

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

**DEPARTMENT OF CONSUMER AND
REGULATORY AFFAIRS
PART III
(BUILDING AND LAND REGULATION)**

REPORT OF INSPECTION

September 2009



**CHARLES J. WILLOUGHBY
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



September 22, 2009

Linda K. Argo
Director
Department of Consumer and Regulatory Affairs
941 North Capitol Street, N.E., Suite 9500
Washington, D.C. 20002

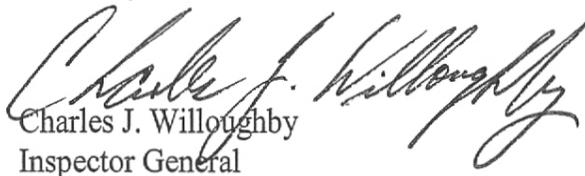
Dear Ms. Argo:

Enclosed is our *Report of Inspection of the Department of Consumer and Regulatory Affairs (DCRA), Part III, Building and Land Regulation* (OIG No. 09-I-0032CR). Comments from DCRA on the inspection team's 35 findings and 45 recommendations are included in the report.

In addition, we have enclosed *Compliance Forms* on which to record and report to this Office any actions you take concerning each recommendation. These forms will assist you in tracking the completion of action(s) taken by your staff, and will assist this Office in its inspection follow-up activities. We track agency responses to all conditions cited and compliance with recommendations made in our reports of inspection. 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*. We know that in some instances, matters beyond your control such as budget decisions impact on trying to set specific deadlines. We request, however, that you assign *target dates* based on your knowledge and experience regarding particular issues. Please ensure that the *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 appreciate the cooperation shown by you and your employees during the inspection and look forward to your continued cooperation during the upcoming follow-up period. If you have questions or comments concerning this report or other matters related to the re-inspection, please contact me or Alvin Wright Jr., Assistant Inspector General for Inspection and Evaluations, at (202) 727-2540.

Sincerely,


Charles J. Willoughby
Inspector General

CJW/tc

Enclosure

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Letter to Linda K. Argo

September 22, 2009

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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.

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ACRONYMS

ACRONYMS

ACRONYMS

ASME	American Society of Mechanical Engineers
CDC	Centers for Disease Control and Prevention
CFO	Chief Financial Officer
C.F.R.	Code of Federal Regulations
CIS	Commercial Inspections Section
COC	Certificate of Competency
C of O	Certificate of Occupancy
CPMS	Comprehensive Property Management System
DCHR	D.C. Department of Human Resources
DCMR	D.C. Municipal Regulations
DCRA	Department of Consumer and Regulatory Affairs
D/DCRA	Director of the Department of Consumer and Regulatory Affairs
D/DDOE	Director of the District Department of the Environment
DDOE	District Department of the Environment
DPM	District Personnel Manual
EPA	U.S. Environmental Protection Agency
FTEs	Full-Time Equivalent
FY	Fiscal Year
GAO	U.S. Government Accountability Office (previously known as the General Accounting Office)
HUD	U.S. Department of Housing and Urban Development
ICC	International Code Council
ICU	Illegal Construction Unit
I&E	Inspections and Evaluations

