

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

**DEPARTMENT OF
CONSUMER & REGULATORY AFFAIRS**

PART ONE:

**REPORT OF INSPECTION
AUGUST 2006**



**CHARLES J. WILLOUGHBY
INSPECTOR GENERAL**

Inspections and Evaluations Division
Mission Statement

The Inspections and Evaluations (I&E) Division of the Office of the Inspector General is dedicated to providing District of Columbia (D.C.) government decision makers with objective, thorough, and timely evaluations and recommendations that will assist them in achieving efficiency, effectiveness, and economy in operations and programs. I&E goals are to help ensure compliance with applicable laws, regulations, and policies, to identify accountability, recognize excellence, and promote continuous improvement in the delivery of services to D.C. residents and others who have a vested interest in the success of the city.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General



Inspector General

August 4, 2006

Patrick J. Canavan, Psy.D.
Director
Department of Consumer and Regulatory Affairs
941 N. Capitol Street, N.W., Suite 9500
Washington, D.C. 20002

Dear Dr. Canavan:

Enclosed is our final *Report of Inspection of the Department of Consumer and Regulatory Affairs, Part One*. Your agency's comments on the 19 findings and 38 recommendations by the inspection team are included, verbatim, in the body of the report following each finding and the associated recommendations.

In accordance with Mayor's Order 2000-105, District agencies are responsible for taking action on all agreed-upon recommendations in this final Report. We are pleased to note your agreement with 36 of our 38 recommendations. This clearly reflects your interest in taking the actions necessary to create a more efficient and better managed DCRA.

The OIG has established a process to track agency compliance and to facilitate our follow-up inspection activities. Enclosed are *Compliance Forms* on which to record and report to this Office any actions you take concerning each outstanding recommendation. These forms will assist you in tracking the completion of actions taken by your staff. We track agency compliance with all agreed-upon recommendations made in our reports of inspection, and we request that you and your staff establish response dates on the forms, and advise us of those dates so we can enter them on our copies of the *Compliance Forms*.

In some instances, things beyond your control, such as budget decisions, inhibit setting specific deadlines for complying with certain recommendations. In those instances, we request that you assign *target dates* based on whatever knowledge and experience you have about a particular issue. Please ensure that all *Compliance Forms* are returned to the OIG by the response date, and that reports of "Agency Action Taken" reflect actual completion, in whole or in part, of a recommended action rather than "planned" action. We will work closely with your designated point of contact throughout the compliance process.

Letter to Patrick J. Canavan, Psy.D.

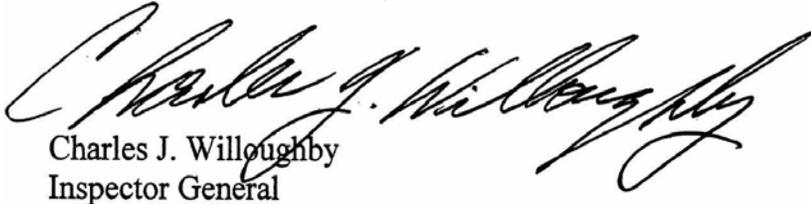
August 4, 2006

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We appreciate the cooperation shown by you and your employees during the inspection, and we hope to continue in a cooperative relationship during the follow-up period.

If you have questions or require assistance in the course of complying with our recommendations, please contact me or Alvin Wright, Jr., Assistant Inspector General for Inspections and Evaluations, at (202) 727-2540.

Sincerely,



Charles J. Willoughby
Inspector General

CJW/ef

Enclosure

cc: See Distribution

Letter to Patrick J. Canavan, Psy.D.

August 4, 2006

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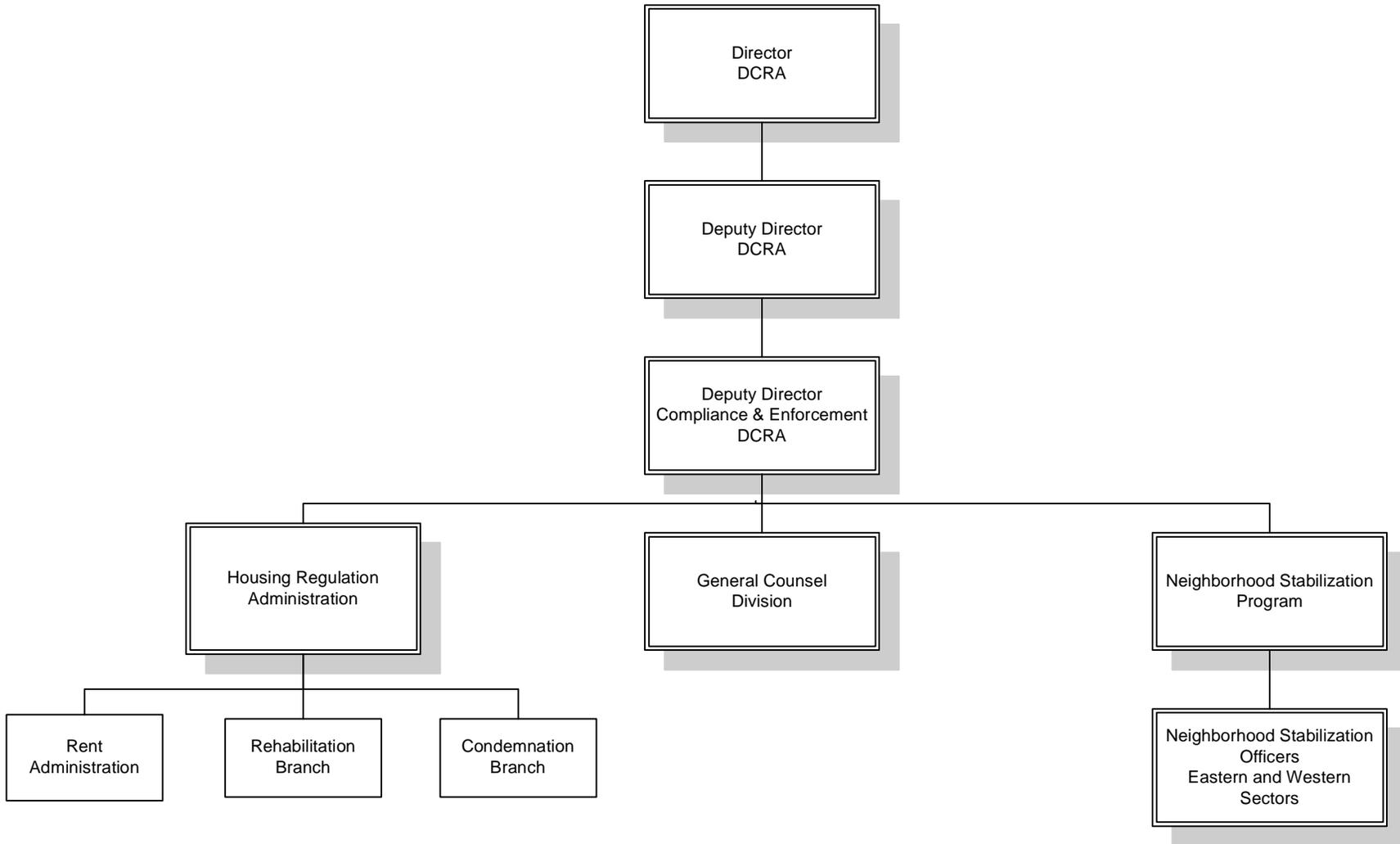
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ORGANIZATION CHART

ORGANIZATION CHART

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS (DCRA) PART ONE



ACRONYMS

ACRONYMS

AFGE	American Federation of Government Employees
AFSCME	American Federation of State, County, and Municipal Employees
ALJ	Administrative Law Judge
BLRA	Building and Land Regulation Administration
BPLA	Business and Professional Licensing Administration
BRRC	Business Regulation Reform Commission
CCCSD	Condominium and Cooperative Conversion and Sales Division
CSCC	Customer Service Call Center
DCMR	District of Columbia Municipal Regulations
DCOP	District of Columbia Office of Personnel
DCRA	Department of Consumer and Regulatory Affairs
D/DCRA	Director, Department of Consumer and Regulatory Affairs
DPM	District Personnel Manual
FEMS	Department of Fire and Emergency Medical Services
FTE	Full-time Equivalent
GCD	General Counsel Division
HRA	Housing Regulation Administration
HRD	Human Resources Division
HSC	Housing Service Center
IT	Information Technology
NOI	Notice of Infraction
NSO	Neighborhood Stabilization Officer
NSP	Neighborhood Stabilization Program

ACRONYMS

OAD	Office of Adjudication
OAH	Office of Administrative Hearings
OCFO	Office of the Chief Financial Officer
OCI	Office of Civil Infractions
OCTO	Office of the Chief Technology Officer
OIS	Office of Information Systems
RAPIDS	Remote Access Property Inspection and Dispatch System
RHC	Rental Housing Commission

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background and Perspective

The Inspections and Evaluations Division (I&E) of the Office of the Inspector General (OIG) began an inspection of the District of Columbia Department of Consumer and Regulatory Affairs (DCRA) in June 2004. With a fiscal year (FY) 2006 budget of over \$40 million and approximately 430 full-time positions, DCRA regulates and monitors many facets of life in the District of Columbia. According to its website:

DCRA ensures the health, safety, and economic welfare of District residents through licensing, inspection, compliance, and enforcement programs. DCRA regulates business activities, land and building use, construction safety, historic preservation, rental housing and real estate, and occupational and professional conduct within the District. DCRA takes legal action against businesses and individuals who violate District laws, and works to prevent the occurrence of illegal, deceptive, and unfair trade practices through education and public awareness programs.¹

Scope and Methodology

Due to the size and diversity of DCRA's programs and its corresponding responsibilities, we divided our inspection activities into three parts, which will result in the issuance of three separate reports. This report, Part One, covers DCRA's Housing Regulation Administration (HRA), (which includes the Rehabilitation Branch, Condemnation Branch, Rent Administration, Condominium and Cooperative Conversion and Sales Branch (CCCSB)), Housing Service Center (HSC), Rental Housing Commission (RHC), and the Neighborhood Stabilization Program (NSP), HRA's primary initiative. This report also covers DCRA's fine collection processes and operations. Part Two of this inspection will address the Business and Professional Licensing Administration (BPLA), and Part Three will evaluate the Building and Land Regulation Administration (BLRA). All reports will also address issues that affect overall DCRA operations.

OIG inspections comply with standards established by the President's Council on Integrity and Efficiency, and pay particular attention to the quality of internal control.² During this part of the inspection, the inspection team (team) focused on management, internal control, operations, and accountability in key areas of HRA, NSP, RHC, the Office of Civil Infractions (OCI), and DCRA's operational support services. The team conducted over 75 interviews and work observations, issued an anonymous and confidential employee survey, and analyzed numerous documents and past management studies conducted by outside entities - including

¹ See <http://www.dcradc.gov>.

² "Internal control" is synonymous with "management control" and is defined by the Government Accountability Office as comprising "the plans, methods, and procedures used to meet missions, goals, and objectives and, in doing so, supports performance-based management. Internal control also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud." STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT, Introduction at 4 (Nov. 1999).

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KPMG³ and the Business Regulatory Reform Commission (BRRC).⁴ The team also reviewed reports issued by the City Council's Committee on Consumer and Regulatory Affairs.

This report contains 19 findings and 38 recommendations.

Compliance and Follow-Up

The OIG inspection process includes follow-up with inspected agencies on findings and recommendations. Compliance forms with findings and recommendations will be sent to DCRA along with this Report of Inspection (ROI). The I&E Division will coordinate with DCRA on verifying compliance with recommendations in this report over an established time period. In some instances, follow-up inspection activities and additional reports may be required.

³ KPMG used a variety of mechanisms to evaluate current conditions and potential improvements, while identifying solutions to improve customer service, increase efficiency, and enhance the District's image as a desirable place to live and do business.

⁴ The Business Regulatory Reform Commission Act, effective March 16, 1995, created the Business Regulatory Reform Commission (Commission). The Commission's recommendations included broad changes to improve all aspects of business regulation in the District.

EXECUTIVE SUMMARY

FINDINGS AND RECOMMENDATIONS

Key Findings

DCRA is owed over \$8.8 million in unpaid fines and penalties, but has no procedures or strategies for collecting these funds. (Page 16) DCRA provided the team with a report showing that over 22,000 DCRA notices of infraction remain unpaid. The report assessed the total value of these infractions and associated penalties at \$8.825 million. The team found that there is no cohesive, agency-wide process that targets recoupment of outstanding fines and penalties. The absence of an aggressive, standardized collection mechanism significantly weakens the agency's ability to capture revenue that could be returned to the District's general fund. **Recommendations:** (a) That the OCI Administrator expedite development of a collection process for unpaid fines and penalties; (b) That the D/DCRA provide adequate staffing for OCI to ensure that its collection goals and objectives are met; (c) That the D/DCRA direct an analysis of all outstanding fines and penalties to determine which cases are no longer feasible, and devise an agency-wide strategy for prioritizing and pursuing outstanding fines and penalties in the current cases that are most viable; (d) That the D/DCRA implement a consistent and standardized process for reviewing unpaid fines and penalties for violations and imposing liens against violators' real property; and (e) That the D/DCRA draft an agency "scorecard" performance measure that addresses DCRA's fine and penalty collection efforts.

DCRA's use of paid overtime is inefficient and poorly supervised. (Page 19) The inspection team reviewed a summary of DCRA's overtime expenses for FY2003, along with a sample of employee timesheets and overtime request forms. These documents revealed lapses in fiscal oversight, apparent violations of D.C. government overtime regulations, and questionable uses of overtime. DCRA supervisors routinely approved, often weeks in advance, overtime requests that did not provide a justification, or provided one that was vague. Thousands of hours of overtime were consumed in order to perform seemingly routine tasks, and employees in various departments of DCRA routinely were paid for 14- and 16-hour workdays. **Recommendations:** (a) That the D/DCRA ensure that all overtime requests be supported by detailed justification as to why the work cannot be completed during regular business hours; (b) That the D/DCRA ensure that all supervisors authorized to approve overtime understand and follow the applicable overtime provisions in the District Personnel Manual; (c) That the D/DCRA instruct supervisors to use compensatory time in lieu of paid overtime where permissible in order to better control overtime expenses; and (d) That the D/DCRA implement an agency-wide procedure that requires all employees to document tasks completed while working overtime. Such a summary should include identifying project and/or case number information, along with a detailed summary of the tasks completed.

RAPIDS, a mission critical computer application, does not function as it was originally designed, and system malfunctions delay the issuance of housing code violations. (Page 22) DCRA housing inspectors often do not have access to RAPIDS while in the field, and the system does not perform reliably in DCRA offices. Housing inspectors are not able to access vital information, and cannot print housing code violations on-site as originally planned. In addition, the team found that RAPIDS malfunctions cannot be repaired by DCRA's Office of Information Systems (OIS). These malfunctions interrupt the work of housing inspectors and prevent

EXECUTIVE SUMMARY

processing housing code violations in a timely manner. **Recommendation:** That the D/DCRA take steps to ensure that the performance and maintenance of RAPIDS are in compliance with the terms of the contract, and that RAPIDS malfunctions are minimized.

DCRA employees do not have private telephone and computer access codes. (Page 23) DCRA employees stated during interviews that for more than two years, DCRA management has required most employees to use the same generic four-digit voicemail access code (i.e., 1234) to retrieve messages, rather than use their own unique telephone access code. Some DCRA employees also stated that they were required by management to provide their personal computer passwords. Employees expressed concern that use of this universal passcode allows unauthorized individuals access to voicemail information and could compromise the security and confidentiality of numerous DCRA business activities. **Recommendations:** (a) That the D/DCRA take steps to ensure that telephone access codes and computer passwords are unique to each employee and are not shared with others, except as allowed by District regulations; and (b) That D/DCRA take steps to ensure that DCRA policies regarding telephone access codes, computer passwords, and telecommunications security are updated to reflect current OCTO telecommunication policies and federal law, and that these policies are promulgated and enforced in all components of DCRA.

The Human Resources Division may lack the number of employees necessary to function effectively each day. (Page 24) DCRA's Human Resources Division has only two employees: a Management Program Analyst and a Management Liaison Specialist. In order to complete required personnel related tasks, these employees stated they must work approximately 10 to 12 hours each day. They also stated that the volume of work has significantly impeded their ability to complete personnel actions in a timely manner. **Recommendation:** That the D/DCRA review the volume of work and the staffing in the Human Resources Division to determine if staffing is sufficient to satisfy DCRA's personnel support requirements.

The Human Resources Division does not have performance standards for each DCRA employee. (Page 25) DCRA does not have written performance standards for all employees, in accordance with District personnel regulations and best practices. The lack of written performance standards does not allow DCRA management to adequately assess whether employees are sufficiently performing their duties. **Recommendation:** That the D/DCRA establish written performance standards for all DCRA employees, as required.

