



# Richmond City Council

The Voice of the People

Richmond, Virginia

## Office of the Inspector General

### Report of Investigation

Odie Donald II  
Chief Administrative Officer  
City of Richmond

September 24, 2025

*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. Further, and in reference to the 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.*

The Office of the Inspector General (OIG) has completed an investigation within the Department of Public Utilities (DPU). This report presents the results of the investigation.

#### **Case Origin:**

This administrative investigation is predicated from information shared by the City of Richmond (COR)- Auditors Office, concerning the suspected violation of the City of Richmond- Administrative Policy, § 21-7 Unauthorized Purchases \$100,000. On July 10, 2024, the Senior Deputy Director of Water Services, Department of Public Utilities (DPU), is alleged to have committed abuse when they allowed a subcontractor for a company holding an existing contract with the COR to complete necessary work; however, said contract does not allow for subcontracting. Reported loss to the City of Richmond is \$40,000.

#### **Investigative Facts:**

As background, the Wastewater Treatment plant needed work completed on four (4) aeration tanks at the facility. The diffusers in the tanks were failing, and the plant was given a notice of violation from the Department of Environmental Equality. The notice of violation could result in a civil lawsuit for the City of \$32,500 per day per incident, if the violation was not corrected.

Interview of the Deputy Director indicated aeration tank four was drained and cleaned to prepare for the diffuser replacement. The plant did not have enough employees to continue operating, and to make the complete diffuser change. The Deputy Director stated they attempted to utilize temporary employees to change the diffusers. However, the temporary agencies stated that the work was considered hazardous, and they would not allow temporary workers to complete the work. The Deputy Director stated two contractors were on site completing other work, and an unofficial quote was requested from them. The unofficial estimates were in the millions of dollars for completing the work.

Another contractor who held a contract with the City was contacted about the diffusor replacement. This contractor stated they could complete the work; however, they did not have the workforce to complete it at that time. An additional contractor, who did not have a contract with the City but is a registered vendor with the City, was on site and stated they could complete the replacement. The Deputy Director facilitated a meeting with the two companies' meeting to discuss how they would get the work completed. The Deputy Director stated the two companies came up with the plan for the registered vendor to subcontract with the company that had an existing contract. This agreement is not allowed due to stipulations in the City's contract that do not allow for subcontracting. The Deputy Director stated they were unaware subcontracting was not permitted. The Deputy Director further reported the contractor has utilized subcontractors in the past without issue. Additionally, the Deputy Director indicated the work requested was completed, which ultimately saved the COR multiple millions of dollars and cost only \$224,900K which was paid to the company holding the original contract, which is normal business.

**Conclusion:**

Based on the facts of the investigation, despite the fact that the unauthorized subcontracting saved the city millions of dollars, a policy violation occurred. By facilitating the meeting of the two companies and allowing the contractor to subcontract, the Deputy Director abused their authority when they allowed a modification of the contract. This modification is in violation of § 21-7 Unauthorized Purchases \$100,000, which states, "Except as provided in this chapter, no official, elected or appointed, or any employee shall purchase or contract for any goods, services, insurance, or construction within the purview of this chapter other than by and through the Director. Any purchase order or contract made contrary to this chapter, or any purchase order or contract made when sufficient funds are not available is not approved, and the City shall not be bound thereby."

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

Submitted,



Foster Curtiss  
Interim Inspector General

CC: Honorable Members of City Council  
Scott Morris, Director of Public Utilities