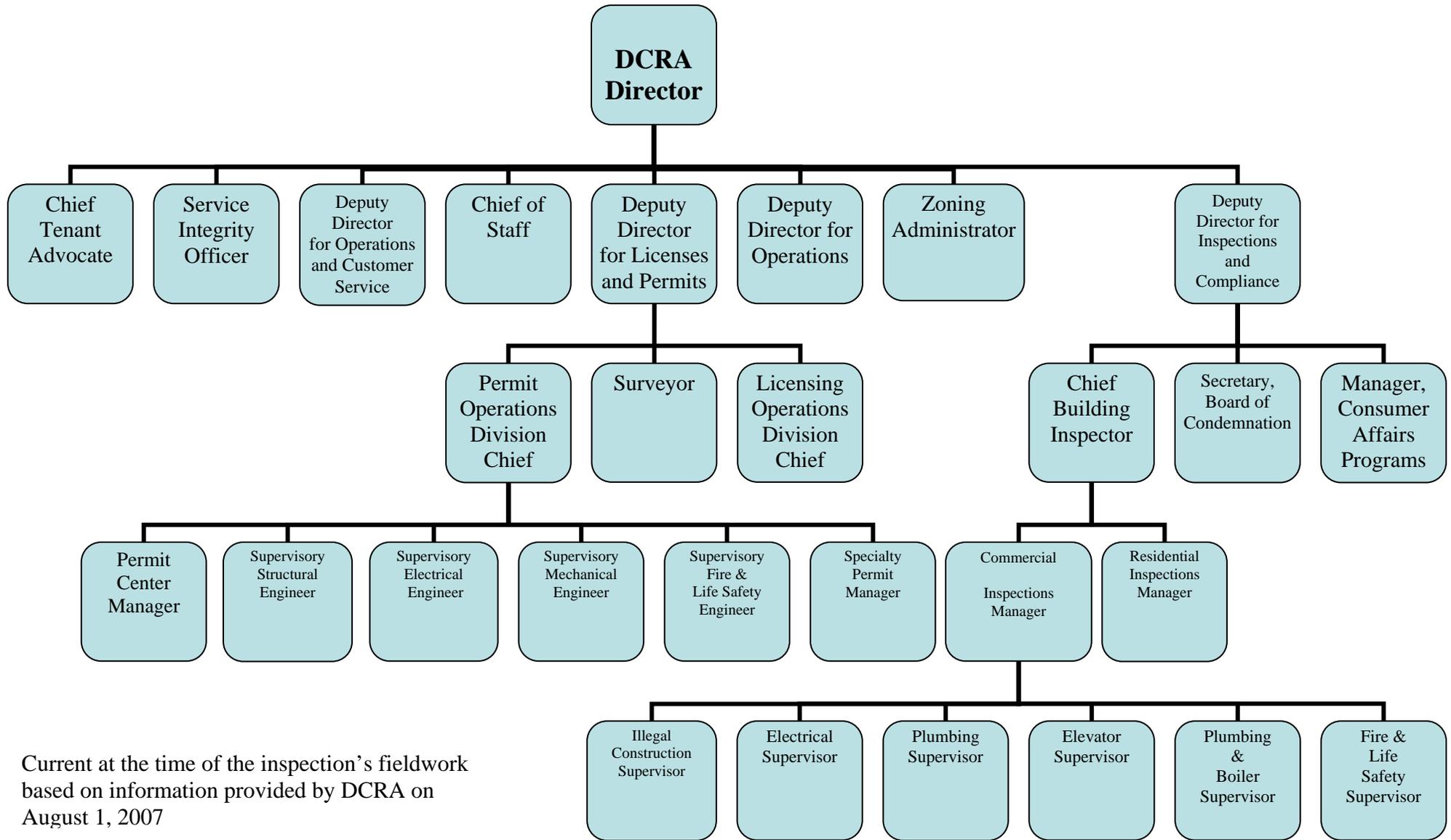
ACRONYMS

GIS	Geographic Information System
MAR	Management Alert Report
MOU	Memorandum of Understanding
OAH	Office of Administrative Hearings
OCA	Office of the City Administrator
OCFO	Office of the Chief Financial Officer
OIG	Office of the Inspector General
OP	Office of Planning
OZA	Office of the Zoning Administrator
POV	Personally Owned Vehicle
RIS	Residential Inspection Section
TPO	Third Party Organization
WASA	D.C. Water and Sewer Authority
WMATA	Washington Metropolitan Area Transit Authority

ACRONYMS

ORGANIZATION CHART

ORGANIZATION CHART



Current at the time of the inspection's fieldwork based on information provided by DCRA on August 1, 2007

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

OVERVIEW

The Inspections and Evaluations Division (I&E) of the D.C. Office of the Inspector General (OIG) conducted Part Three of its inspection of the Department of Consumer and Regulatory Affairs (DCRA) from September 2007 to April 2008. DCRA's stated mission "is to protect the health, safety, economic interests, and quality of life of residents, businesses, and visitors in the District of Columbia by issuing licenses and permits, conducting inspections, enforcing building, housing, and safety codes, regulating land use and development, and providing consumer education and advocacy services."¹

The inspection objectives were to evaluate the overall sufficiency and quality of DCRA's policies, procedures, and internal controls regarding building and land regulation. The inspection team (team) assessed the operations of DCRA's Permit Operations Division, Office of the Surveyor, Office of the Zoning Administrator (OZA), and the Commercial Inspections Section (CIS). This report is the third of three reports of inspection for DCRA. Part One addressed housing regulation, and Part Two examined business and professional licensing.