The Customer Service Call Center uses an excessive number of hours monitoring voicemail operations. (Page 26) DCRA's Customer Service Call Center (CSCC) uses an excessive number of hours each day monitoring DCRA employees' voicemail greetings and outgoing messages to ensure compliance with the District's voicemail requirements. The team found that monitoring on a daily basis requires that CSCC employees spend a significant part of their day on a task that could be done on a periodic basis, as recommended by the Mayor. In addition, due to the lack of adequate administrative support staff within DCRA, as noted in several findings of this report, the team believed that these resources might be better utilized in other areas of DCRA. **Recommendation:** That D/DCRA reduce the number of labor hours expended by CSCC employees monitoring voicemail greetings and messages, and assess whether these resources could be better utilized in other areas of DCRA.

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Employees throughout DCRA do not follow cash handling procedures. (Page 27) According to DCRA's Chief Financial Officer (CFO), DCRA employees are not complying with cash handling policies and procedures. The CFO stated that employees continue to accept checks as payment for a wide variety of services without the written consent of the DCRA Agency Fiscal Officer. The CFO stated that employees' failure to adhere to written policies and procedures has resulted in delays in depositing revenue and reduced interest earnings on deposits. In addition, this practice could lead to understatement of revenues and create opportunities for theft. **Recommendation:** That the D/DCRA enforce written cash handling policies and procedures and institute disciplinary action against employees who fail to adhere to them.

Office of the Rent Administrator

The ORA has no tracking system to proactively verify that rents charged for properties subject to the Rent Stabilization Program do not exceed rent ceilings. (Page 29) ORA has no system in place to verify that District landlords subject to the Rent Stabilization Program are not charging rental rates above the allowable rent ceiling. In addition, landlords of rental units regulated by the Rental Housing Act provide are not required to provide an annual listing of subject rental units and rents charged. The Rent Administrator stated that due to insufficient staffing, ORA does not have the audit capacity to verify rents charged by registered landlords subject to the Program. **Recommendations:** (a) That the D/DCRA seek changes to DCRA's statutory authority so that landlords are required to submit, on a regular, periodic basis, a listing of the units subject to the Rent Stabilization Program and the rents being charged for each unit; (b) That the D/DCRA establish the capability to compile data that can be used to illustrate statistical trends or patterns, serve as a basis for further inquiry into the Rent Stabilization Program, and if needed, serve as evidence to illustrate the need for changes in rent control laws or regulatory guidance; and (c) That the D/DCRA explore the feasibility of establishing audit capability within ORA to provide adequate, proactive oversight and tracking of rental units subject to the Rent Stabilization Program.

The Rent Administrator's Office lacks sufficient space to store necessary records, and the current file system has major deficiencies. (Page 30) The Rent Administrator does not have sufficient file room space to store the voluminous records that must be maintained in order to properly adhere to the requirements of the Rental Housing Act of 1985. Consequently, some records are stored in boxes in a disorganized fashion that makes prompt and accurate retrieval difficult. Tenants and landlords continuously file new paperwork, which exacerbates the problem of inadequate storage space. **Recommendations:** (a) That the D/DCRA provide ORA with storage space and staffing to adequately maintain all records; and (b) That the D/DCRA conduct a file audit of the rental documents maintained by ORA to ensure that they are properly maintained and accurate, and consider archiving and microfilming as many records as possible to create additional space and make records retrieval efficient.

Condominium and Cooperative Conversion and Sales Branch

No findings or recommendations.

EXECUTIVE SUMMARY

Neighborhood Stabilization Program

HRA's oversight of funding and building supplies for NOI abatement projects in the Rehabilitation Branch is inadequate. (Page 35) The team found significant deficiencies in HRA's oversight of the Rehabilitation Branch. HRA uses locally- based companies to abate housing code violations where property owners have repeatedly ignored DCRA issued NOIs. The team found that job cost and payment information for these companies provided to the Rehabilitation Branch did not reconcile with job cost and payment information supplied by the DCRA's Chief Financial Officer. In addition, the team found that building supplies, provided and paid for by DCRA, for use in these abatement projects have not been properly inventoried or accounted for. **Recommendations:** (a) That the D/DCRA request a physical inventory of building materials and supplies at all storage facilities and share the results with the OIG; (b) That the D/DCRA provide key personnel with training in inventory control, and establish official policies and procedures that ensure accountability for all materials and tools at HRA storage facilities; and (c) That the D/DCRA establish written policies and procedures for conducting annual reviews of funds used by the Rehabilitation Branch to ensure that all expenditures are in accordance with District laws and regulations, and are properly accounted for.

Some clusters⁵ in the Neighborhood Stabilization Program (NSP) need additional inspectors to ensure adequate coverage. (Page 37) The 39 NSP clusters (representing all 8 wards of the District) vary in number of addresses and assignments. Larger and densely populated clusters require more housing inspection activity and assistance. Consequently, it is difficult for a Neighborhood Stabilization Officer (NSO) to effectively complete daily assignments and serve these communities because each cluster is routinely monitored by only one NSO. The current practice of assigning one NSO per cluster is not feasible in several clusters identified by the OIG inspection team as high volume areas for daily housing inspection assignments. In addition, Cluster 2 has a large Spanish speaking population, but has no bilingual NSOs. **Recommendations:** (a) That the D/DCRA review all NSO Ward assignments, cluster sizes, and configuration, and make the adjustments necessary to provide sufficient staffing to large and densely populated clusters; and (b) That the D/DCRA add bilingual housing inspectors, where needed, in support of NSP operations.

NSP employees need additional vehicles in order to adequately fulfill their daily responsibilities. (Page 39) At the time of the inspection, there were only 28 vehicles available for use by the 44 NSOs and program managers. Due to the vehicle shortage, NSOs must often share vehicles in order to complete their daily work schedules. This impedes their ability to conduct more inspections, monitor residential buildings, and serve NOIs. **Recommendation:** That the D/DCRA assess vehicle usage needs among Neighborhood Stabilization Officers to determine whether changes are needed in either the number or assignment of vehicles in order to improve their performance and completion of their daily assignments.

⁵ A cluster consists of sections of residential and commercial properties within a ward.

EXECUTIVE SUMMARY

Rental Housing Commission

The Rental Housing Commission has a case backlog due to insufficient legal and administrative support, and is in violation of the statutory 30-day processing limit. (Page 42) DCRA has not provided the Rental Housing Commission (RHC) with the required law clerks, adequate administrative support, or funding for transcription services. The lack of staffing and resources has resulted in a backlog of decisions and orders by the RHC. **Recommendations:** (a) That the D/DCRA provide three full-time law clerks to the RHC as required by the D.C. Code, to assist the RHC in decreasing its backlog; (b) That the D/DCRA take appropriate action to ensure that the RHC has adequate administrative support to accomplish its mission; and (c) That the D/DCRA explore other ways, including an increase in funding for transcription services to the RHC, to expedite the review process of hearings conducted by the Rent Administrator.

Operation Support Services

The General Counsel Division lacks updated position descriptions and performance standards for administrative employees. (Page 46) The team found that position descriptions for administrative employees of DCRA's General Counsel Division were outdated and not aligned with their actual duties. The administrative staff did not have clearly defined tasks, authority, and responsibilities. **Recommendation:** That the D/DCRA, in collaboration with the Office of the Attorney General (OAG), establish updated position descriptions and performance standards for all GCD administrative employees.⁶

The Customer Service Call Center has a malfunctioning and inadequate telephone tracking system, and does not have the equipment required to function effectively. (Page 46) The system used by DCRA's Call Service Center was outdated and lacked the equipment required to conduct business effectively. The team found that broken headsets were not replaced, and there were no bases for telephone receivers. As a result, the system was often down for periods of time, and customers who called DCRA for information complained of dropped calls. **Recommendations:** (a) That the D/DCRA assess the feasibility of upgrading and providing sufficient maintenance for the Syntellect Tracking System to ensure that system malfunctions are minimized; and (b) That the D/DCRA provide adequate telephone equipment for the Customer Service Call Center.

The General Counsel Division maintains a complaint referral tracking system but does not track complaints investigated by DCRA through to resolution and closure. (Page 47) The Regulatory Complaint Intake process is a component of DCRA's Office of the General Counsel. The Office receives complaints against licensed businesses where there are allegations of failure to comply with any provision of a governing licensing statute or regulation. The office recorded 953 cases/complaints in FY 2004 and 1,357 in FY 2005. The team found that the office could not provide the total number of cases or complaints received in FY 2004 or FY 2005 that were pending or had been resolved. Due to the lack of an effective complaint resolution tracking system, stakeholders and consumers cannot be assured that their complaints are investigated and

⁶ As of the enactment of the Fiscal Year 2006 Budget Support Act of 2005, all OAG employees - which includes DCRA's GCD employees - are funded through and subject to the oversight authority of the OAG.

EXECUTIVE SUMMARY

resolved. **Recommendation:** That the D/DCRA add staff or designate an entity within DCRA to provide for an adequate complaint resolution tracking system.

Employee Survey

Employee survey results reflect a lack of job-specific training. (Page 50) Eighty-six percent of respondents were pleased with the quality and quantity of training they have received through DCRA, and 66 percent believed that the training was helpful. A number of respondents, however, provided written comments that their training was not directly applicable to their current tasks and responsibilities. Only 25 percent of respondents indicated that supervisors discuss training plans with them on a regular basis. **Recommendations:** (a) That the D/DCRA hold supervisors accountable for meeting with each employee annually to discuss training goals that are relevant to their specific tasks, and provide opportunities for meeting those goals; and (b) That the D/DCRA consider implementing regular training sessions and annual refresher courses led by internal subject matter experts in areas such as construction codes and fire safety.

The results of the OIG's survey of DCRA employees reflect frustration with hiring practices and a perception that there are no opportunities for promotion. (Page 51) Based on a tabulation of the survey responses, along with written comments that were included with a number of completed surveys, the team identified employee concerns that warrant attention from DCRA management. Respondents expressed strong mistrust and frustration with hiring and promotion practices within DCRA. **Recommendation:** That the D/DCRA take meaningful steps to educate employees about the hiring and promotion processes, and ensure that these processes are transparent and accessible to all DCRA employees.

INTRODUCTION

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Background and Perspective

The Inspections and Evaluations Division (I&E) of the Office of the Inspector General (OIG) began an inspection of the District of Columbia Department of Consumer and Regulatory Affairs (DCRA) in June 2004. With a fiscal year FY 2006 budget of approximately \$40 million and 430 full-time employees, DCRA regulates and monitors many facets of life in the District of Columbia. According to its website:

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Scope and Methodology

During this part of the inspection, the inspection team (team) focused on management, internal control, operations, and accountability in key areas of HRA, NSP, RHC, and operational support services. The team conducted 75 interviews and work observations, issued an anonymous and confidential employee survey, and analyzed numerous internal documents and past management studies done by outside entities - including KPMG⁸ and the Business Regulatory Reform Commission (BRRRC).⁹ The team also reviewed reports issued by the City Council's Committee on Consumer and Regulatory Affairs. This OIG report contains 19 findings and 38 recommendations.

OIG inspections comply with standards established by the President's Council on Integrity and Efficiency, and pay particular attention to the quality of internal control.¹⁰

⁷ See <http://www.dcradc.gov>

⁸ KPMG utilized a variety of mechanisms to evaluate current conditions and potential improvements, while identifying solutions that will improve customer service, increase efficiency, and enhance the District's image as a place to live and do business.

⁹ The Business Regulatory Reform Commission Act, effective March 16, 1995, created the Business Regulatory Reform Commission ("Commission). In August 1997, the Commission submitted a report entitled "Creating a Competitive Edge: The Time Is Now," to the Mayor and members of the City Council that focused particular attention on DCRA. The Commission's recommendations included broad changes to improve all aspects of business regulation in the District.

¹⁰ "Internal control" is synonymous with "management control" and is defined by the Government Accountability Office as comprising "the plans, methods, and procedures used to meet missions, goals, and objectives and, in doing so, supports performance-based management. Internal control also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud." STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT, Introduction at 4 (Nov. 1999).

INTRODUCTION

Compliance and Follow-Up

The OIG inspection process includes follow-up with inspected agencies on findings and recommendations. Compliance forms with findings and recommendations will be sent to DCRA along with this Report of Inspection (ROI). The I&E Division will coordinate with DCRA on verifying compliance with recommendations in this report over an established time period. In some instances, follow-up inspection activities and additional reports may be required.

OFFICE OF THE DIRECTOR

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The current Director of DCRA was confirmed by the D.C. City Council on May 3, 2005. The I&E team conducted two interviews with the Director in May 2005. During these interviews, the Director indicated that his three most important concerns regarding DCRA operations were:

- customer service;
- human resources; and
- that the agency carry out operations with a high level of integrity.

The Director regards providing exceptional customer service as a requirement for DCRA and stated that the most significant task he faces in the near future is obtaining employees whose competencies match the skills, knowledge, and abilities needed within DCRA.

The Director stated that although DCRA's performance has been effective in the areas of professional licensing, reviewing complex building and construction plans, and issuing business licenses, the agency has room for improvement in other areas, including service delivery and the ways in which customers access needed services.

The Director also stated that to improve DCRA's working relationships with other agencies, he meets monthly with District agency officials to address specific issues. He stated there is also room for improvement in communication among DCRA's own administrations and divisions, and expressed a desire to give DCRA subordinate staff members more decision-making authority to foster a sense of empowerment.

Finally, the Director stated that in addition to reviewing and assessing DCRA's abilities, resources, and functions, his major goals for the upcoming year will be improving and enhancing the agency's information systems, improving DCRA's use of contractors, and reviewing and revising employee position descriptions, classifications, and pay scales.

**Findings and
Recommendations:**

KEY FINDINGS

KEY FINDINGS

1. DCRA is owed over \$8.8 million in unpaid fines and penalties, but has no procedures or strategies for collecting these funds.

DCRA issues Notices of Infraction (NOI) when it observes violations of various District municipal codes, most commonly housing codes, construction codes, and business/professional licensing and permitting codes, that have gone unabated. The fines for these infractions are set according to a schedule presented in Title 16 of the District of Columbia Municipal Regulations (DCMR), Chapter 32. DCRA also has the authority to initiate collection proceedings against violators who do not pay fines and penalties. In addition:

The Director [of DCRA] may refer to a collection agency or the Corporation Counsel¹¹ cases which involve a respondent's failure to make timely payment for the initiation of civil proceedings to collect fines, penalties, and costs owed by the respondent. The civil proceedings may result in garnishment of wages, attachment of property, and liens and foreclosures against property.¹²

The team found that prior management studies have cited DCRA's deficient procedures in the area of fine collection. In 1997, an "Organizational and Program Assessment" conducted by the audit and consulting firm KPMG noted that "no one in DCRA formally tracks the status of civil infraction citations issued and fines collected." Also in 1997, the Business Regulatory Reform Commission (BRRC) noted on page 2 of its report that the lack of DCRA resources dedicated to the collection of fines was particularly acute with respect to housing violations, and further noted that "inadequate tools are in place to ensure collection of fines" There is no strong revenue collection function that aggressively captures payment of fines."¹³ The Commission also wrote:

Of primary concern to the Commission is the District of Columbia's diminished capacity to conduct investigative, inspection and enforcement operations on a continuous basis. . . . [S]taff reductions have cost the District of Columbia substantially more in lapsed and unpaid, unenforced and uncollected fines – leading to huge backlogs and a general breakdown in enforcement activities.¹⁴

In order to gauge whether DCRA had made process improvements in enforcement and collections, the team requested a summary of all outstanding fines and associated penalties. The agency provided a report showing that as of August 2004, over 22,000 DCRA NOIs remained unpaid. The report assesses the total value of these infractions and associated penalties at \$8.825 million.

¹¹ The Corporation Counsel is now known as the Attorney General for the District of Columbia.

¹² Title 16 DCMR § 3117.2

¹³ Business Regulatory Reform Commission Report, August 1997.

¹⁴ *Id.* at 8.

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Interviews with DCRA staff confirmed that there is no standard, systematic process by which the agency identifies overdue fines and initiates collection proceedings. Through interviews, file reviews, and publicly available documents, the team noted the following conditions:

- a. DCRA's Office of Civil Infractions does not have a system or adequate staffing for collecting outstanding fines and penalties.*

In October 2004, DCRA's Office of Adjudication (OAD) hearing functions were transferred to the Office of Administrative Hearings (OAH), but DCRA continued to be responsible for issuing NOIs. DCRA created the Office of Civil Infractions (OCI) in October 2004 to issue and track NOIs and also collect outstanding fines and penalties.

