



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Inspector General

May 13, 2025

Ms. Sabrina Joy-Hog

Interim Chief Administrative Officer

City of Richmond

The Office of the Inspector General (OIG) has completed an investigation within the Department of Public Works (DPW). 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:

This investigation involves a temporary employee in the Department of Public Works (DPW) in the Office of Equitable Transit and Mobility (OETM). OETM focuses on offering more travel alternatives as the cost of driving increases through higher gas prices, tolls, and parking charges. OETM focuses on greater uses of alternative modes of transportation, providing considerations for bikes, pedestrians, trucks, transit, taxis, and ridesharing companies. The goal of the Shared Mobility Division is to reduce traffic and parking congestion in Downtown Richmond and improve mobility options for all.

Allegations:

1. A temporary employee allegedly committed fraud and abuse when they used their position with the government to promote their self-owned company for various City of Richmond projects within the OETM department without proper authorization and without obtaining legitimate competitive bids.

Facts:

On March 27, 2025, the OIG received a complaint from the Procurement Department regarding a specific company owned by a temporary employee being used for various projects within OETM without the department obtaining proper competitive bids. The OIG Investigators interviewed the Deputy Director of OETM, who stated the temporary employee in question began her employment with the City of Richmond during the COVID-19 pandemic and was working remotely. Once remote work was revoked and an

in-office response was required, the temporary employee expressed their issues with commuting but was not offered the opportunity to work from home.

The temporary employee left their temporary position, established their own business, and became a contractor through the City. The former temporary employee is currently listed as a contractor with the city and is not considered a temporary employee or permanent employee.

The Deputy Director told OIG that although they had worked with the former temporary employee, the agency had submitted the required bid quotes per City of Richmond policy and showed no favoritism towards the former temporary employee. The Deputy Director stated that supervision within OETM solicits and approves the bids; the former temporary employee did not engage in the bid solicitation process and was only viewed as a competitor after leaving their position with the City of Richmond.

The previous working relationship with the City was disclosed, and appropriate documentation was provided to establish a legitimate business relationship between both parties. The OIG verified that the former temporary employee in question is not a permanent employee but a registered contractor with the City of Richmond and owns their own business, which OETM utilizes while abiding by City Procurement policy.

Analysis:

Va. Code §15.2-2511.2 states, “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 what should have been disclosed, which deceives and is intended to deceive.” Based on the investigation’s facts, the former temporary employee and current contractor with the City followed the proper procedures to ensure work with the City, submitted bids appropriately, and was offered a contract after disclosing their previous employment. The former temporary employee did not misrepresent or mislead the City of Richmond, therefore did not commit fraud.

In addition, Va. Code §15.2-2511.2 states, “Abuse” means the excessive or improper use of something or the employment of something in a manner contrary to the natural or legal rules for its use; the intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of resources owned or operated by the locality; or extravagant or excessive use to abuse one’s position or authority. The former temporary employee was not employed by the city when they created their own business and did not profit as an employee during that time. The former temporary employee did not misuse government funds or manipulate government resources. The former temporary employee acted as a contractor and abided by City of Richmond Procurement policies, therefore not constituting abuse.

Allegation No. 1 is Unsubstantiated.

Conclusion:

Based on the findings, the Office of the Inspector General concludes that this allegation is unsubstantiated.

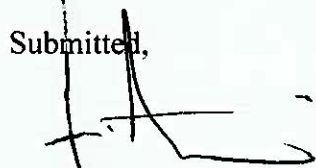
Recommendations:

After reviewing the Procurement policies (Policy 14, Small Purchases, as one of the recommended policies to be adjusted for language, and Policy 56, where the agency determines a reasonable price), OIG recommends adjusting the process by which bids are obtained and approved. Currently, there is no specific policy that requires confirmed bids from competitive businesses. The current policy only requires that three bids be solicited with a minority owned business being one of the bids. There have been several instances where bids are solicited from vendors or contractors that have either rejected the work proposed, or they are no longer involved in that business industry. The solicitation of bids to vendors and contractors that no longer provide services requested or will reject proposed work, may be deliberately sought solicitations made to ensure a favored company or vendor receives the contract. Despite that possibility, those bids are being accepted and meet the current requirement of three bids. It is recommended that a requirement be mandated that bids for goods and services receive responses and receive proposals. The soliciting agency should bear the responsibility to research and obtain genuine bid proposals. Currently, no proof of additional legitimate bids is required.

OETM solicited multiple bids, and although there were insufficient adequate responses, policy does not state they are required to produce bids from additional companies. The policy should require a response for a bid solicitation to be considered genuine or show cause for the lack of response. If no response is obtained from the vendors or contractors solicited, it should be required of the requesting agency to solicit additional bids.

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

Submitted,



Foster Curtiss
Interim Inspector General

CC: Honorable Members of City Council