The team conducted 110 interviews, reviewed files and documents, issued an anonymous and confidential survey to DCRA employees, and observed key work processes. A list of the report's 35 findings and 45 recommendations is at Appendix 1. The team also issued a Management Alert Report (MAR) regarding deficiencies in boiler inspections (MAR 08-I-007 at Appendix 2), a MAR regarding deficiencies in the District's regulation of lead-based paint and asbestos (MAR 08-I-002 at Appendix 3), and a MAR regarding deficiencies that may reduce permit and Certificate of Occupancy (C of O) revenue (MAR 08-I-003 at Appendix 4). DCRA reviewed the draft of this report prior to publication, and its comments are included in the report.

Management Alert Reports

Significant deficiencies found in DCRA boiler inspection operations (Page 18). DCRA has inadequate staff to effectively carry out many key boiler inspection operations. Currently, DCRA has 2 boiler inspectors to carry out the same functions previously performed by 12 boiler inspectors. DCRA does not maintain complete and current records on insurance companies' boiler inspectors. The team also found that DCRA employees are not verifying the accuracy of inspection results reported by insurance company boiler inspectors due to a reported work backlog. In addition, inspection certificates are not issued timely after boiler inspections have been conducted and insurance inspection reports have been approved due to the backlog and a lack of clerical staff. Furthermore, the CIS records system does not allow easy and accurate retrieval of basic information about District boilers. A DCRA official stated that the agency cannot determine the number of boilers in commercial and District government buildings.

Deficiencies in the District's regulation of lead-based paint and information made available to the public regarding lead-based paint and asbestos may increase health risks (Page 19). The team found that lead-based paint removal is insufficiently regulated in the

¹ [Http://www.dcre.dc.gov/dcre/cwp/view,a,3,Q,599861,dcreNav_GID,1694,dcreNav,33437,..asp](http://www.dcre.dc.gov/dcre/cwp/view,a,3,Q,599861,dcreNav_GID,1694,dcreNav,33437,..asp) (last visited Apr. 17, 2008).

EXECUTIVE SUMMARY

District. For example, it is not clear whether the District prohibits all practices that the Centers for Disease Control and Prevention (CDC) recommends banning, such as dry sanding. Further, DCRA does not provide adequate information to customers regarding safe work practices for projects that may disturb lead-based paint and asbestos.

Deficiencies in controls over permit and C of O issuance may decrease revenue and increase the risk of fraud and abuse (Page 20). The team found that Office of the Chief Financial Officer (OCFO) records of revenue collected for permits, C of Os, and other fees are not reconciled with DCRA records. DCRA's system to ensure payment of permit filing fees is inadequate. DCRA does not sufficiently verify information used to calculate permit fees, and controls over permit and C of O issuance are inadequate. In addition, inspectors do not adequately detect construction work performed outside the scope of permits.

Key Findings

All Washington Metropolitan Area Transit Authority (WMATA) elevators and escalators in the District are not inspected as required (Page 24). WMATA operates a high number of its elevators and escalators in the District without having them inspected by DCRA or a third party inspection agency certified by DCRA, which is in violation of District regulations.

Oversight of the third party inspection and plans review program is inadequate (Page 26). DCRA lacks assurance that third party agencies, as well as their professionals-in-charge, inspectors, and plans reviewers, meet qualifications requirements. In addition, third party inspection agencies perform work that presents conflicts of interest because they perform inspections and plans reviews on the same projects. The team also found that DCRA does not sufficiently review and enter third party inspection requests and reports into its database.