As of May 10, 2005, the team found that OCI was still not collecting unpaid fines and penalties. Consequently, the amount of unpaid fines and penalties owed to DCRA continues to increase. Issuing NOIs aids in the enforcement of District of Columbia law and collecting fines generates revenue. DCRA incurs labor expenses during the enforcement process but fails to recoup revenue without a collection process.

OCI managers stated that collecting outstanding fines and fees is a high priority issue, but a systematic collecting process has not been developed. In addition, the current staffing level does not allow OCI adequate time for collection. Currently, the time of the one FTE and eight contractors is monopolized by issuing and tracking NOIs. Management stated that seven more FTEs would be needed to initiate an effective collection process.

- b. DCRA only infrequently imposes liens to collect outstanding fines.*

The team observed that only HRA imposes liens in an attempt to recoup costs incurred by DCRA in conjunction with the abatement of housing violations. HRA management stated that the lien program has succeeded in collecting funds in cases where DCRA spent money to abate substandard conditions. However, the team found there is no cohesive, agency-wide lien process that targets outstanding fines and penalties for all DCRA cases.

In order to get a sense of both the issues and the dollar amounts represented by these outstanding fines, the team reviewed 25 cases involving both single and multiple infractions listed in a DCRA report. This sample consisted mainly of housing violation cases, but also included business licensing and permitting cases. In this sample, the outstanding fines and penalties in each case typically amounted to between \$500 and \$5,000. In one case, however, a housing code violator owed the District \$37,500 in fines and penalties. Another case involved a property that had accumulated over \$570,000 in unpaid fines and penalties for housing code violations and licensure issues.

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All liens imposed by DCRA are filed with the Recorder of Deeds.¹⁵ For each of the 25 selected cases, the inspection team performed an online search of public documents to determine whether DCRA imposed a lien in an effort to collect unpaid fines and penalties. In 21 of the 25 cases, including the case of the property that had accumulated \$570,000 in fines and penalties, the team found no evidence that DCRA had filed a lien against the violating property or business entity. In one of the four cases where DCRA did file liens, the amount of the liens, (\$2,676) amounted to only 7% of the total outstanding fines and penalties.

c. DCRA may be unable to collect unpaid fines and penalties due to missing case files and property sales that occurred after the fines were assessed.

The team requested supporting documentation for 10 cases where NOIs dating from 1999 through 2003 were listed as unpaid. For 4 of the 10 cases, DCRA was unable to locate any supporting documentation (e.g., the original NOIs and the chronology of case actions). Without this documentation, DCRA cannot attempt collection of unpaid fines and penalties. In some cases, the team found documentation in the Office of the Chief Financial Officer's (OCFO) Real Property Sales Database¹⁶ that the properties, with hundreds of thousands of dollars in housing violation fines and penalties, were sold after the fines were assessed. Because DCRA did not impose liens prior to the sales, the agency forfeited its ability to recoup outstanding fines and penalties through this collection instrument.

The absence of an aggressive, standardized collection mechanism at DCRA significantly weakens the agency's ability to capture revenue that could be returned to the District's general fund. The lack of standardized collection procedures and the infrequent use of liens expose DCRA to criticism that fines and penalties are selectively enforced. This condition also allows property owners and other business entities to continue to do business in the District with unresolved violations of D.C. municipal safety codes.

Recommendations:

- a. That the OCI Administrator expedite development of a collection process for unpaid fines and penalties.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA acknowledges that there is a backlog of outstanding fines and penalties that have not had adequate collection action. However, the agency is unaware of the stated \$8.8 million dollars in unpaid fines and has requested clarification from the Office of the Inspector General concerning this matter. In FY 2004, the Office of Adjudication was transferred to the Office of

¹⁵ The Recorder of Deeds, an administration in the Office of Tax and Revenue, is the official repository of all land records and general public instruments for the District of Columbia. The office is responsible for the collection of all recordation and transfer tax and filing fees on public instruments and maintains these records for public inspection. See <http://cfo.dc.gov/otr/site/default.asp>.

¹⁶ See https://www.taxpayerservicecenter.com/RP_Search.jsp?search_type=Sales.

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Administrative Hearings; however, the civil infraction duties remained with DCRA. DCRA established the Office of Civil Infractions (OCI) to develop and administer processes and procedures to address collection of re-inspection fees, case monitoring and coordination, document management of agency case files, and revenue collection.

In FY 2005, DCRA adopted a process for closing final decisions and orders with OAH. This process outlines procedures from receipt of a final decision order through revenue collection. This process will assist with case tracking and monitor the tracking of initial fines imposed and fines collected. The established process for collecting liens imposed by the Agency is as follows:

- A Lien case jacket is created and entered into OCI's Lien database.*
- Within 3 days of receipt of a case within the Lien Fee Unit, a "Request for Payment" letter is mailed to the property owner requesting payment of lien. A bill will be included identifying the dollar amount due and where payment is to be made. The owner is provided 15 days to make payment.*
- If payment is not received, a "Notice of Delinquency" letter is mailed within 3 days after the expiration of the 15 days requesting payment. The "Notice of Delinquency" letter shall provide 5 additional days for payment. The "Notice of Delinquency" letter will advise the owner that the failure to pay will result in the initiation of collection action and that their credit rating maybe impacted by the failure to pay.*
- If payment is not received within the 5 days provided in the "Notice of Delinquency" letter, a "Notice of Lien Placement" letter is mailed within 3 days informing the owner that a lien has been placed on the property with OTR and the Recorder of Deeds. The letter will also advise the owner that his/her credit rating will be impacted by the failure to pay.*
- Payment must be made to the lock box established by the Budget Office. Under no conditions will OCI accept payment. Returned checks will be charged a \$65.00 processing fee.*
- All incoming calls and walk-in customers requesting information regarding payment of the lien will be transferred to the Lien Coordinator.*
- A daily log shall be maintained by the Lien Coordinator indicating the name, date, time, and nature of the inquiry from each customer.*
- The Lien Coordinator shall maintain daily, weekly, monthly, and annual statistical reports on the status of the Unit.*
- DCRA has taken steps to monitor this process for compliance and process improvement, as necessary.*

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- b. That the D/DCRA provide adequate staffing for OCI to ensure that its collection goals and objectives are met.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

Although there were two full-time positions, DCRA, recognizing that this was not adequate staffing, hired contract personnel to assist with the identified goals and objectives of the Office of Civil Infractions.

Currently, DCRA has filed 507 liens in FY 2006 year-to-date totaling \$465,865.00

In coordination with the Office of Tax and Revenue, DCRA is now filing liens electronically with the DC Recorder of Deeds. This will significantly increase our ability to file liens in a timely manner. This enhances the agency's ability to collect fines and penalties owed. Manually filed liens were sometimes untimely and therefore uncollectible.

The agency has determined the plan of action necessary to clear up the backlog of unprocessed cases left over from the departure of the Office of Adjudication and is moving forward with those efforts.

- c. That the D/DCRA direct an analysis of all outstanding fines and penalties to determine which cases are no longer feasible, and devise an agency-wide strategy for prioritizing and pursuing outstanding fines and penalties in the current cases that are most viable.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA will conduct an audit of the current cases to determine which outstanding fines and penalties are feasible for collection. Where cases are identified as feasible for processing, the agency will proceed with its collection efforts using collection agencies, the Office of Attorney General, and the lien process. It is expected that the audit will be completed by the end of FY 2006.

- d. That the D/DCRA implement a consistent and standardized process for reviewing unpaid fines, assessing penalties for violations, and imposing liens against violators' real property.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

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DCRA has established a process for filing liens; and tracks that mechanism to insure that liens and other collection efforts occur in a timely manner. Regular compliance checks will be conducted to insure adherence to the established timeframes for initiating collection efforts.

- e. That the D/DCRA draft an agency “scorecard” performance measure that addresses DCRA’s fine and penalty collection efforts.

Agree _____ Disagree X

DCRA’s Response to IG’s Recommendation, as Received:

DCRA established a program measurement and tracking system to measure success of fine and penalty collection efforts. However, DCRA does not believe that this should be an agency scorecard goal.

OIG Response: **OIG stands by its recommendation as stated.**

2. DCRA’s use of paid overtime is inefficient and poorly supervised.

District Personnel Manual Chapter 11B, Part II, Subpart 7, entitled “Premium Pay,”¹⁷ offers the following guidelines on an agency’s use of paid overtime:¹⁸

The purpose of all forms of premium pay (e.g., overtime, holiday, night, or Sunday pay) is to guarantee an employee extra compensation when the demands of the service and the public interest require that he or she perform duties for a certain number of hours, or on certain days, or at certain times of day, for which extra pay is authorized by law. The purpose of premium pay is not to offer the employee an opportunity to earn as much extra compensation as possible

DPM Chpt. 11B, Part II, Subpart 7.1.

Department heads are authorized to order or approve overtime work, and to exercise the option of authorizing overtime pay or compensatory leave, as appropriate, and to delegate such authority to subordinate officials Overtime

¹⁷ In accordance with DPM Transmittal Sheet Number 127, dated February 17, 2005, the procedures in Part II of Chapter 11B in the DPM were rescinded because of final publication of regulations published in the D.C. Register on February 4, 2005. See 52 DCR 934. Our inspections and evaluations efforts were completed prior to the rescission of these procedures.

¹⁸ Many employees at DCRA are members of Local 2743 AFSCME or Local AFGE-2725, AFL-CIO. Members of these two unions are subject to overtime provisions in both collective bargaining agreements and the District’s Personnel Manual. For non-union DCRA employees, overtime provisions in the DPM are followed. With respect to an agency’s responsibility and the justification for using overtime, however, the language in the DPM is always applicable.

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work shall be approved prior to its performance, except in cases of emergency.

DPM Chpt. 11B, Part II, Subpart 7.2 (A).

The team requested a summary of DCRA's overtime costs for FY 2003. Documents provided by DCRA management showed that in FY 2003, 152 DCRA employees accumulated 25,196 hours¹⁹ of paid overtime, compensation that cost DCRA just under \$840,000. Examples of significant amounts of overtime were found in the Building and Land Regulation Administration (BLRA), the Business and Professional Licensing Administration (BPLA), the Office of Information Systems (OIS), and the Mission Support Division.

Based on a review of these initial documents, the team requested and received all FY 2003 time sheets and overtime request forms for 25 DCRA employees selected from the summary based on their FY 2003 overtime earnings. Our review of these timesheets and overtime request forms revealed lapses in fiscal oversight, apparent violations of D.C. government overtime regulations, and questionable uses of overtime.

a. DCRA supervisors routinely approved, often weeks in advance, overtime requests that either did not provide a justification, or provided a vague justification such as "Plans Review."

DCRA uses overtime request forms that require a summary of the anticipated number of hours, a justification as to why the work could not be completed during regular business hours, and several authorizing signatures.

The team reviewed 120 overtime request forms²⁰ and found that supervisors routinely pre-approved hundreds of hours of overtime each month, often issuing approvals 4 to 6 weeks in advance, despite the lack of clear justification. This practice suggests that little or no consideration was given to maximum economy of operations and whether the overtime was truly necessary. For example, in BLRA, the same justification was used in each month of FY 2003 to pre-approve 200-300 hours of paid overtime per month for the same employee. Of the 3,080 hours pre-approved in FY 2003, 1,618 hours were allotted to 6 employees. In another office of DCRA, 5 employees were paid for 919 overtime hours in FY 2003, although no justification was stated.

b. Thousands of hours of overtime were consumed in order to perform seemingly routine tasks that are normally completed during regular business hours.

In FY 2003, the 10 full-time employees in the OIS worked 5,711 hours of paid overtime, and it appears that many of the tasks performed while on overtime could have been accomplished during regular business hours. For example, hundreds of hours were approved for "configuration and installation of new laptops" and "installation of new IP (Internet Protocol)

¹⁹ This figure does not include hours of compensatory time awarded to employees.

²⁰ One form can be used to request overtime for multiple employees.

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addresses,” straightforward information technology (IT) tasks that the OIG expects would be accomplished during regular work hours.

The inspection team acknowledges that some IT tasks, such as monthly database maintenance, cannot be performed during regular business hours. However, in another example of questionable use of overtime, 2,400 hours were pre-approved for “de-installation of old computers and installation configuration of 139 new computers” from February to May 2003. Under this justification, 10 employees in DCRA’s Office of Information Systems (OIS) worked 2,146 hours of paid overtime on tasks that are usually routine and carried out during normal business hours.

c. During FY 2003, employees in various departments of DCRA routinely recorded full workdays on Saturdays and Sundays, often for months in a row.

During the document review, the team found many instances where employees recorded 10-20 hours of overtime each weekend. Many employees in the OIS as well as BLRA routinely were credited with having worked 14- and 16-hour days, 7 days per week for several consecutive months. One employee was credited with 8 hours of overtime every Saturday for 20 consecutive weeks; another employee’s timesheet contained 73 hours of overtime in a single 80-hour pay period.

The team noted that each timesheet bears the approval signature of a supervisor. However, numerous instances of 14- and 16-hour work days, especially when the same work is also being performed over a weekend, may indicate one or more of the following conditions: a lack of effective project management, low employee productivity during regular work hours, the absence of qualified personnel in a particular program area, or poor oversight of the allocation of paid overtime. In addition, an overly liberal use of paid overtime to address backlogs in routine workloads creates a disincentive for employees to be productive during regular business hours.

The team also believes that the physical toll taken by working numerous 14 - to-16 hour workdays may lead to a decline in the quality and quantity of work performed. If such levels of overtime were indeed necessary to keep pace with the volume of work in a particular program area, the agency should consider hiring additional staff, either permanent employees or contractors, as the amount of money spent on paid overtime in certain programs on a continuing basis was equivalent to the annual salaries of several FTEs.

Recommendations:

- a. That the D/DCRA ensure that all overtime requests be supported by a detailed justification as to why the work cannot be completed during regular business hours.

Agree _____ **X** _____ Disagree _____

DCRA’s Response to IG’s Recommendation, as Received:

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During the time at issue DCRA had over one-hundred vacancies which represents twenty-five percent of its work force. Current employees are required to compensate for the high vacancy rate. For example, a recent analysis indicated that there are approximately ten thousand elevators in the District of Columbia that are supposed to be inspected twice annually. However, DCRA only has three elevator inspectors. Therefore, current DCRA employees are required to work overtime in order to compensate for the high vacancy rate. We are actively recruiting to fill the vacancies.

DCRA recognizes that it needs to do better job of managing the overtime justification and tracking issues. Past and current practice of the accounting procedures requires managers to estimate and request all overtime prior to use.

- b. That the D/DCRA ensure that all supervisors authorized to approve overtime understand and follow the applicable overtime provisions in the District Personnel Manual.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA will work on developing and implementing processes and procedures to address the overtime justification and tracking issue. DCRA will train all managers and supervisors upon implementation of the standard operating procedures and policies. Implementation scheduled for 1st Quarter FY 2007, in conjunction with the launching of PeopleSoft Payroll Process.

- c. That the D/DCRA instruct supervisors to use compensatory time in lieu of paid overtime where permissible in order to better control overtime expenses.

Agree _____ Disagree _____ **X** _____

DCRA's Response to IG's Recommendation, as Received:

Union employees and FLSA non-exempt employees have the right to be compensated with overtime at the overtime rate, if so desired. The Agency cannot decide whether or not an employee receives compensatory time in lieu of pay.

OIG Response: OIG stands by its recommendation as stated. For non-union employees, as stated in District Personnel Manual Chapter 11B, Part II, Subpart 7, "compensation for approved overtime work performed on an irregular or occasional basis may be in the form of pay or compensatory time off....Employees whose rate of basic pay is in excess of the maximum rate of DS-10 may be required to take compensatory time off instead of being paid for irregular or occasional overtime work."

- d. That the D/DCRA implement an agency-wide procedure that requires all employees to document the tasks completed while working overtime. Such a summary should

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include identifying project and/or case number information, along with a detailed summary of the tasks completed.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

The processes and procedures that DCRA will implement will address requiring employees to submit complete documentation of all work performed during overtime hours.

3. RAPIDS, a mission critical computer application, does not function as it was originally designed, and system malfunctions delay the issuance of housing code violations.

The Remote Access Property Inspection and Dispatch System (RAPIDS) was envisioned as a computer system that would reduce the amount of time it takes to issue housing code violations and track housing code violation complaints.

Specifically, RAPIDS was designed to:

- prioritize inspection assignments;
- provide digitally illustrated street maps and preferred routes to inspections;
- provide detailed information on residential properties, including address, name of owner, and/or agent;
- provide a history of housing code violation enforcement actions;
- provide digital picture of properties; and
- allow an inspector to enter additional information about the subject property and surrounding areas, such as new housing code violations.²¹

In addition, RAPIDS was intended to allow inspectors to issue NOIs on site in their assigned neighborhoods, and thereby reduce the need for travel between the office and the field. The team found, however, that RAPIDS often malfunctions. Housing inspectors stated that frequently they do not have access to reliable ownership information in RAPIDS, or cannot access RAPIDS at all while in the field. Staff members also have trouble downloading work assignments and saving violation notice information in the system.

