms and Conditions, 3.8) "If the Contractor does not include all of the required information on the invoice, the City may reject and return the invoice unpaid." The contract did not include a definition of an approved dumping site or how the determination of approval is made.

The investigator reviewed the subject employee's emails. The emails revealed the following: On July 28, 2020, the subject employee scanned the lot abatement packet including the original invoice from the contractor.

August 26, 2020, the construction dumpster company emailed the subject employee with the rental agreement and payment invoices for the contractor.

In early December, there is email traffic between several employees regarding the new lot abatement contract and closing out the old one, and clearing outstanding invoices, one of which is concerning the contractor.

December 22, 2020, the subject employee scans in the altered invoice and invoice cover sheet marked as received December 14, 2020. The subject employee signs it as PDR approval on December 15, 2020, and the operations manager signed approval for payment on December 22, 2020.

March 1, 2021, the subject employee emails the contractor and informs the contractor that the city will only be paying \$3615.00. The subject employee informs the contractor that in order to be paid for the tonnage taken by the construction dumpster company, certain requirements must be met and documentation be provided by the contractor.

March 3, 2021, the subject employee emails the contractor acknowledging the receipt of the construction dumpster company's scale certification from the Virginia Department of Agriculture and Consumer Services Office of Weights and Measures, stating the certification does not indicate the is an approved weigh station. The email request that documentation that the construction dumpster company is operating as a landfill as permitted by the Virginia Department of Environmental Quality. The email quotes Part I, Section 3, subsection 3b of the contract which includes, "When disposing of material removed from a lot the Contactor shall use an approved dumping site." It then states, "[construction dumpster company] should have dumped the contents of the dumpsters at an approved dumping site, permitted to operate as such in the State of Virginia."

March 16, 2021, the subject employee sends an email to the PDR employee responsible for payment stating the contractor has not submitted the additional requested documentation and to go ahead and process the invoice as signed and approved. The invoice in question is in the amount of \$3,615.00.

The Commissioner of Buildings was contacted and met with investigators. The Commissioner was not aware of any policy that allowed for the alteration of invoices by city employees, nor did he think that it should be allowed. Related to the disqualified payment of tonnage fees to the contractor, it was noted that the scope of the OIG investigation was to ensure that policy was followed, whether or not to pay the contractor was a contract dispute between the contractor and the City of Richmond. The Commissioner was not sure if there was a specific policy involving the handling of contracts within PDR without first looking into the issue. He did say that the PMCE policy and standard operating procedures were outdated and that the operations manager had been tasked with creating a new set of policies and standard operating procedures which has been done and is in the final stages of completion, but has not yet been pushed out to the employees.

The subject employee was interviewed about the allegations. The subject employee was asked about the invoice and admitted to creating the new invoice and the invoice cover sheet. The subject employee was asked if the employee was directed by anyone to create the new invoice and the subject employee said no. The subject employee stated the invoice was created so that the contractor could be paid at least what was approved. The subject employee was asked if he/she reviewed any written policies or standard operating procedures in making the decision to generate a new invoice and cover sheet and to deny the tonnage. The subject employee replied that no policies were reviewed. When asked if the subject employee knew of or had been provided any written directives governing contract administration, again he/she was not aware of any, nor provided any. The subject employee was shown the Contract Administrator Agreement signed by the subject employee with Procurement Services. The subject employee was asked if any consultation was made with Procurement Services or the Office of the City Attorney in regards to the discrepancies for payment and replied no consultation with either was made. The subject employee said this was the first time that construction dumpsters were used on an environmental abatement contract. When asked, the subject employee said there was no list of approved dumping sites maintained by PCME. Also, there is no written policy that states how or who determines what constitutes an approved dumping site. The subject employee was using approved as being licensed to operate a landfill by the Virginia Department of Environmental Quality. The subject employee checked and the construction dumpster company was not licensed as a landfill. When asked if the subject employee had altered any other invoices in the past, the employee said that some have been altered in the past, but after speaking with the contractor and to correct a minor grammatical or mathematical error only.

### **Conclusion:**

After completing the investigation and consulting with the Commonwealth Attorney's Office, it is concluded that the subject employee did forge a public document in violation of the Code of Virginia §-18.2-168 and that it would best be handled as an administrative matter and that part of the initial complaint is substantiated. The allegation involving none payment of tonnage fees was found to be a policy failure as there were no written policies to govern the activities.

### **Recommendations:**

1. The Department of Planning and Development Review, in consultation with the Department of Human Resources, takes appropriate disciplinary action for the subject employee for violation of the Code of Virginia §18.2-168.
2. The Department of Planning and Development Review, in consultation with the Department of Procurement Services and the Office of the City Attorney, makes a final determination of payment to the contractor.
3. The Department of Planning and Development Review to develop and implement written policy for Property Maintenance Code Enforcement generally for the section and specifically to address contract administration.

If you have any questions, please contact me at extension 1840.

Sincerely,



James Osuna  
Inspector General

Cc: Sharon Ebert, DCAO Economic Development  
Honorable Members of City Council  
Jason Carangelo, Commissioner of Buildings