Quality assurance of permitting and zoning is not sufficient (Page 32). The D.C. Code requires DCRA to seek to administer building permits and C of Os fairly and predictably to protect public safety and quality of life. Interviewees stated that supervisors do not regularly review employees' work to ensure that permit and C of O applications are classified correctly, reviews are assigned appropriately, and plans are approved properly. Supervisors stated that they do not have adequate time to review employees' work due to competing responsibilities. According to interviewees, lack of supervisory oversight contributes to inconsistencies and errors in DCRA's approval of permits and C of Os.

Employees are not subject to criminal background checks, credit checks, or financial disclosure requirements (Page 34). The District Personnel Manual (DPM) states that personnel authorities should determine which positions should be subject to criminal background checks and credit checks as part of pre-employment screening. The DPM also requires employees making decisions affecting private entities to complete financial disclosure statements. Interviewees stated that DCRA employees in the inspected areas are not subject to criminal background checks, credit checks, and financial disclosure requirements. Not performing these checks may increase the risk of employees engaging in improper acts or conflicts of interest.

EXECUTIVE SUMMARY

Historic documents are vulnerable to damage and theft (Page 36). The Office of the Surveyor within DCRA maintains legal records of land plats and subdivisions in the District, including documents dating back more than two centuries. The oldest documents are stored with other records, do not have any special preservation measures, and could be ruined by DCRA's fire suppression sprinklers. In addition, the documents are handled by the public, which increases the likelihood of damage, and are vulnerable to theft.

Permit Operations Division

The Permit Operations Division includes Permit Center employees who process permit and C of O applications as well as engineers who review construction plans to ensure they comply with construction codes. The team found:

- engineers lack complete sets of construction codes and interpretation guidance;
- permit employees lack job-specific performance standards;
- controls to ensure impartiality may be inadequate;
- employee training is inadequate;
- plans reviews do not meet DCRA timeliness goals, which may hinder economic development;
- tracking of some permit timeframes is inadequate;
- permit and C of O records are disorganized and not secure;
- the FileNet system used to verify C of O information is frequently inoperative; and
- verification that employers have workers' compensation coverage prior to issuing building permits is inadequate.

Additionally, the team found the following issues during fieldwork that appear to have been resolved:

- insufficient tracking of the entire permitting process that included participation from other District agencies. Currently, reviews for various District agencies are completed at DCRA within one computer system; and
- passwords for the Hanson computer system were not secure for permit center employees. This system is no longer in use by the permit center.

Office of the Zoning Administrator

OZA is responsible for administering District zoning regulations that govern construction and land use in different areas. The team found:

- a system and staff for zoning enforcement are inadequate;
- the system to track the timelines of C of O reviews is inadequate; and
- planned improvements to the C of O process have not been implemented.

EXECUTIVE SUMMARY

Commercial Inspections

CIS ensures compliance with construction codes, District regulations, and permit conditions. The team found:

- a reported lack of protective equipment and inspection tools;
- a lack of inspectors dedicated to conduct illegal construction inspections;
- discrepancies in boiler inspection operations at a hospital in the District;
- customers do not routinely pay boiler fees directly to OCFO;
- documentation of manlift examinations is inadequate;
- certificates of inspection not issued for elevators, escalators, and other units-in-kind;
- an inadequate number of vehicles in commercial inspections; and
- a Memorandum of Understanding (MOU) regarding inspections of lead service line replacement in the District has not been implemented with the D.C. Water and Sewer Authority (WASA).

Additionally, the following issues of concern were identified during fieldwork, but not reported as findings. DCRA should explore whether changes in these areas are needed:

- DCRA performs limited quality assurance on the work of DCRA inspectors; and
- unlike other jurisdictions, DCRA does not charge a fee to third party agencies.

Comprehensive Plan

The District's Comprehensive Plan has policies and goals for land use and development. The team found that a majority of senior DCRA managers were not aware of DCRA's responsibilities in the Comprehensive Plan.

Recommendations

The OIG made 45 recommendations to DCRA to improve the deficiencies noted, establish and implement internal controls, and increase operational effectiveness. Many recommendations focused on increasing managerial oversight, improving information tracking, and ensuring adequate staffing.