In addition to system malfunctions, work time is not being reduced because inspectors cannot create citations in the field, and must return to the office in order to research the history of housing code violations and ownership information. They then must manually generate citations, which delays the issuance of housing code violations for several days.

Recommendation:

²¹ September 8, 1999, News Release for Immediate Release
www.dc.gov/mayor/news/release.asp?id=62&mon=199909&archive=1

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any circumstances.” The same policy also notes that, “[t]he use of shared user logins or accounts that can be accessed by more than one person is prohibited on DC Government systems.”

DCRA employees stated during interviews that most employees were required by management to change their unique telephone passcodes that allow access to voicemail to the same four digits: **1234**. Some DCRA employees also stated that they were required by management to give their personal computer passwords to a supervisor, along with emergency contact information.

According to a senior manager, this policy was discussed at numerous staff meetings and implemented in order to improve customer response time and problems with full voicemail boxes. The manager stated that there also were problems when employees took leave or moved to other jobs and management did not know their passcodes. Those employees who cited a particular need to secure their voicemail messages with unique passcodes were exempted from the universal passcode policy, but were required to give their unique passcodes to a senior DCRA official. The manager noted that employee voicemail boxes are checked daily by DCRA’s Customer Services Unit.

Employees expressed concern that use of this universal passcode allows unauthorized individuals access to voicemail information and could compromise the security and confidentiality of numerous DCRA business activities. Particular concerns were expressed about unauthorized external entities acquiring DCRA information about property transactions, landlord-tenant disputes in adjudication, and business license information. Concerns were also raised about the vulnerability of private messages concerning health, family, and legal matters as well as employee personnel matters.

A Management Alert Report (MAR 05-I-002 at Appendix 2) addressing these issues was sent to the D/DCRA and D/OCTO. Copies of the D/DCRA’s and D/OCTO’s responses to the MAR are at Appendix 3 and 4, respectively. The team will follow-up on the D/DCRA’s progress in correcting the problems cited in the MAR.

Recommendations:

- a. That the D/DCRA take steps to ensure that telephone access codes and computer passwords are unique to each employee and are not shared with others, except as allowed by District regulations.

Agree _____ **X** _____ Disagree _____

DCRA’s Response to IG’s Recommendation, as Received:

All DCRA employees now have individual usernames and passwords to allow network login. Additionally, employees receive access codes for DCRA applications depending on their job requirements and needs. There are limited situations in which phones are shared by more than one person due to either the location in the building or transient nature of the working group.

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At the time of the audit, most DCRA employees were required to have the same password to access their voicemail. The reason for this policy was primarily to control the cost associated with resetting passwords on the voicemail system when employees leave the agency or government service. OCTO requires agencies to submit a Request for Telephone Service (RTS) each time a passcode must be reset, at a cost of \$25.00

DCRA was one of the first agencies to migrate its telephone system from Verizon to DC Net. When this migration occurred in May, 2005, all employees and contract staff were required to establish unique passwords in order to access their voicemail box on the new system.

DCRA's Assistant Director for Administration has established formal exit procedures for both employees and contract staff that require employees to disclose all passcodes for DCRA-provided equipment prior to departure.

- b. That D/DCRA take steps to ensure that DCRA policies regarding telephone access codes, computer passwords, and telecommunications security are updated to reflect current OCTO telecommunication policies and federal law, and that these policies are promulgated and enforced in all components of DCRA.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA currently follows all OCTO-established policies regarding telecommunications and computer security.

5. The Human Resources Division may lack the number of employees necessary to function effectively each day.

The Human Resources Division (HRD) is responsible for all personnel and training actions within DCRA, including:

- recruiting and processing new employees;
- posting vacancy announcements;
- processing performance evaluations, salary actions, termination notices, and incentive award actions;
- filing medical, tax, and address changes;
- assessing DCRA's training needs; and
- coordinating the development of individual training and development plans for all DCRA employees.

The HRD also assists in producing required Equal Employment Opportunity reports; provides the Director and agency administrators with statistical vacancy reports; and provides written responses to outside personnel inquiries. In addition to these duties, HRD assisted the D.C. Office of Personnel with an exhaustive Classification Study process that included desk audits of all DCRA employees.

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The team found, however, that HRD has only two employees: a Management Program Analyst and a Management Liaison Specialist. In order to complete the multiple tasks cited above, these employees stated they must work approximately 10 to 12 hours each day. They also stated that the volume of work has significantly impeded their ability to complete personnel actions in a timely manner. For example, in order to process the agency's performance evaluations by the required deadline, other critical personnel tasks had to be set aside. In addition, when one or both employees must be absent from their positions, some HRD operations cannot be accomplished.

Recommendation:

That the D/DCRA review the volume of work and the staffing in the Human Resources Division to determine whether staffing is sufficient to satisfy DCRA's personnel support requirements.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

Although the HR section was lacking sufficient staff, improvements have been made in this regard. In March 2006 an Assistant Director for Administration was hired with the primary responsibility to HR Management. A Labor and Employee Relations Coordinator was hired and is scheduled to begin on July 24th, 2006.

6. The Human Resources Division does not have performance standards for each DCRA employee.

District Personnel Manual, Chapter 14, Part I, Section 1406.1 states, in part:

Except as otherwise provided in this chapter, each supervisor shall complete a Performance Plan outlining what is expected for each covered employee as follows:

- (a) **Within thirty (30) days of the beginning of each rating period;**
- (b) **Within thirty (30) days of the date an employee is promoted, appointed, transferred, reassigned, or demoted to a new position or a position with different duties and responsibilities;**
- (c) **Within thirty (30) days of the date an employee is officially detailed when the detail is for a period of more than ninety (90) days;**
- (d) **An employee who has been reassigned to a position with different duties and responsibilities within ninety (90) days of the end of the rating period shall receive a Performance Plan for the following fiscal year within thirty (30) days of commencing the duties of the position to which reassigned; or**

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- (e) **An employee who has been promoted or demoted during the ninety (90) days prior to the end of the rating period shall receive a Performance Plan for the following fiscal year within thirty (30) days of commencing the duties of the new position.**

In addition to guidance in the D.C. Personnel Regulations, best practices suggest that explicit performance standards be established for all employees.

The team found that the HRD does not have written performance standards for all DCRA employees. Without written performance standards, managers and employees cannot adequately assess whether employees are performing their duties satisfactorily.

Recommendation:

That the D/DCRA establish written performance standards for all DCRA employees, as required.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

All eligible employees participate in the PMP system including the establishment of performance standards and goals.

DCRA intends to come into compliance with DPM Chapter 14 (timeframes identified and tracked immediately) through the establishment of an internal tracking system and employee/manager training.

DCRA is very interested and supportive of efforts to move PES employees off the current PES system into a more performance standard-based system. However, under current District policy most employees participate in the PES system which lacks sufficient structure for individual employee performance standards.

7. The Customer Service Call Center uses an excessive number of hours monitoring voicemail operations.

DCRA uses a Customer Service Call Center (CSCC) to receive all calls made to DCRA. These employees are responsible for transferring each of the calls to the correct department or division within DCRA. CSCC is also responsible for monitoring DCRA's internal phone operations.

The Mayor's Telephone Tester Program monitors agency phone operations, but it is important that monitoring occurs at the agency level as well. The Mayor has established the following guideline for monitoring at the agency level:

Establish in-house telephone and voicemail monitoring to test agency numbers and determine if front-line employees are compliant with

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standards. Periodically call employees from outside the agency to determine how service is performed.

CSCC is monitoring all DCRA employees' voicemail greetings and messages daily to ensure compliance with D.C. government voicemail requirements. The team believes that monitoring on a daily basis is excessive, and found that it requires CSCC employees to spend a significant part of their day on tasks that could be done on a periodic basis, in accordance with the Mayor's guidelines. In addition, due to the lack of adequate administrative support staff within DCRA, as noted in several findings of this report, the team believes that the resources expended on phone and voicemail monitoring could be better utilized in operational areas of DCRA.

Recommendation:

That the D/DCRA reduce the number of labor hours expended by CSCC employees monitoring voicemail greetings and messages, and assess whether these resources could be better utilized in other areas of DCRA.

Agree X Disagree _____

DCRA's Response to IG's Recommendation, as Received:

At the time of the OIG Audit, Call Center employees were testing all agency desk phone numbers for proper voicemail greetings and messages on a daily basis. We agree that the time spent by these employees on this task was excessive.

However, the Mayor continues to hold agency Directors accountable for rapid, visible improvements in service. Agency Directors are responsible for improved telephone customer delivery in their respective agencies, as indicated in their established performance contracts. Both the Mayor's Tester program and the agency's own telephone and voicemail monitoring program allow us to measure agency improvement and provide the agency with information that helps us to deliver improved and more efficient service.

To that end, we continue to monitor agency compliance with telephone customer services standards, but not to the extent that was evident during the time of the audit. Call Center Staff now call every tenth number in the agency directory of desk phones on a random basis every other day. They check to see that the employee's voicemail complies with citywide standards and that the voicemail box is not full and thus unable to accept new messages. Call Center Staff also monitor on a daily basis the numbers of key front line employees to ensure that calls are returned to customers who leave messages on those lines. These numbers are associated with the agency's Permit Center, Housing Service Center and Inspections operations.

8. Employees throughout DCRA do not follow cash handling procedures.

DCRA's Chief Financial Officer (CFO) has established written policies and procedures for handling cash, checks, and other forms of payments presented to DCRA. These procedures

**Findings and
Recommendations:**

**OFFICE OF THE RENT
ADMINISTRATOR**

OFFICE OF THE RENT ADMINISTRATOR

The District of Columbia Rent Stabilization Program, commonly known as the Rent Control program, was first enacted into law on November 1, 1975, by D.C. Law 1-33, the Rental Accommodations Act of 1975. For the most part, the basic components of the current law, the Rental Housing Act of 1985 (the Act), remain the same. In establishing the Rent Stabilization Program, the District of Columbia City Council and government officials sought to achieve the following five major objectives:

- (1) [P]rotect low and moderate income tenants from the erosion of their income from increased housing costs;
- (2) [P]rovide incentives for the construction of new rental units and the rehabilitation of vacant rental units in the District;
- (3) [I]mprove the administrative machinery for the resolution of disputes and controversies between landlords and tenants;
- (4) [P]rotect the existing supply of rental housing from conversion to other uses; and
- (5) [P]revent the erosion of moderately priced rental housing while providing landlords and developers with a reasonable rate of return on their investments.²³

The DCRA Office of the Rent Administrator (ORA) is responsible for administering the Act.

9. The ORA has no tracking system to proactively verify that rents charged for properties subject to the Rent Stabilization Program²⁴ do not exceed rent ceilings.

The rent ceiling is the maximum amount of rent a landlord can charge for a rental unit. Under current laws, landlords are required to register properties that are subject to the Act, pay an annual registration fee, and file petitions with DCRA if they want to raise rents above the rent ceiling. After a review of 14 DCMR, Chapters 38 – 44, the team determined that landlords are not required to provide DCRA with a regular, periodic listing of their rental units and the rent they charge for each unit. DCMR Title 14, Chapter 42 does not define DCRA’s rent ceiling enforcement procedure; it merely defines potential forms of relief “[w]here it has been determined that a housing provider knowingly demanded or received rent above the rent ceiling for a particular rental unit”²⁵

ORA has no system to proactively verify that landlords in the District who are subject to the Program do not charge rental rates above the allowable rent ceiling. The Rent Administrator stated that due to insufficient staffing, ORA does not have the audit capacity to verify rents charged by registered landlords subject to the Program. Currently, the only notification ORA receives regarding rental charges rising above the rent ceiling is when a tenant files a complaint.

The ability to proactively monitor and track rental charges for properties under the Program is necessary in order to assure stakeholders that the Program is operating efficiently and to the benefit of affected tenants. At the request of the Council, the OIG Audit Division

²³ DCRA Tenant’s Guide to Safe and Decent Housing at 14.

²⁴ Rental units that are not exempt or excluded are subject to Subchapter II of the Rental Housing Act of 1985. See *id.* at 15.

²⁵ Title 14 DCMR § 4217.1

OFFICE OF THE RENT ADMINISTRATOR

conducted a targeted review of information pertaining to the Rent Stabilization Program. The Audit Division compiled data for specific properties, including rents charged by landlords and their compliance with rent ceilings. This review was summarized in OIG report No. 05-2-19CR, which was published in December 2005.

Recommendations:

- a. That the D/DCRA seek changes to DCRA’s statutory authority so that landlords are required to submit, on a regular, periodic basis, a listing of the units subject to the Rent Stabilization Program and the rents being charged for each unit.

Agree X Disagree _____

DCRA’s Response to IG’s Recommendation, as Received:

The Rental Housing Act of 1985 was amended through the Rent Control Reform Amendment Act of 2006. Rent ceilings were abolished except for petitions and voluntary agreements approved by the Rent Administrator prior to the effective date of the Act, passed by the Council on June 6, 2006. The Act also requires the housing provider to file a copy of the rent increase notice given to the tenant for a rent increase within 30 days after the effective date of the increase. For multiple units, the housing provider must file a sample rent increase notice and a list attached stating the unit number, tenant name, previous rent charged, new rent charged, and the effective date of the increase.

- b. That the D/DCRA establish the capability to compile data that can be used to illustrate statistical trends or patterns, serve as a basis for further inquiry into the Rent Stabilization Program, and if needed, serve as evidence to illustrate the need for changes in rent control laws or regulatory guidance.

Agree X Disagree _____

DCRA’s Response to IG’s Recommendation, as Received:

The Rent Control Reform Amendment Act of 2006 directs the Mayor to establish an electronic database for the filing, storage, and retrieval of rent stabilization documents. The database will allow the agency to produce reports that will show patterns and trends that may indicate a need for operational or other legislative changes.

- c. That the D/DCRA explore the feasibility of establishing audit capability within ORA to provide adequate, proactive oversight and tracking of rental units subject to the Rent Stabilization Program.

Agree X Disagree _____

DCRA’s Response to IG’s Recommendation, as Received:

OFFICE OF THE RENT ADMINISTRATOR

DCRA's Office of Information Systems (OIS) is developing technology for the database and is working with the Office of the Rent Administrator to document the requirements that will be used as a guide to develop the system.

The Rent Control tracking system will be implemented as part of DCRA's new enterprise system initiative – CPMS (Comprehensive Property Management System) will automate and provide on-line access for on-line transactions and response to information requests. It also allows DCRA to monitor the rent control process, audit the procedures, and make timely operational changes and/or legislative recommendations. Users will be able to file applications with necessary documentation, calculate fees and allowable rents, and track the history of rent control documents.

DCRA's recently established Office of Service Integrity Oversight will conduct audits of the Rent Stabilization Program records. The first compliance audit will commence 180 days after the effective date of the Rent Control Reform Amendment Act of 2006.

10. The Rent Administrator's Office lacks sufficient space to store necessary records, and the current file system has major deficiencies.

The Rent Administrator is required to maintain all registration files and rent adjustment certifications, and to allow public access to such records. The ORA must maintain extensive records concerning the history of all registered rental units within the District. These historical records²⁶ are vital in determining the amount by which rent can be increased on each registered rental unit in the District. The records are also used by both tenants and landlords in petition hearings regarding rental charge disputes. Therefore, the records maintained by ORA are essential to these processes.

During the inspection, the team conducted a file review of the Rent Administrator's records and found that many are poorly maintained. ORA does not maintain a computerized record of all rental properties registered in the District and due to a lack of adequate storage space and file cabinets, records are stored in boxes in several locations. The team also found that registration and certification documents were not filed timely due to the lack of adequate staffing. ORA has designated only one person to maintain all of these rental records.

Due to the lack of adequate space, a deficient filing system, and poor recordkeeping, ORA is unable to provide a timely listing of all registered rental properties in the District. In addition, without an adequate filing system, stakeholders cannot be assured that rental property files are accurate. The delayed filing of documents may also impede the petition filing and hearing process, due to the time it takes to locate necessary documents. Tenants and landlords rely on this information to file necessary petitions, and hearing examiners rely on this information to ensure that decisions issued are correct.

Recommendations:

²⁶ Records are maintained on all registered rental units in the District of Columbia. The team noted that DCRA has maintained records of some properties since the 1960s.

OFFICE OF THE RENT ADMINISTRATOR

- a. That D/DCRA provide ORA with storage space and staffing to adequately maintain all records.

