



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Inspector General

March 4, 2025

Dr. Cynthia Newbille
President, Richmond City Council
City of Richmond

The Office of the Inspector General (OIG) has completed an investigation within the Richmond City Council's Council Chief of Staff Office. This report presents the results of the investigation.

Authority:

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 of Richmond Code 2-214 authorizes the Office of the Inspector General to conduct criminal, civil and administrative investigations related to the municipal affairs of the city.

Background:

The subject of this investigation is a former Council Chief of Staff with the Richmond City Council Office. The Council Chief of Staff assists the Richmond City Council in creating and amending local laws, providing government policy and oversight, and establishing the Richmond Government Budget. The Council Chief of Staff Office employees are permitted to use the government procurement card (P-Card) for purchases authorized by the Council Chief of Staff in compliance with the City of Richmond procurement policies.

Allegations:

1. A former Council Chief of Staff committed abuse and waste of government funds by misusing the office P-Card for personal benefit by purchasing unnecessary office equipment, excessive meals, and frequent unauthorized travel.

Facts:

On June 5, 2024, the Office of the Inspector General (OIG) received an anonymous complaint alleging that a former Chief of Staff purchased several items for personal benefit, including a TV and mobile cart, totaling over \$12,000. The complainant further alleges that a former Chief of Staff misused government funds by purchasing excessive meals and violating the City of Richmond travel policy.

The OIG investigator obtained and reviewed P-Card purchases from two (2) authorized employees with the Council Chief of Staff Office. Between January 1, 2023, and August 7, 2024, all P-Card purchases were justified and in compliance with the City of Richmond procurement policies. The items purchased with the City P-Card included training, lodging, airline, office supplies (including a TV and mobile cart for office use), memberships, subscriptions, meals for interviews and meetings, and various items for council-related community events.

Analysis:

City of Richmond Department of Procurement Services, Policy 15, Procurement Card Program, Meals Section states, "Meals are permitted on the P-Card. Each meal must be pre-approved by the Cardholder's approver and be accompanied by the City of Richmond P-Card Meal Documentation Form." The policy further states that all travel-related expenses be placed on the Cardholder's P-Card, including a Travel Settlement report with all P-Card receipts for all travel. Additionally, office supplies, subscriptions, memberships, and subscriptions are all allowable P-Card purchases per City of Richmond policy. A former Chief of Staff complied with the City of Richmond Department of Procurement Services policies. During the review of P-Card transactions and purchase orders for the Chief of Staff Office, no excessive or reckless expenditure was found. The purchases reviewed do not constitute waste or abuse.

Allegation No. 1 is **Unsubstantiated**.

2. A former Chief of Staff in the Council Chief of Staff Office committed fraud by entering an unauthorized contract on the City's behalf.

Facts:

The complainant stated that the Chief of Staff committed fraud by entering an unauthorized contract. The contract at issue was for the facilitation of the FY24 City of Richmond Budget. The OIG investigator reviewed financial information regarding the contract and discovered that \$70,587.03 of \$100,000 ((\$24,660.58 June 2023) and (\$45,926.45 January 2024)). was used for the facilitation of the FY24 City of Richmond Budget on behalf of the City Council. The blended service rate in the contract is \$375.00 per hour, which can change based on the scope of work or resources needed. The terms of the contract permit the City of Richmond to negotiate and revise the rate if necessary. Procurement verified that the contract is an approved co-op agreement with UVA with an expected end date of March 31, 2028. The services provided under the contract were for official City Council business.

Analysis:

City Code §21-37 states that Small Purchases dollar threshold for the City is as indicated in Code of Virginia Code §2.2-4303(G). Currently, the Small Purchases limit is \$100,000. As such, the City mostly uses formal competitive procurement procedures for requirements over \$100,000. The Chief of Staff Office did not exceed this amount and used a procurement approved contract. City Code §14-7.0 14-8.0, Cooperative Procurement Contracts, states that cooperative contracts established by other public bodies may be utilized by the City (except for architectural and engineering services). Special attention should be given regarding whether the cooperative contract best meets the needs of the

using agency. Just because a cooperative contract exists doesn't necessarily make it the best option, particularly over the longer term. The cooperative contract at issue was appropriate for the needs of the Council Chief of Staff Office.

Va. Code §15.2-2511.2 defines fraud as, "Fraud means the intentional deception perpetrated by an individual or individuals, or an organization or organizations, either internal or external to local government, that could result in a tangible or intangible benefit to themselves, others, or the locality or could cause detriment to others or the locality. Fraud includes a false representation of a matter of fact, whether by words or by conduct, by false or misleading statements, or by concealment of that which should have been disclosed, which deceives and is intended to deceive." The Chief of Staff Office had the authority to engage in this contract and did not falsely represent, mislead, or conceal this contract, therefore not constituting fraud.

Allegation No. 2 is **Unsubstantiated**.

Conclusion:

Based on the findings, the Office of the Inspector General concludes that these allegations are Unsubstantiated.

The point of contact for this report can be reached at extension 1840.

Submitted,



James Osuna
Inspector General

CC: Honorable Members of City Council