EXECUTIVE SUMMARY

INTRODUCTION

INTRODUCTION

Background

The Inspections and Evaluations Division (I&E) of the D.C. Office of the Inspector General (OIG) conducted Part Three of its inspection of the Department of Consumer and Regulatory Affairs (DCRA) from September 2007 to April 2008.

DCRA's stated mission "is to protect the health, safety, economic interests, and quality of life of residents, businesses, and visitors in the District of Columbia by issuing licenses and permits, conducting inspections, enforcing building, housing, and safety codes, regulating land use and development, and providing consumer education and advocacy services."² DCRA had a fiscal year (FY) 2008 budget of \$40,475,293 and 390 full-time equivalents (FTEs). In FY 2007, building and supplemental permit fees generated \$21,809,591 in revenue while C of O fees contributed an additional \$336,144 toward the District's general fund. DCRA employees stated that DCRA's reorganization of the Permit Center and creation of the Homeowners Center have pleased customers.

The majority of DCRA managers and employees were cooperative and responsive throughout the inspection. However, DCRA did not provide timely and complete responses to some requests for information.

The team found deficiencies in DCRA that should be addressed by DCRA management, the Office of the Chief Financial Officer (OCFO), the District Department of the Environment (DDOE), and the Office of the City Administrator (OCA).

Scope and Methodology

OIG inspections comply with standards established by the Council of the Inspectors General on Integrity and Efficiency, and pay particular attention to the quality of internal control.³

The inspection objectives were to evaluate the overall sufficiency and quality of DCRA's policies, procedures, and internal controls regarding building and land regulation. The inspection team (team) assessed the operations of DCRA's Permit Operations Division, Office of the Zoning Administrator (OZA), Commercial Inspections Section (CIS), and Office of the Surveyor. The Permit Operations Division processes permit and Certificate of Occupancy (C of O) applications, and reviews construction plans to ensure they meet construction codes. OZA administers District zoning regulations that govern construction and land use in different areas. CIS inspects construction, alterations, and repairs to ensure compliance with construction codes and permits. CIS inspectors and Permit Operations Division engineers specialize in areas

² [Http://www.dcre.dc.gov/dcre/cwp/view,a.3.Q.599861,dcreNav_GID,1694,dcreNav,33437,asp](http://www.dcre.dc.gov/dcre/cwp/view,a.3.Q.599861,dcreNav_GID,1694,dcreNav,33437,asp) (last visited Mar. 25, 2008).

³ "Internal control" is synonymous with "management control" and is defined by the U.S. 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

referred to as disciplines, which include plumbing as well as fire and life safety. The Office of the Surveyor maintains official land records of property in the District.

The team conducted 110 interviews, reviewed files and documents, issued an anonymous and confidential survey to DCRA employees, and observed demonstrations of key work processes. A list of the report's 35 findings and 45 recommendations is at Appendix 1. The team also issued a Management Alert Report (MAR) regarding deficiencies in boiler inspections (MAR 08-I-007 at Appendix 2), a MAR regarding deficiencies in the District's regulation of lead-based paint and asbestos (MAR 08-I-002 at Appendix 3), and a MAR (MAR 08-I-003 at Appendix 4) regarding deficiencies that may reduce permit and Certificate of Occupancy (C of O) revenue (MAR 08-I-003 at Appendix 4).

DCRA reviewed the draft of this report prior to publication, and its comments in their entirety follow each OIG recommendation.

Note: The OIG does not correct an agency's grammatical or spelling errors, but does format an agency's responses in order to maintain readability of OIG reports. Such formatting is limited to font size, type, and color, with the following exception: if an agency bolds or underlines text within its response, the OIG preserves these elements of format.