Agree **X** Disagree _____

DCRA’s Response to IG’s Recommendation, as Received:

DCRA is in the process of scanning Rent Control records received after 2003, to make them readily available to the public. In addition, the Rent Control Reform Amendment Act of 2006, greatly reduces the number of documents that would have to be filed.

Furthermore, DCRA is currently implementing an upgraded document imaging system that will also be used in the Office of the Rent Administrator. The imaging system will allow landlords and tenants to more easily gain access to rent control document images that were filed in previous years. The imaging part of this system will be available by the end of FY 2006 and the workflow automation segment will be operational first quarter of FY 2007.

- b. That D/DCRA conduct a file audit of the rental documents maintained by ORA to ensure that they are properly maintained and accurate, and consider archiving and microfilming as many records as possible to create additional space and make records retrieval efficient.

Agree **X** Disagree _____

DCRA’s Response to IG’s Recommendation, as Received:

DCRA will conduct a file audit of the rental documents to determine which files the Agency will be required to maintain in accordance with the new Act. The audit will commence within the 90 days of the effective date of the Act.

**Findings and
Recommendations:**

**CONDOMINIUM AND
COOPERATIVE CONVERSION
AND SALES BRANCH**

CONDOMINIUM AND COOPERATIVE CONVERSION AND SALES BRANCH

The Condominium and Cooperative Conversion and Sales Branch (CCCSB) regulates the conversion and sale of rental housing property in the District of Columbia as outlined in the Rental Housing and Conversion and Sales Act of 1980, as amended, D.C. Law 3-86 (the “Act”). The District of Columbia City Council (Council) and government officials established the Act “[t]o balance and, to the maximum extent possible, meet the sometimes conflicting goals of creating homeownership for lower income tenants, preserving affordable rental housing, and minimizing displacement.” D.C. Code § 42-3401.02. (6a) (Supp. 2005). The CCCSB also conducts workshops to educate the public on how to convert rental housing units to units for sale as either condominiums or cooperatives, creates all standard forms used by the CCCSB, reviews and approves all conversion applications, and oversees tenant organization elections for condominium conversions.

During the course of the inspection, CCCSB work processes were the subject of intense public scrutiny. In February and March 2005, the Council’s Committee on Consumer and Regulatory Affairs (Committee) held hearings on the subject of “Tenant Rights in the District of Columbia.” During these hearings, the Committee probed numerous issues, including: DCRA’s routine approval of condominium conversions without verifying the facts behind the proposed transactions; multiple instances where tenants were denied their rights to purchase their units during conversions from rental units to condominium units; and a general lack of sound management oversight and accountability within the Branch.

Largely in response to information gathered at these hearings, the Council approved the “Rental Housing Conversion and Sale Amendment Act of 2005.” The Act, which went into effect in July 2005, strengthened previous legislation to “ensure that tenants have an opportunity to purchase a housing accommodation prior to the sale by an owner.”

Given the thorough public discourse on the policies and practices of the CCCSB, and the resulting legislative changes, the inspection team has no findings or recommendations with respect to the CCCSB.

**Findings and
Recommendations:**

**NEIGHBORHOOD
STABILIZATION PROGRAM**

NEIGHBORHOOD STABILIZATION PROGRAM

DCRA's Housing Regulation Administration (HRA) and its primary inspection and enforcement initiative, the Neighborhood Stabilization Program (NSP), target unsafe and unsanitary conditions in both occupied and unoccupied housing units. With over 40 inspectors (known as Neighborhood Stabilization Officers (NSOs)) assigned throughout the city, the NSP not only initiates its own inspections, but also responds to citizens' complaints. NSOs issue violations to property owners and conduct follow-up to see whether deficient conditions are abated. Cases in which property owners do not voluntarily abate deficient conditions are then referred to HRA's Rehabilitation and Condemnation Branches for further action.

The Rehabilitation Branch targets nuisance residential properties. In cases where property owners have repeatedly ignored Notices of Infraction (NOIs) issued by DCRA, the Rehabilitation Branch uses both its own abatement teams, as well as locally based contractors, to remove trash, secure buildings, and abate dangerous conditions.²⁷

The Condemnation Branch coordinates all activities of the Board for the Condemnation of Insanitary Buildings and provides hearings, investigations, and oral decisions to citizens and property owners so that unsanitary buildings in their neighborhoods are razed, removed, or made habitable in a timely manner. The team found that the Condemnation Branch is exceeding its performance goals. In addition, the Condemnation Branch conducts timely hearings and investigations, and issues decisions in accordance with D.C. laws and regulations.

Until October 1, 2004, DCRA's Office of Adjudication was responsible for the process through which property owners could appeal violations and the accompanying fines and penalties. Currently, the Office of Administrative Hearings is responsible for adjudicating property owners' appeals for these fines and penalties.

11. HRA's oversight of funding and building supplies used for NOI abatement projects is inadequate.

In FY 2004, the Rehabilitation Branch (Branch) set a goal of securing and abating conditions in 700 vacant housing units and demolishing another 100 vacant and abandoned units, at an anticipated cost of \$1.54 million and \$2.2 million, respectively.²⁸

a. The team noted discrepancies in job cost and payment information provided by DCRA's CFO and the Rehabilitation Branch.

HRA uses locally based companies to perform a wide range of nuisance abatement and building repair services, such as roofing, plumbing, heating and electrical work, and structure cleaning and shoring. HRA also contracts with a number of area companies for demolition services. The team observed numerous discrepancies between payment information maintained by the Branch and information provided by DCRA's Chief Financial Officer. In some cases, the

²⁷ In accordance with D.C. Code § 42-3131.01 (2001), the Mayor may correct conditions violative of law where the owner of real property in the District of Columbia fails or refuses to do so.

²⁸ According to the D.C. Council's Committee on Consumer and Regulatory Affairs' Report on the FY 2004 budget, abatement of nuisance properties is funded through both a revolving Nuisance Abatement fund as well as funds from the District's capital budget.

NEIGHBORHOOD STABILIZATION PROGRAM

CFO stated that a vendor was paid more than the value of a job that was noted in the Branch's case tracking system. In many instances, the Branch requested that payments be made by the CFO for amounts and purchase order numbers that did not appear in the Branch's case tracking system.

b. Procedures for oversight of inventory of building materials and tools at HRA are insufficient.

According to DCRA management, many tools and building supplies used to secure dangerous housing units and abate deficient conditions are stored at three D.C. area locations. Items such as cordless drills, circular saws, chainsaws, hand tools, and construction materials (e.g., plywood and galvanized steel framing) are stored in DCRA headquarters, a trailer located in Northwest D.C., and at Andrews Air Force Base. The inspection team requested the most recent inventory for each location in order to gain a basic understanding of the quantities of materials consumed by the Branch's activities. The Branch provided an undated inventory to the team for only one of the three locations. HRA personnel stated that they did not have inventories for the other two locations. They stated that inventory management was an area of HRA that needs improvement, and that they try to perform a detailed inventory of each storage location at least twice a year. In practice, however, this does not occur. HRA management also stated that no one in the Branch has received training in inventory procedures, and no employees have any experience with establishing a proper system for tracking the use of tools and supplies.

Recommendations:

- a. That the D/DCRA request a physical inventory of building materials and supplies at all storage facilities and share the results with the OIG.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA will conduct a physical inventory of all supplies and equipment semi-annually at all storage facilities and share the results with the OIG. The first report will be submitted by the end of FY 2006.

- b. That the D/DCRA provide key personnel with training in inventory control, and establish official policies and procedures that ensure accountability of all materials and tools at HRA storage facilities.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

The inventory will be conducted by qualified inventory personnel in the Office of Service Integrity. In conjunction with the Deputy Director for Inspections and Compliance, the Service

NEIGHBORHOOD STABILIZATION PROGRAM

Integrity Office will establish official policies and procedures to ensure that timely inventories are conducted.

- c. That the D/DCRA establish written policies and procedures for conducting annual reviews of funds used by the Rehabilitation Branch to ensure that all funds are used in accordance with District laws and regulations and are properly accounted for.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA will establish written policies and procedures for expending funds, and conduct an annual audit of the fund. It is expected that the written policies and procedures will be completed by the 1st Quarter of FY 2007.

12. Some clusters in the Neighborhood Stabilization Program (NSP) need additional inspectors to ensure adequate coverage.

The City-wide Strategic Plan²⁹ is the comprehensive management tool of the District government that enables residents to set priorities and help develop innovative approaches to long-standing problems and challenges. The Mayor has established five citywide priorities in response to the extensive neighborhood planning process.

The Mayor's Priority #2, "Building Sustainable Neighborhoods," lists the following goals:

1. Link service delivery to the unique needs and priorities of each neighborhood;
2. Enhance safety and order in public spaces;
3. Enhance sense of security in private spaces;
4. Integrate special needs populations into our communities; and
5. Engage residents and sustain their participation in their neighborhoods.

Under the NSP, the District's eight wards are divided into two sectors (Eastern and Western). The Eastern sector is comprised of Wards Six, Seven, and Eight, while the Western sector includes Wards One, Two, Three, Four, and Five. The wards are further divided into a total of 39 neighborhood clusters. A cluster consists of sections of residential and commercial properties within a ward. These properties are generally family dwellings, apartment buildings, housing units, businesses, and other commercial property. Each cluster has a Neighborhood Stabilization Officer (NSO) who monitors District housing code and sanitation violations, acts to resolve citizens' complaints, and works with citizen groups in an effort to improve the overall quality of life for residents in each cluster. NSP clusters vary in size. Larger clusters require more time and attention in order to adequately address housing problems and citizens' concerns and complaints regarding housing code violations, and other issues of public health and safety.

²⁹ District of Columbia Strategic Plan and Budget for 2003-2004 at 4.

NEIGHBORHOOD STABILIZATION PROGRAM

The team noted that the six clusters on the following chart, which are geographically larger areas, generally required more housing inspection activity and assistance than the average cluster. Most clusters are densely populated with multiple family housing units and have a large concentration of rental properties and apartment units. The team noted that these six clusters represented 52% of FY 2004 housing code and sanitation violation inspections.

HOUSING AND SANITATION INSPECTIONS BY CLUSTER

Cluster Number	Ward Number	No. of Housing Code & Sanitation Violations Inspected in FY 2004 ³⁰	Number of Residential Addresses in Each Cluster	Neighborhoods Included in Each Cluster
2	1	5,177	8,271	Columbia Heights, Mount Pleasant, Park View, Pleasant Plains
18	4	2,933	10,375	Brightwood Park, Crestwood, Petworth
21	5	2,033	6,453	Bloomingdale, Eckington, Edgewood, Truxton Circle
23	5	2,641	3,747	Arboretum, Carver/Langston, Ivy City, Trinidad
25	6	3,147	9,707	Kingman Park, Near Northeast, Stanton Park
39	8	2,914	5,198	Congress Heights, Washington Highlands, Bellevue
TOTAL		18,845	43,751	
TOTAL all clusters		36,147	169,113	
FY 04 %		52.13	25.87	

Due to limited staffing, each cluster is usually monitored by only one NSO. The geographical size, number of residential properties, and high volume of daily assignments for these clusters suggest that additional NSO coverage may be warranted.

³⁰ Multiple housing code and sanitation violations may be present at the same property address.

NEIGHBORHOOD STABILIZATION PROGRAM

Lead Inspectors stated that the current practice of assigning one NSO per cluster is not effective in these busy and sometimes problematic areas. It is difficult for one NSO to complete daily assignments and serve these communities well when inspection assignments are excessive. Cluster Two, where there is a large Spanish-speaking population, is also challenging because there is no bilingual NSO.

Recommendations:

- a. That the D/DCRA review all NSO Ward assignments, and cluster sizes and configuration, and make the adjustments necessary to provide sufficient staffing to large and densely populated clusters.

Agree **X** Disagree _____

DCRA’s Response to IG’s Recommendation, as Received:

During the spring of 2006, based on a report compiled by D.C. Stat, the Neighborhood Stabilization Program (NSP) realigned the way it deploys its inspectors. The report revealed the workload of each inspector by ward was not equally distributed amongst every inspector across the 39 clusters, in relation to the complaints entered into the Remote Access Property Inspection and Dispatch System (RAPIDS).

As a result of the report and recognizing the tremendous impact that housing inspectors provide to a community, in terms of identifying and alleviating sub-standard conditions, the NSP Program reassigned its housing inspection corps based upon:

- *Complaints received within geographical areas*
- *Residential housing stock*
- *Areas with a heavy concentration of multi-unit dwellings*

	<i>FY05</i>	<i>Current</i>
<i>Ward 1</i>	<i>3</i>	<i>7</i>
<i>Ward 2</i>	<i>4</i>	<i>2</i>
<i>Ward 3</i>	<i>3</i>	<i>1</i>
<i>Ward 4</i>	<i>5</i>	<i>5</i>
<i>Ward 5</i>	<i>4</i>	<i>6</i>
<i>Ward 6</i>	<i>5</i>	<i>5</i>
<i>Ward 7</i>	<i>7</i>	<i>5</i>
<i>Ward 8</i>	<i>6</i>	<i>6</i>
<i>Total</i>	<i>37</i>	<i>37</i>

- b. That the D/DCRA add bilingual housing inspectors, where needed, in support of NSP operations.

Agree **X** Disagree _____

NEIGHBORHOOD STABILIZATION PROGRAM

DCRA's Response to IG's Recommendation, as Received:

Currently, DCRA has three bilingual inspectors to support the need of the NSP operations throughout the District. DCRA has since hired two new inspectors, who are in training. The new inspectors will be assigned according to workload to make certain adequate coverage is realized.

13. NSP employees need additional vehicles in order to adequately fulfill their daily responsibilities.

There are currently 44 NSOs assigned to the NSP – essentially one for each of the program's defined clusters. At the time of the inspection, there were only 28 vehicles available for use by the 44 NSOs. Compounding the vehicle shortage is the fact that when NSP vehicles are out of service for repair or routine maintenance, loaner or temporary vehicles are not available to NSOs.

DCRA and NSP managers have acknowledged that transportation for NSOs has been a continuous problem and concern, and that the program needs additional vehicles. Due to the vehicle shortage, NSOs must often share vehicles in order to complete their daily work schedules. This condition impedes their ability to conduct more inspections, monitor a maximum number of residential buildings, and serve violation notices in a timely manner.

Recommendation:

That D/DCRA assess vehicle usage needs among Neighborhood Stabilization Officers to determine whether changes are needed in either the number or assignment of vehicles in order to improve NSOs' performance and completion of their daily assignments.

Agree **X** Disagree _____

DCRA's Response to IG's Recommendation, as Received:

By the end of FY 2007, DCRA plans to add 56 new vehicles which will bring the agency's total vehicle inventory to 123.

Through a comprehensive assessment, the agency will determine the most effective and cost efficient ways of meeting its transportation needs. This may include public transportation as well as the most effective way of deploying agency-owned or leased vehicles. We anticipate that this assessment will be completed by 2nd quarter, FY2007.

In October 2006, DCRA will initiate a vehicle replacement plan through the District's master lease program at an estimated cost of \$3.2M. The agency goal is to replace 67 of its current fleet.

**Findings and
Recommendations:**

RENTAL HOUSING COMMISSION

RENTAL HOUSING COMMISSION

The Rental Housing Commission (RHC)³¹ is a quasi-judicial body that decides rental housing cases on appeal from the Rent Administrator. Operating under the Rental Housing Act of 1985, RHC holds hearings and issues decisions and orders that adjust the rent ceilings and rents charged based on petitions filed by landlords and tenants. RHC also certifies and publishes the annual adjustment of general applicability in the rent ceiling for rental units operating under the Act, in addition to drafting, amending, and repealing the rules for the Rent Stabilization Program.³²

14. The Rental Housing Commission has a case backlog due to insufficient legal and administrative support, and is in violation of the statutory 30-day processing limit.

D.C. Code § 42-3502.16 (h) (2001) states, in part that “[t]he Rental Housing Commission shall issue a decision with respect to an appeal within 30 days after the appeal is filed.”

The team found that the RHC’s three commissioners issued 133 decisions and orders as the result of appeals filed by tenants and housing providers in FY 2004. In addition, RHC reviewed 257 cases for errors transmitted by the Rent Administrator, and made determinations on whether to initiate appeal proceedings based upon RHC findings. The team found, however, that the RHC has a backlog of 49 appeals for which decisions have yet to be issued. As of May 10, 2005, each of these appeals exceeded the 30-day requirement established by the D.C. Code.

a. DCRA has not provided RHC with law clerks, as required by the D.C. Code.

RHC issues detailed written orders and decisions to ensure that tenants and landlords are afforded due process regarding rules and regulations set forth in the Rental Housing Act of 1985. The team found that in addition to these orders and decisions, the RHC commissioners must conduct research that is customarily performed by law clerks. This research includes:

- all certified files of hearings pending before the Rent Administrator;
- decisions and orders of the Rent Administrator; and
- 30 years of decisions and orders issued by the Commission that are relevant to decisions on pending appeals.

D.C. Code § 42-3502.02(d) states that:

The Department of Consumer and Regulatory Affairs shall employ the staff necessary to assist the Rental Housing Commission in carrying out its functions. Of the staff employed, 3 shall be law clerks who shall assist each member of the Rental Housing Commission in the preparation of decisions and orders.

³¹ The Rental Housing Commission is composed of three members who are appointed by the Mayor with the advice and consent of the City Council. The members serve 3-year terms. The Mayor appoints one member of the commission to serve as the chairperson and administrative head.

³² <http://dcra.dc.gov>

RENTAL HOUSING COMMISSION

The team found that DCRA has never provided the RHC with FTEs for law clerks as required by D.C. law. The current Chairperson for RHC, on her own initiative, has recruited unpaid summer law clerks.³³ The RHC Chairperson formally requested law clerks from the former Director of DCRA, and has also appealed to the Mayor and City Administrator for funding and provision of these law clerks, without success.

b. DCRA has not provided adequate administrative support staff to the RHC.

D.C. Code § 42-3502.02(d) states, in part, that “The Department of Consumer and Regulatory Affairs shall employ the staff necessary to assist the Rental Housing Commission in carrying out its functions”

The team found that DCRA has allocated one employee, a contact representative, to provide administrative support to the RHC. This employee’s responsibilities in assisting the three commissioners include, but are not limited to:

- answering telephone calls to the RHC;
- maintaining the RHC database;
- scheduling hearings for the Commissioners;
- setting appointments for the Commissioners;
- preparing certificates of service for decisions and orders;
- mailing decisions and orders;³⁴
- maintaining the hard copy files of the RHC’s decisions and orders;
- providing word processing assistance as needed; and
- copying decisions and orders.

The team found that when the contact representative is out of the office on errands or is on leave, DCRA’s Correspondence Unit (Unit) sends employees to assist the Commissioners, if they are available. In the event that no one is available, the Commissioners must personally answer all telephone calls to the RHC.

The Chairperson stated that requiring Commissioners to answer telephone calls to the RHC is problematic because parties with cases before RHC can not have ex parte communications with the Commissioners.

c. The lack of adequate funding for transcripts may delay orders and decisions issued by the RHC.

³³ For the past 10 years, the Chairperson has recruited law clerks from the Greater Washington Area Chapter (GWAC), Women Lawyers Division, National Bar Association, at no charge to DCRA.

³⁴ The team found that DCRA does not provide mail service for RHC. This employee must hand deliver RHC documents to the U.S. Post Office each day.

RENTAL HOUSING COMMISSION

In order to provide a just and fair decision or order in the appeal process, the RHC must review all hearings before the Rent Administrator. The team found that all hearings before the Rent Administrator are tape recorded and there is no transcriber present.

Testimony in hearings before the Rent Administrator can take as little as an hour or as long as several days. The team found that the RHC was allocated only \$1,498 in FY 2005 for transcription services. The Chairperson stated that the Commissioners currently spend an inordinate amount of time listening to tape recorded hearings and deciphering the tapes to obtain accurate testimony and facts.

Recommendations:

- a. That the D/DCRA take the steps necessary to provide three full-time law clerks to the RHC as required by the D.C. Code, to assist the RHC in decreasing its backlog.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA has identified one FTE position to be used to hire a law clerk for the Rental Housing Commission beginning in FY 2007. The agency agrees to determine if other staffing options are available.

- b. That the D/DCRA take appropriate action to ensure that the RHC has adequate administrative support to accomplish its mission.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA's Assistant Director for Administration recently completed an evaluation of administrative support and contact representative positions throughout the agency and determined that the position of the incumbent contact representative in RHC is classified appropriately for the duties assigned. In addition, the agency has determined that the ratio of management to administrative support is adequate.

- c. That the D/DCRA explore other ways, including an increase in funding for transcription services to the RHC, to expedite the review process of hearings conducted by the Rent Administrator.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA will review the RHC's transcription service needs.

**Findings and
Recommendations:**

OPERATION SUPPORT SERVICES

OPERATION SUPPORT SERVICES

15. The General Counsel Division lacks updated position descriptions and performance standards for administrative employees.

DPM Chapter 11A, Subpart 2, subsection 2.7 (A) states, in part, that:

A well-designed position description has clearly defined operations, tasks, duties, authorities, and responsibilities, and provision for supervisory control and supervisory requirements. This written record should clearly state what work is to be performed, how it is to be performed, what the consequences of errors are, and what specialized qualifications are needed to perform the duties. The official record of this information is usually called the position description.

In addition to the DPM, best practices require that performance standards be established for all employees. According to the General Counsel, descriptions for administrative employees in DCRA's General Counsel Division (GSD) were outdated and did not align with their actual duties. In addition, GSD employees had no written performance standards. Employees without accurate position descriptions may not have clearly defined tasks, authorities, and responsibilities. In addition, the lack of performance standards does not allow GSD to adequately assess whether employees are effectively performing their duties.

Recommendation:

That the D/DCRA in collaboration with the Office of the Attorney General (OAG) establish updated position descriptions and performance standards for all GCD administrative employees.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

Effective October 1, 2006, all of the non-attorney employees in the agency's Office of the General Counsel (OGC) will be transferred to the Office of the Attorney General (OAG) pursuant to the Legal Services Act.

As a result of the transfer, there are likely to be changes in the duties and performance standards for the administrative employees that will result in updated position descriptions and performance standards.

Updated position descriptions will be handled by OAG after the October 1, 2006 transfer occurs.

16. The Customer Service Call Center has a malfunctioning and inadequate telephone tracking system, and does not have the equipment required to function effectively.

OPERATION SUPPORT SERVICES

The Customer Service Call Center (CSCC) contact representatives are responsible for handling a high volume of telephone inquiries within DCRA. They respond to customers' inquiries regarding DCRA services and direct the callers to the appropriate administration or division. DCRA's CSCC uses the "Syntellect" Tracking System³⁵ (system) to receive these calls.

During the inspection, the team found that the CSCC's system and equipment does not function properly. The system's screens are not visible, calls are frequently lost, rebooting is often required, and employees lack telephone headsets. The team also found that the equipment used for monitoring customer service conversations is inoperable and has not been repaired.

The CSCC Manager stated that the malfunctioning equipment was reported to the senior DCRA management, but due to budget issues the equipment was not repaired. The system also has not been properly serviced or updated since 1999. The CSCC Manager also stated that approximately 3 years ago, all employees had telephone headsets, but due to equipment failures, they are no longer available and DCRA has not replaced them. As a substitute, employees must use telephone receivers that are connected to their computers and do not have telephone bases for the receivers. They are required to place the receivers on their desk. The lack of a properly functioning call tracking system and equipment impedes optimal customer service.

Recommendations:

- a. That the D/DCRA assess the feasibility of upgrading and providing sufficient maintenance for the Syntellect Tracking System to ensure that malfunctions are minimized.

Agree X Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA agrees that, at the time of the audit, both the software and equipment associated with the Syntellect tracking system were outdated and there was insufficient maintenance of the system and equipment. The life cycle of the servers were at their end and the Syntellect platform itself was two software versions behind. We also agree that the lack of a properly functioning call tracking system and equipment impedes optimal customer service.

In early FY 2006, we initiated a comprehensive upgrade of the existing call tracking platform to the new Syntellect Continuum System which includes:

- *A new voice server installed on site and additional administrative and reporting capabilities housed on the shared server located in OCTO's data center*

³⁵ Syntellect is an automated telephone system that integrates interactive telephone response, interactive Web response, speech recognition, call management, and other technologies to help call centers process communications. Syntellect's Continuum software enables call center management, outbound calling campaign automation, and email management.

OPERATION SUPPORT SERVICES

- *Upgraded agent desktop telephony hardware that is Windows 2000 and XP compliant*
 - *Upgraded live service media connections*
 - *Enhanced routing services for incoming calls*
 - *25 additional agent telephony hardware and voice licenses for call routing, monitoring and tracking*
 - *On-site system training for reporting, administration, and call routing*
 - *Standard maintenance service on new equipment and software*
- b. That the D/DCRA provide adequate telephone equipment for the Customer Service Call Center.

Agree X Disagree _____

DCRA's Response to IG's Recommendation, as Received:

The installation and upgrade to state-of-the-art software and equipment in the Call Center and at all significant call-taking stations will ensure that call takers have the program and equipment they need to provide the best possible customer service. DCRA is coordinating the system installation and training with Syntellect personnel. It's anticipated that the project will be complete by the end of FY2006.

17. DCRA General Counsel's Regulatory Complaint Intake process does not have a complaint resolution tracking system.

The Regulatory Complaint Intake process is a component of DCRA's General Counsel Division (GCD). GCD receives complaints against licensed businesses where there are allegations of failure to comply with any provision of a governing licensing statute or regulation. They also receive and assess regulatory complaints involving unlicensed business activity, failure to obtain certificates of occupancy, failure to register corporations, or other violations of the District's licensing laws. In addition, according to its web page, the office also provides assistance to customers who may need to be referred to other consumer agencies –local, federal, or private. All complaints submitted to the office must be in writing with appropriate documentation or proof.³⁶

GCD uses the Case Tracking and Monitoring System (CTS) to electronically record complaints and other matters received by the GCD. For each issue or complaint it receives, DCRA's General Counsel then refers it to an appropriate administration within DCRA for investigation, to another DC government agency, or to a federal or private entity.³⁷ GCD recorded 953 total cases in FY 2004 and 1,357 total cases in FY 2005. However, the team found that DCRA maintains neither information about actions taken by the agency to resolve or close

³⁶ See <http://www.dkra.dc.gov>.

³⁷ Upon receipt of a written complaint, the office makes a determination whether to forward the complaint to an investigative unit within DCRA for substantiation of the allegation(s), or to close the case. According to its website, there are numerous reasons why cases are closed, including instances where DCRA lacks jurisdiction to take action, or does not have legal authority to administer a particular law or regulation. In those instances, consumers are notified by letter that their case is being closed, and are also given the reason that the action was taken.

OPERATION SUPPORT SERVICES

DCRA is currently in the process of creating a comprehensive property management system which will link all administrations in the Department of Consumer and Regulatory Affairs to ensure a closed loop process. DCRA has implemented a manual tracking procedure to ensure that all complaints, regarding Consumer Protection, received by the Call Center or the Office of General Counsel will be forwarded to the Office of Consumer Protection. Upon receipt, the Office of Consumer Protection will log, investigate, and respond to complaints by taking the appropriate action.

OIG Response: The OIG believes the original finding statement is correct but has modified it for improved clarity. DCRA does not have a complaint resolution tracking system. DCRA maintains a complaint referral tracking system. The OIG acknowledges it would be very difficult and time consuming for DCRA to track the resolution of all complaints it refers to outside DC government agencies, federal agencies, and private entities. However, the OIG expects that DCRA would track through to resolution and/or closure all complaints investigated by DCRA administrations.

Additional DCRA Response, as Received:

DCRA agrees that the agency currently does not have a complaint resolution tracking system. While the agency has many databases used for tracking data within administrations, there is not one system. The Comprehensive Property Management System that is being developed will provide the agency with tracking capability that will allow the agency to follow a complaint from intake to resolution. Additionally, DCRA is set to hire eleven customer service specialists within the next 60 days. These employees will be strategically assigned throughout the agency. Their duties include tracking complaints and working with administrations to bring about resolutions. DCRA uses the Internet Quorum (IQ) to track correspondence. The agency is reviewing how the system may be used more efficiently to track complaints to resolution. In FY 2005, the Office of the General Counsel recorded 622 consumer complaints. Of those, 247 were distributed to administrations within DCRA as follows:

<i>BLRA</i>	<i>BPLA</i>	<i>Historic Preservation</i>	<i>Investigations/Weights and Measures</i>	<i>Housing</i>
<i>13</i>	<i>5</i>	<i>1</i>	<i>225</i>	<i>3</i>

**Findings and
Recommendations:
EMPLOYEE SURVEY**

EMPLOYEE SURVEY

The team distributed surveys to all HRA and NSP employees. A copy of the survey can be found at Appendix 5 and a summary of responses can be found at Appendix 6. The inspection team received 44 completed surveys out of a total of 88 employees in these two program areas.

Based on a tabulation of the responses, along with written comments that were included with a number of completed surveys, the team identified employee concerns that warrant attention by DCRA management.

18. Employee survey results reflect a lack of job-specific training.

Eighty-six percent of respondents were pleased with the quality and quantity of training they have received through DCRA, and 66 percent believe that the training was helpful. However, a number of respondents commented that their training was not directly applicable to their current tasks and responsibilities. Further, only 25 percent of respondents indicated that supervisors discuss training plans with them on a regular basis.

Survey comments reflected the opinion that HRA and NSP employees need more training in job-specific areas. Based on interviews with NSOs and several managers, as well as a review of annual training plans, the team believes that many employees, particularly NSOs, would benefit from additional technical training and annual refresher courses in areas such as plumbing, electrical codes, building materials, and property ownership. NSOs often initiate cases that are eventually referred to HRA's Condemnation and Rehabilitation Branches, as well as DCRA's Building and Land Regulation Administration for further action. All NSOs would benefit from greater familiarity with building codes and construction practices.

Inspectors and supervisors in BLRA, HRA, and NSP collectively possess a wealth of knowledge and on-the-job experience with housing, construction, and fire safety codes. DCRA management should explore the feasibility of using its own employees to lead training sessions and annual refresher courses aimed at improving the knowledge base of employees, particularly that of NSOs and rehabilitation specialists. Such a program could reduce training expenses, foster intra-agency cooperation, and improve employee understanding of various departments within DCRA.

Recommendations:

- a. That the D/DCRA hold supervisors accountable for meeting with each employee annually to discuss training goals that are relevant to their specific tasks, and provide opportunities for meeting those goals.

Agree X Disagree _____

DCRA's Response to IG's Recommendation, as Received:

Effective immediately, supervisors will be held accountable for establishing employee Individual Development Plans (IDP).

EMPLOYEE SURVEY

DCRA has not had a strong job-specific training program. However, the agency is currently reviewing proposals from vendors for training management services, including job specific training. We anticipate that our training program will begin with employee training on Standard Operating Procedures in mid-August, 2006.

- b. That the D/DCRA consider implementing regular training sessions and annual refresher courses led by internal subject matter experts in areas such as construction codes and fire safety.

Agree _____ **X** _____ Disagree _____

DCRA's Response to IG's Recommendation, as Received:

DCRA currently offers training sessions for some workgroups utilizing internal subject matter experts. However, the agency intends in the future to utilize more formalized training and to grant certifications upon successful completion.

DCRA agrees with the need for training. However, we disagree that the training should be conducted by in-house subject matter experts. DCRA's intent is to offer on-going training with industry experts as part of certification requirements for the majority of technical, professional and administrative employees.

19. The results of the OIG's survey of DCRA employees reflect frustration with hiring practices and a perception that there are no opportunities for promotion.

Respondents expressed strong mistrust and frustration with hiring and promotion practices within DCRA. Eighty percent of respondents either "disagreed" or "strongly disagreed" with all three of the following statements:

The hiring process is fair and based on ability, knowledge and skills.

The promotion process is fair and based on ability, knowledge, and skills.

There are realistic opportunities for advancement.

Respondents who attached written comments to their surveys stated that career opportunities for long-time agency employees are often thwarted by DCRA's hiring of outside contractors to fill vacant positions, and by favoritism exercised by managers recently hired into the agency. HRA and NSP employees, both through the written comments and in conversations with the inspection team, indicated that excessive numbers of former United States Postal Service (USPS) employees have been hired initially as contractors and then converted into permanent positions even though they lack the requisite knowledge and experience. Respondents believed that because the former Director of DCRA was previously employed by the USPS, former USPS employees have been hired and promoted into positions that they do not deserve. When asked, "What is not being done well at DCRA?" and "What would you like to see improved at DCRA?" respondents provided the following comments:

EMPLOYEE SURVEY

DCRA follows the prescribed DCOP hiring practices which, at times, by definition and by practice, can be lengthy and complicated. With new leadership in its human resources area, the agency is making every effort to recruit and promote internal candidates by taking the following actions:

- *Special job postings on the DCRA Intranet site*
 - *Hand delivery of job postings to labor representatives on a weekly basis*
 - *Weekly posting of vacancy information and job opportunities on employee accessible bulletin boards*
 - *In conjunction with the labor unions, development of special career ladders that provide employees with promotional opportunities.*
- b. That the D/DCRA explore ways, including the transfer of routine tasks and responsibilities from contractors to agency employees, to reduce the use of contractors.

Agree **X** Disagree _____

DCRA's Response to IG's Recommendation, as Received:

In March of 2006, the agency launched a massive and aggressive recruitment campaign to fill all vacant full-time positions. As positions are filled, duties are transferred from contractors to employees.

APPENDICES

APPENDICES

- Appendix 1:** List of Findings and Recommendations
- Appendix 2:** MAR-05-I-002
- Appendix 3:** D/DCRA's Response to MAR-05-I-002
- Appendix 4:** D/OCTO's Response to MAR-05-I-002
- Appendix 5:** Sample Employee Survey
- Appendix 6:** Results of Employee Survey

Appendix 1

LIST OF FINDINGS AND RECOMMENDATIONS

Key Findings

1. **DCRA is owed over \$8.8 million in unpaid fines and penalties, but has no procedures or strategies for collecting these funds.**
 - a. That the OCI Administrator expedite development of a collection process for unpaid fines and penalties.
 - b. That the D/DCRA provide adequate staffing for OCI to ensure that its collection goals and objectives are met.
 - c. That the D/DCRA direct an analysis of all outstanding fines and penalties to determine which cases are no longer feasible, and devise an agency-wide strategy for prioritizing and pursuing outstanding fines and penalties in the current cases that are most viable.
 - d. That the D/DCRA implement a consistent and standardized process for reviewing unpaid fines and penalties for violations and imposing liens against violators' real property.
 - e. That the D/DCRA draft an agency "scorecard" performance measure that addresses DCRA's fine and penalty collection efforts.
2. **DCRA's use of paid overtime is inefficient and poorly supervised.**
 - a. That the D/DCRA ensure that all overtime requests be supported by detailed justification as to why the work cannot be completed during regular business hours.
 - b. That the D/DCRA ensure that all supervisors authorized to approve overtime understand and follow the applicable overtime provisions in the District Personnel Manual.
 - c. That the D/DCRA instruct supervisors to use compensatory time in lieu of paid overtime where permissible in order to better control overtime expenses.
 - d. That the D/DCRA implement an agency-wide procedure that requires all employees to document tasks completed while working overtime. Such a summary should include identifying project and/or case number information, along with a detailed summary of the tasks completed.
3. **RAPIDS, a mission critical computer application, does not function as it was originally designed, and system malfunctions delay the issuance of housing code violations**

LIST OF FINDINGS AND RECOMMENDATIONS

That the D/DCRA take steps to ensure that the performance and maintenance of RAPIDS are in compliance with the terms of the contract, and that RAPIDS malfunctions are minimized.

4. **DCRA employees do not have private telephone and computer access codes.**

a. That the D/DCRA take steps to ensure that telephone access codes and computer passwords are unique to each employee and are not shared with others, except as allowed by District regulations.

b. That D/DCRA take steps to ensure that DCRA policies regarding telephone access codes, computer passwords, and telecommunications security are updated to reflect current OCTO telecommunication policies and federal law, and that these policies are promulgated and enforced in all components of DCRA.

5. **The Human Resources Division may lack the number of employees necessary to function effectively each day.**

That the D/DCRA review the volume of work and the staffing in the Human Resources Division to determine whether staffing is sufficient to satisfy DCRA's personnel support requirements.

6. **The Human Resources Division does not have performance standards for each DCRA employee.**

That the D/DCRA establish written performance standards for all DCRA employees, as required.

7. **The Customer Service Call Center uses an excessive number of hours monitoring voicemail operations.**

That D/DCRA reduce the number of labor hours expended by CSCC employees monitoring voicemail greetings and messages, and assess whether these resources could be better utilized in other areas of DCRA.

8. **Employees throughout DCRA do not follow cash handling procedures**

That the D/DCRA enforce written cash handling policies and procedures and institute disciplinary action against employees who fail to adhere to them.

Office of the Rent Administrator:

9. **The ORA has no tracking system to proactively verify that rents charged for properties subject to the Rent Stabilization Program do not exceed rent ceilings.**

LIST OF FINDINGS AND RECOMMENDATIONS

- a. That the D/DCRA seek changes to DCRA's statutory authority so that landlords are required to submit, on a regular, periodic basis, a listing of the units subject to the Rent Stabilization Program and the rents being charged for each unit.
 - b. That the D/DCRA establish the capability to compile data that can be used to illustrate statistical trends or patterns, serve as a basis for further inquiry into the Rent Stabilization Program, and if needed, serve as evidence to illustrate the need for changes in rent control laws or regulatory guidance.
 - c. That the D/DCRA explore the feasibility of establishing audit capability within ORA to provide adequate, proactive oversight and tracking of rental units subject to the Rent Stabilization Program.
10. **The Rent Administrator's Office lacks sufficient space to store necessary records, and the current file system has major deficiencies.**
- a. That the D/DCRA provide ORA with storage space and staffing to adequately maintain all records.
 - b. That the D/DCRA conduct a file audit of the rental documents maintained by ORA to ensure that they are properly maintained and accurate, and consider archiving and microfilming as many records as possible to create additional space and make records retrieval efficient.

Condominium and Cooperative Conversion and Sales Branch:

No findings or recommendations.

Neighborhood Stabilization Program:

11. **HRA's oversight of funding and building supplies for NOI abatement projects in the Rehabilitation Branch is inadequate.**
- a. That the D/DCRA request a physical inventory of building materials and supplies at all storage facilities and share the results with the OIG.
 - b. That the D/DCRA provide key personnel with training in inventory control, and establish official policies and procedures that ensure accountability for all materials and tools at HRA storage facilities.
 - c. That the D/DCRA establish written policies and procedures for conducting annual reviews of funds used by the Rehabilitation Branch to ensure that all expenditures are in accordance with District laws and regulations, and are properly accounted for.

LIST OF FINDINGS AND RECOMMENDATIONS

12. **Some clusters in the Neighborhood Stabilization Program (NSP) need additional inspectors to ensure adequate coverage.**

- a. That the D/DCRA review all NSO Ward assignments, cluster sizes, and configuration, and make the adjustments necessary to provide sufficient staffing to large and densely populated clusters.
- b. That the D/DCRA add bilingual housing inspectors, where needed, in support of NSP operations.

13. **NSP employees need additional vehicles in order to adequately fulfill their daily responsibilities.**

That the D/DCRA assess vehicle usage needs among Neighborhood Stabilization Officers to determine whether changes are needed in either the number or assignment of vehicles in order to improve their performance and completion of their daily assignments.

Rental Housing Commission:

14. **The Rental Housing Commission has a case backlog due to insufficient legal and administrative support, and is in violation of the statutory 30-day processing limit.**

- a. That the D/DCRA provide three full-time law clerks to the RHC as required by the D.C. Code, to assist the RHC in decreasing its backlog.
- b. That the D/DCRA take appropriate action to ensure that the RHC has adequate administrative support to accomplish its mission.
- c. That the D/DCRA explore other ways, including an increase in funding for transcription services to the RHC, to expedite the review process of hearings conducted by the Rent Administrator.

Operation Support Services:

15. **The General Counsel Division lacks updated position descriptions and performance standards for administrative employees.**

That the D/DCRA, in collaboration with the Office of the Attorney General (OAG), establish updated position descriptions and performance standards for all GCD administrative employees.

16. **The Customer Service Call Center has a malfunctioning and inadequate telephone tracking system, and does not have the equipment required to function effectively.**

LIST OF FINDINGS AND RECOMMENDATIONS

- a. That the D/DCRA assess the feasibility of upgrading and providing sufficient maintenance for the Syntellect Tracking System to ensure that system malfunctions are minimized.
- b. That the D/DCRA provide adequate telephone equipment for the Customer Service Call Center.

17. **The General Counsel Division maintains a complaint referral tracking system but does not track complaints investigated by DCRA through to resolution and closure.**

That the D/DCRA add staff or designate an entity within DCRA to provide for an adequate complaint resolution tracking system.

Employee Survey:

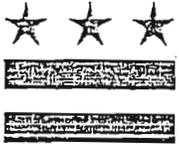
18. **Employee survey results reflect a lack of job-specific training.**

- a. That the D/DCRA hold supervisors accountable for meeting with each employee annually to discuss training goals that are relevant to their specific tasks, and provide opportunities for meeting those goals.
- b. That the D/DCRA consider implementing regular training sessions and annual refresher courses led by internal subject matter experts in areas such as construction codes and fire safety.

19. **The results of the OIG's survey of DCRA employees reflect frustration with hiring practices and a perception that there are no opportunities for promotion.**

- a. That the D/DCRA take meaningful steps to educate employees about the hiring and promotion processes, and ensure that these processes are transparent and accessible to all DCRA employees.
- b. That the D/DCRA explore ways, including the transfer of routine tasks and responsibilities from contractors to agency employees, to reduce the use of contractors.

Appendix 2



DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL

AUSTIN A. ANDERSEN
INTERIM INSPECTOR GENERAL

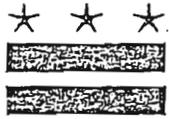
INSPECTIONS AND EVALUATIONS DIVISION
MANAGEMENT ALERT REPORT

DEPARTMENT OF CONSUMER AND
REGULATORY AFFAIRS

SECURE AND PRIVATE USE OF
TELEPHONES AND COMPUTERS

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



April 22, 2005

Dr. Patrick Canavan, Psy. D.
Acting Director
Department of Consumer & Regulatory Affairs
941 North Capitol Street, NW – Suite 9500
Washington, DC 20002

Ms. Suzanne J. Peck
Chief Technology Officer
Office of the Chief Technology Office
441 4th Street, N.W. – Suite 930
Washington, DC 20001

Dear Dr. Canavan and Ms. Peck:

This is a Management Alert Report (MAR-05-I-002) to inform you of a problem concerning the secure and private use of telephones and computers by Department of Consumer and Regulatory Affairs (DCRA) employees. This matter has come to our attention during our ongoing inspection activities in DCRA. The Office of the Inspector General (OIG) provides these reports when we believe a matter requires the immediate attention of a District of Columbia (District) government official.

Possible Compromise of Voicemail Access

DCRA employees stated during interviews that most employees have been required by management for more than 2 years to change their unique telephone pass codes that allow access to voicemail to the same four-digits: 1234. According to a senior manager, this policy was discussed at numerous staff meetings and implemented in order to improve customer response time and problems with full voicemail boxes. The manager stated that there also were problems when employees took leave or moved to other jobs and management did not know their pass codes. Those employees who cited a particular need to secure their voicemail messages with unique pass codes were exempted from the 1234 pass code policy, but were required to give their unique pass codes to a senior DCRA official. The manager noted that employee voicemail boxes are checked daily by DCRA's Customer Services Unit. Multiple sources have confirmed that the universal pass code is now in use.

Employees expressed concern that use of this universal pass code allows unauthorized individuals access to voicemail information and could compromise the security and confidentiality of numerous DCRA business activities. Particular concerns were expressed about unauthorized external entities acquiring DCRA information about property transactions, landlord-tenant disputes in adjudication (DCRA receives calls from tenants, landlords, and attorneys), and business license information. Concerns also were raised about the vulnerability of private messages concerning health, family, and legal matters as well as employee personnel matters.

The following hypothetical demonstrates how DCRA's universal pass code policy may be abused or otherwise used for unauthorized purposes at the expense of DCRA and its employees:

- An intruder can access employee John Doe's desk telephone voicemail from another telephone located anywhere by dialing 202-645-0661 (the District's voicemail access number), and keying in the universal pass code 1234. He or she can then listen to Doe's messages, save them, or delete them. By pressing 4, an intruder can access Doe's mailbox options, and change Doe's pass code for that phone to a pass code that only the intruder knows. Consequently, telephone messages left for John Doe on his office desk phone could only be retrieved by the intruder, and not by the intended recipient, John Doe.
- In addition, employee Doe would not be able to reset his pass code and then change his greetings to warn callers not to leave the messages that are now being intercepted by the intruder. Only the Office of the Chief Technology Officer (OCTO) can reset a pass code that is unknown to the regular user of the telephone. According to OCTO, this service takes approximately 2 business days and costs an agency \$25 per telephone.

OCTO has oversight responsibility for technology used by the D.C. government, including telecommunications.¹ District policy, as published by OCTO, states that "Pass code management is the responsibility of each agency." The policy does not specifically address the use of a common pass code for all employees, but does state that "Any employee action, which results in abuse or misuse of telecommunication services or inappropriate use of telecommunication services, will result in disciplinary action up to and including dismissal."

In addition, the Electronic Communications Privacy Act of 1986², as amended, prohibits, among other things, intentional, unauthorized interception of electronic communications in electronic storage.

¹ See the District of Columbia Government Telecommunications Standards and Management Policy at 4, updated February 15, 2001, issued by OCTO.

² 18 U.S.C. § § 2510-2521 (LEXIS through P.L. 109-5).

Compromise of Computer Passwords

Some DCRA employees also stated that they were required by management to give their personal computer passwords to a supervisor, along with emergency contact information (Attachment 1). OCTO policy OCTO003.110 (Rev 4.2) (Nov. 8, 2004) states that passwords are to be treated as "highly sensitive data," and that "Users will not share user-ids or passwords under any circumstances." The same policy also notes that "The use of shared user logins or accounts that can be accessed by more than one person is prohibited on DC Government systems." (Attachment 2)

Recommendations

1. That the Director of DCRA take steps to ensure that telephone access codes and computer passwords are unique to each employee and are not shared with others, except as allowed by District regulations.
2. That the Director of DCRA take steps to ensure that DCRA policies regarding telephone access codes, computer passwords, and telecommunications security are updated to reflect current OCTO telecommunications policies and federal law, and that these policies are promulgated and enforced in all components of DCRA.
3. That, in light of the voicemail access issues at DCRA raised in this MAR, the Director of OCTO review OCTO's *Telecommunications Standards and Management Policy* to determine if current voicemail pass code management policies adequately reflect the requirements of the Electronic Communications Privacy Act of 1986, as they pertain to unauthorized interception of electronic communications in electronic storage, and provide sufficient guidance to agency managers regarding the security and use of telephone pass codes and computer passwords.

Please provide your comments on this MAR by May 5, 2005. Your response should include actions taken or planned, dates for completion of planned actions, and reasons for any disagreement with the concerns and recommendations presented. Please distribute this Management Alert Report only to those personnel who will be directly involved in preparing your response.

Should you have any questions or desire a conference prior to preparing your response, please contact Lawrence Perry, Deputy Assistant Inspector General for Inspections and Evaluations, on 202-727-9249.

Sincerely,



Austin A. Andersen
Interim Inspector General

AAA/ld

Attachments

cc: Mr. Robert C. Bobb, City Administrator
Ms. Kelly Valentine, Interim Director, Office of Risk Management

ATTACHMENT 1

March 30, 2005

~~TO: _____~~

FROM: _____

SUBJECT: Update of Vital Information

Please provide the below information by COB today to _____ This info will be held in
a confidential manner and not made available to the public or other co-workers.

Thank you

NAME _____

PHONE # _____ CELL # _____

COMPUTER ACCESS CODE _____

EMERGENCY CONTACT _____

EMERGENCY CONTACT PHONE # _____

CELL # _____

ATTACHMENT 2

OCTO Citywide Information Technology Security Program
Password Management Policy

OCTO003.110

11/8/04 Rev 4.2

9/1/04

* 1. Purpose

This document is intended to provide guidance to District of Columbia Government agencies, employees and contractors concerning the proper use and management of password-based user authentication for District of Columbia Government computer networks and systems.

This policy defines the roles and responsibilities for the proper use and protection of passwords and password-based authentication systems. The major standards established in this document are the following:

1.1. Passwords shall be treated as highly sensitive data.

* 1.2. Users will not share user-ids or passwords under any circumstances.

1.3. First time passwords shall be generated by security personnel, rather than created by the user.

1.4. External password records must not be maintained by the user, system administration, or security personnel.

1.5. Users can change their own passwords without system administration or security personnel intervention.

1.6. Password construction, management practices, and procedures will comply with these standards and requirements.

1.7. Audit information will be captured by the system to reflect password usage and management.

1.8. For the purposes of this policy, Sensitive Information is defined as data containing financial, personal, or protected health information for which unauthorized access or disclosure may either result in violation of District or Federal regulation or otherwise be detrimental to DC Government operations. Sensitive information is to be designated by the information owner in accordance with applicable DC Government or Federal information classification standards.

1.9. Password management on systems that process sensitive information, and passwords on all highly-privileged accounts such as Windows Administrator, UNIX Root and others is required to be much more stringent than general user passwords.

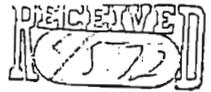
2. Scope

This policy applies to all District Government agencies and all users of DC Government computing equipment, including but not limited to:

- Full or part-time employees
- Contractors who are authorized to use District owned equipment or facilities
- Volunteers who are authorized to use and have been provided with a user account to access District resources

Appendix 3

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Consumer and Regulatory Affairs



57

05 JUN 16 PM 2:51

Office of the Director



June 13, 2005

Austin A. Andersen
Interim Inspector General
Office of the Inspector General
717 14th Street NW
Washington, DC 20005

Re: Management Alert Report (MAR-05-I-002)

Dear Mr. Andersen:

This is a response to the Office of the Inspector General's (OIG) Management Alert Report (MAR-05-I-002) Recommendations that first, the Director of DCRA ensures that voicemail and computer access codes are unique to each employee, and second, that telephone access codes, computer passwords and telecommunications security policies should be updated to reflect OCTO telecommunication policies and federal laws, and are promulgated and enforced. The following is the agency's response:

Recommendation #1: That the Director of DCRA takes steps to ensure that telephone access codes and computer passwords are unique to each employee and are not shared with others, except as allowed by District Regulation.

The Department of Consumer and Regulatory Affairs (DCRA) concurs with The Office of the Chief Technology Officer's May 13, 2005 recommendation that a specific password be assigned to each employee by the agency's Office of Information Systems. DCRA believes that as this listing can be securely held, it also meets the criteria set out by the OIG's first recommendation regarding unique passwords. The Department proposes implementing this change by July 15, 2005, and will eliminate the former default password of "1234" for all voicemail boxes. These passwords will be created by the individual employee or manager responsible for a workgroup call center, transmitted to the Program Manager for the Office of Information Systems (OIS), recorded and reasonably secured to prevent theft or tampering in a spreadsheet. DCRA will provide an administrative issuance to clearly communicate these changes, and will disseminate this information to all affected employees. This policy will apply both to the passcodes used on land lines and on cell phones. Any employee that changes their code without receiving prior permission from the OIS Manager will be disciplined accordingly.

Second, the DCRA OIS will review all current administrative password codes being used for logging on to the DCRA Network. If duplications of the same passcodes are found, the Department will direct those affected employees to select a new unique password, which shall be recorded and securely stored by the OIS. Any employee who shares their password or changes their password without obtaining prior permission from the OIS shall be disciplined accordingly.

Recommendation #2. That the Director of DCRA take steps to ensure that DCRA policies regarding telephone access codes, computer passwords, and telecommunications security are updated to reflect current OCTO telecommunications policies and federal law, and that these policies are promulgated and enforced in all components of DCRA.

The Department also concurs with the OIG's second recommendation. DCRA's Deputy Director for Mission Support, along with the Program Manager for OIS and the Communications Chief will review the current policies of the Department, and will modify them accordingly to meet the OCTO telecommunication standards and federal law. Again, the Department will develop an administrative issuance, which will be reviewed by OCTO and the General Counsel's office for conforming to OCTO standards and legal sufficiency respectively.

The Agency will then move to ensure that all telephone and computer passcodes are uniquely created by the employees and managers, will reset the phones and computer logon processes to meet those standards, and will store those passcodes in a secure location within the Office of Information systems, where the Program Manager will serve as the gatekeeper for accessing those particular codes. The Administrative Issuance should be developed and promulgated by July 20, 2005, and the resulting actions and unique passcodes should be assigned and programmed by August 20, 2005.

The Department believes that these steps meet the criteria of the OIG's recommendations, and the policy guidelines regarding security measures for computers and telecommunication devices by OCTO. If you have any further questions regarding this response, please contact my Acting Deputy Director for Mission Support, Mr. John T. Drann, at (202) 442-8943. Thank you again for your recommendations.

Sincerely,



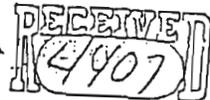
Patrick J. Canavan, Psy. D.

Director

cc: Mr. Robert C. Bobb, City Administrator

Appendix 4

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF TECHNOLOGY OFFICER



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05 MAY 16 AM 9:30

[REDACTED]

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Suzanne J. Peck
Chief Technology Officer

May 13, 2005

Austin A. Andersen
Interim Inspector General
Office of the Inspector General
717 14th Street NW
Washington, DC 20005

Re: Management Alert Report (MAR-05-I-002)

Dear Mr. Andersen:

I am responding to the Office of the Inspector General's (OIG) Management Alert Report (MAR-05-I-002), specifically Recommendations #3: that the Director of OCTO reviews OCTO's *Telecommunications Standards and Management Policy*.

The *MAR* outlines a complaint voiced by employees of the Department of Consumer and Regulatory Affairs (DCRA), during routine Office of the Inspector General (OIG) agency inspection activities. That complaint states that DCRA employees have been required for more than two (2) years by that agency's management, to change their unique telephone voicemail password to the same four (4) digits: 1234. The agency has granted case-by-case exemptions to this policy, but in those cases the employee has then been required to share their unique password with senior agency officials. The reason behind that policy is to allow the agency to avoid the repeated costs of the contractual, administrative \$25 fee that Verizon charges for each voicemail password re-set request.

The District of Columbia Government Telecommunications Standards and Management Policy [August 1999 - Advanced Telecommunication Technology, (§14a, 2) Computer Telephony Integration, Voice Messaging Service] states: "*Pass code management is the responsibility of each agency.*" Therefore, it is our opinion that DCRA has the authority to determine one or more "default" passwords, and to impose that determination on its employees.

The *MAR* cites OCTO policy (OCTO003.110 [Rev 4.2] [Nov. 8, 2004]), which states that passwords are to be treated as "highly sensitive data," and that "Users will not share user-ids or passwords under any circumstances," as well as, "The use of shared lines or accounts that can be accessed by more than one person is prohibited on DC government systems." The language of the policy clearly states, "...on DC government systems," which the *OptiMail* system is not. The

Austin A. Andersen
May 13, 2005
Page Two

Citywide *OptiMail* voicemail system is a third-party (*Avaya*) offering, as a subset to the Verizon Enterprise / District government Custom Contract, executed on May 1, 2002. As such, neither the District government nor Verizon Enterprise has direct management and/or operational control over any aspect — including security — of service, as it is provisioned by that third-party.

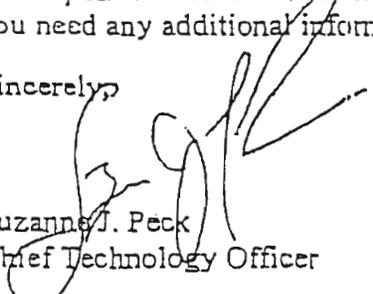
Therefore, it is OCTO's conclusion that inasmuch as the voicemail system does not belong to the District, and there are mandatory administrative fees associated with each and every password re-set request — which are not agency-programmed expenses — it is within the government's best interest to continue to allow the agencies (in this case, DCRA) to mandate a default password for as long as we are subscribers to the current third-party voicemail platform.

However, OCTO does recommend that DCRA and other agencies that choose to mandate default passwords to their staff regarding telephone access codes go a step further and actively assign specific passwords to specific mailboxes — and track those assignments eliminating a “default” password for all mailboxes within a workgroup and/or agency.

Regarding OCTO Citywide Information Technology Security Program Password Management Policy (OCTO003.110 [Rev 4.2] [Nov. 8, 2004]), “*The use of shared user logins or accounts that can be accessed by more than one person is prohibited on DC Government systems.*” OCTO will advise DCRA to revise their internal policies to conform to District standards as well as provide documentation of their acceptance and accountability.

No other reviews or revisions of existing OCTO policies are necessary or planned at this time. These policies are available on the OCTO intranet site: <http://octo.in.dc.gov>. Please contact me if you need any additional information. Thank you for your consideration

Sincerely,



Suzanne J. Peck
Chief Technology Officer

cc: Robert C. Bobb, City Administrator
Ms. Kelly Valentine, Interim Director, Office of Risk Management

Appendix 5

OFFICE OF THE INSPECTOR GENERAL - SURVEY QUESTIONNAIRE

Inspection: Department of Consumer and Regulatory Affairs (DCRA) -
Housing Regulation Administration & Neighborhood Stabilization Program

YOU ARE NOT REQUIRED TO PUT YOUR NAME ON THIS SURVEY

USE THE FOLLOWING LEGEND IN ANSWERING THE SURVEY ITEMS. WRITE ANY COMMENTS YOU MAY HAVE NEXT TO EACH QUESTION OR ON A SEPARATE SHEET. YOUR COMMENTS WILL BE KEPT ANONYMOUS, SO BE AS CANDID AS POSSIBLE AND FEEL FREE TO ADDRESS ANY ISSUE NOT COVERED BY THE SURVEY.

PLEASE COMPLETE BOTH SIDES OF EACH PAGE, PLACE IT IN THE ATTACHED ENVELOPE, SEAL IT, AND RETURN IT TO OUR OFFICE BY:

1. MAILING IT; or
2. PLACING IT IN AN OIG LOCKBOX (ONE IS LOCATED IN THE RECEPTION AREA OF THE DIRECTOR'S OFFICE ON THE 9TH FLOOR OF 941 N. CAPITOL ST., ANOTHER IS AT 3220 PENNSYLVANIA AVENUE SE); or
3. GIVING IT DIRECTLY TO AN OIG INSPECTOR.

ALL SURVEYS SHOULD BE RETURNED TO OIG BY JULY 2, 2004

PART I: Organization

Legend: A. STRONGLY AGREE B. AGREE C. DISAGREE
 D. STRONGLY DISAGREE E. DON'T KNOW

1. I am familiar with DCRA's mission.
2. DCRA's structure adequately supports its mission.

PART II: Management Ability, Effectiveness and Style

Legend: A. STRONGLY AGREE B. AGREE C. DISAGREE
 D. STRONGLY DISAGREE E. DON'T KNOW

3. My supervisor is qualified and understands my duties and responsibilities.
4. My supervisor has clearly defined goals and priorities for my work.
5. There is open communication among all employees, both supervisors and non-supervisors.

OFFICE OF THE INSPECTOR GENERAL- SURVEY QUESTIONNAIRE

Inspection: Department of Consumer and Regulatory Affairs (DCRA) -
Housing Regulation Administration & Neighborhood Stabilization Program

6. Decisions affecting employees are made according to established policies and procedures.

7. My supervisor keeps me well informed about issues that affect me.

8. I think the DCRA Director is an effective manager. (Please explain your answer.)

9. I think the agency's top-level management (i.e. executive staff, deputy directors) is effective.

10. I think the agency's mid-level management (i.e. project managers, branch chiefs) is effective.

PART III: Work Environment/Job Satisfaction

Legend: A. STRONGLY AGREE B. AGREE C. DISAGREE
 D. STRONGLY DISAGREE E. DON'T KNOW

11. My office space is secure and environmentally safe.

12. I feel safe when I am working out in the community.

13. The hiring process is fair and based on ability, knowledge, and skills.

14. The promotional process is fair and based on ability, knowledge, and skills.

15. I am satisfied with the personnel and administrative support I receive.

OFFICE OF THE INSPECTOR GENERAL - SURVEY QUESTIONNAIRE

Inspection: Department of Consumer and Regulatory Affairs (DCRA) -
Housing Regulation Administration & Neighborhood Stabilization Program

16. There are realistic opportunities for advancement.
17. Outstanding performance is recognized.
18. I am happy in my job and I do not plan to seek employment elsewhere.
19. I am sufficiently paid for my job responsibilities.

PART IV: Equal Employment Opportunity and Sexual Harassment

Equal Employment Opportunity (EEO) refers to the fair, just and equitable treatment of all employees regardless of race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, family responsibilities, matriculation, physical handicap, or political affiliation. (D.C. Municipal Regulations, Title 4, 101.1).

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when the following occurs:

- a. Submission to such conduct is made either explicitly or implicitly a term or condition of employment.
- b. Submission to or rejection of such conduct by an employee is used as the basis for employment decisions affecting the employee; or
- c. The conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment may include, but is not limited to, verbal harassment or abuse, subtle pressure for sexual activity, patting or pinching, brushing against another employee's body, and demands for sexual favors. (D.C. Municipal Regulations, Title 4, 199.1).

Legend: A. STRONGLY AGREE B. AGREE C. DISAGREE
 D. STRONGLY DISAGREE E. DON'T KNOW

20. DCRA has a published EEO policy, a trained EEO counselor, and a trained EEO officer.

OFFICE OF THE INSPECTOR GENERAL- SURVEY QUESTIONNAIRE

Inspection: Department of Consumer and Regulatory Affairs (DCRA) -
Housing Regulation Administration & Neighborhood Stabilization Program

21. I have experienced discrimination while working at DCRA. (If you agree, please explain.)

22. I have been sexually harassed while working at DCRA. (If you agree, please explain.)

23. Employees who report and identify illegal and/or unethical actions are protected.

PART V: Policies and Procedures

Legend: A. STRONGLY AGREE B. AGREE C. DISAGREE
 D. STRONGLY DISAGREE E. DON'T KNOW

24. There are clear, written policies and procedures that cover all aspects of my duties and responsibilities.

25. Management follows objective, standardized procedures when reviewing my work.

26. Current procedures for reporting time and attendance are satisfactory.

OFFICE OF THE INSPECTOR GENERAL - SURVEY QUESTIONNAIRE

Inspection: Department of Consumer and Regulatory Affairs (DCRA) -
Housing Regulation Administration & Neighborhood Stabilization Program

PART VI: Duties and Responsibilities

Legend: A. STRONGLY AGREE B. AGREE C. DISAGREE
 D. STRONGLY DISAGREE E. DON'T KNOW

27. I have a job description that I have read and understand.

28. My job description accurately reflects my daily assignments. (If you disagree, please explain.)

29. I have the equipment and resources I need to do my job. (If you disagree, please explain.)

30. I am allowed to make decisions that should be made at my level in the organization.

PART VII: Managing Assignments

31. Assignments are fairly distributed and are manageable.

32. My supervisor is available to assist with work related issues.

Inspection: Department of Consumer and Regulatory Affairs (DCRA) -
Housing Regulation Administration & Neighborhood Stabilization Program

PART VIII: Work Standards and Performance Evaluations

Legend: A. STRONGLY AGREE B. AGREE C. DISAGREE
 D. STRONGLY DISAGREE E. DON'T KNOW

33. There are performance standards for my duties.
34. I receive performance counseling during the rating period and there are no surprises in my performance evaluations.
35. I received a copy of my last performance appraisal.

PART IX: Training

Legend: A. STRONGLY AGREE B. AGREE C. DISAGREE
 D. STRONGLY DISAGREE E. DON'T KNOW

36. There are training opportunities available.
37. The training I have received while at DCRA was helpful.
38. My manager regularly reviews my training plan with me.

PART X: Communication

Legend: A. STRONGLY AGREE B. AGREE C. DISAGREE
 D. STRONGLY DISAGREE E. DON'T KNOW

39. DCRA has an employee complaint system.
40. The employee complaint system works well and concerns are resolved in a timely manner.

OFFICE OF THE INSPECTOR GENERAL - SURVEY QUESTIONNAIRE

Inspection: Department of Consumer and Regulatory Affairs (DCRA) -
Housing Regulation Administration & Neighborhood Stabilization Program

43. What are the top three things you would like to see improved at DCRA?

44. Are you aware of any fraud or other illegalities, waste, abuse or favoritism in any area of DCRA? If so, please explain.

45. What is the most significant issue facing DCRA in the year ahead?

ORGANIZATION CHART

Appendix 6

**DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
HOUSING REGULATION ADMINISTRATION
NEIGHBORHOOD STABILIZATION PROGRAM
EMPLOYEE SURVEY
44 OF 88 EMPLOYEES¹**

CATEGORY	FAVORABLE	UNFAVORABLE	NO OPINION	NO ANSWER
Organization	55.7%	33.0%	10.2%	1.1%
Management and Philosophy Style	28.1%	65.6%	5.1%	1.1%
Work Environment/Job Satisfaction	23.7%	69.9%	5.1%	1.3%
Equal Employment Opportunity	25.0%	38.6%	34.1%	2.3%
Sexual Harassment/Discrimination²	40.0%	29.6%	11.4%	19.0%
Employee Protection	10.3%	27.7%	34.1%	27.9%
Policies and Procedures	35.6%	55.3%	8.3%	.8%
Duties and Responsibilities	44.9%	50.0%	1.7%	3.4%
Managing Assignments/Responsibilities	38.6%	60.2%	1.1%	0%
Work Standards and Performance Evaluations	52.3%	39.4%	6.8%	1.5%
Training	56.8%	39.4%	2.3%	1.5%
Communication	8.0%	63.6%	27.3%	1.1%

¹ In June 2004, the team distributed surveys to all District government employees working in HRA and the NSP. A copy of the survey can be found in Appendix 2. The inspection team distributed 88 surveys and received 44 completed responses. See findings 11 and 12 on pages 31 thru 33, for further details.

² 29.6% of the respondents stated that they have been discriminated against or been sexually harassed. 40% of respondents stated that they have neither been discriminated against nor sexually harassed.