Compliance and Follow-Up

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

INTRODUCTION

EMPLOYEE SURVEY

EMPLOYEE SURVEY

Survey Methodology

In October 2007, the team administered an anonymous and confidential online survey to 104 DCRA employees in inspected areas, and analyzed 55 responses.⁴

In addition to gathering demographic information from respondents, the survey consisted of two types of questions. First, employees responded to closed-ended statements by selecting from a Likert scale of Strongly Agree, Agree, Disagree, Strongly Disagree, and Unable to Rate. For the purposes of our analysis, we combined the responses for the Agree and Strongly Agree answers into the Agree category, and similarly combined the Disagree and Strongly Disagree answers into the Disagree category. The percent of Agree and Disagree responses are based on the total number of Agree and Disagree responses, excluding Unable to Rate responses. The second type of question was open-ended to solicit employees' narrative feedback.

Key Survey Findings

The team deemed the following survey items to be of particular interest:⁵

2. "I have a clear understanding of DCRA's strategic goals"—87.8% Agree (43 responses) and 12.2% Disagree (6 responses).
13. "I can disagree with management without fear of retribution"—56.8% Agree (25 responses) and 43.2% Disagree (19 responses).
14. "Management has checks in place to ensure the quality of work"—51.1% Agree (24 responses) and 48.9% Disagree (23 responses).
15. "High ethical standards are maintained throughout DCRA"—51.1% Agree (23 responses) and 48.9% Disagree (22 responses).
16. "Promotion and hiring decisions are based on ability, knowledge, and skills"—31.0% Agree (13 responses) and 69.0% Disagree (29 responses).
18. "DCRA has an Equal Employment Opportunity (EEO) counselor and an EEO officer"— 30 Unable to Rate responses, 88.0% Agree (22 responses), and 12.0% Disagree (3 responses).
22. "I am happy in my job and I do not plan to seek employment elsewhere"— 58.7% Agree (27 responses) and 41.3% Disagree (19 responses).
24. "DCRA has effective communication between and among all levels of personnel"—43.5% Agree (20 responses) and 56.5% Disagree (26 responses).
29. "Absenteeism is not a problem at DCRA"—47.2% Agree (17 responses) and 53.8% Disagree (19 responses).
36. "I have the tools and resources I need to do my job well"— 45.1% Agree (23 responses) and 54.9% Disagree (28 responses).

⁴ The team analyzed responses from 55 surveys that had all of the survey's multiple choice questions completed. Although the team issued the survey to 104 employees, the online survey collection tool received 112 responses. It is unclear if some employees responded more than once, if individuals other than the employees who received the survey completed it, or if there was another issue.

⁵ The frequency of Unable to Rate responses for these survey items is in the full table of survey results, listed on the following page.

EMPLOYEE SURVEY

42. “DCRA performance evaluations are effective in promoting quality work”—46.2% Agree (18 responses) and 53.8% Disagree (21 responses).
46. “DCRA ensures that employees are adequately trained [to] perform their duties and responsibilities”—46.7% Agree (21 responses) and 53.3% Disagree (24 responses).
47. “DCRA ensures that employees have the knowledge, skills, and abilities to fulfill their duties and responsibilities”—47.7% Agree (21 responses) and 52.3% Disagree (23 responses).

The following table lists the percent and frequency of Agree and Disagree responses as well as the frequency of Unable to Rate responses.

DCRA Employee Survey			
Item	Agree	Disagree	Frequency
	Percent and Frequency		Unable to Rate
Organization			
2. I have a clear understanding of DCRA's strategic goals.	87.8% 43	12.2% 6	(6) ⁶
3. I understand and agree with the organizational structure of DCRA.	56.8% 25	43.2% 19	(11)
4. DCRA's facilities are satisfactory for employees.	38.5% 20	61.5% 32	(3)
5. My workspace is adequate and conducive to high productivity.	40.7% 22	59.3% 32	(1)
Management			
6. Management is responsive to my needs.	52.9% 27	47.1% 24	(4)
7. The reporting structure allows me to effectively communicate with management.	65.4% 34	34.6% 18	(3)
8. Lines of authority and responsibility are clearly defined.	71.7% 38	28.3% 15	(2)
9. Management keeps me adequately informed about issues that affect my job functions.	63.0% 34	37.0% 20	(1)
10. Management has clearly defined goals and priorities for my work.	61.5% 32	38.5% 20	(3)
11. Management provides useful and constructive feedback when reviewing my work.	52.8% 28	47.2% 25	(2)
12. Management plays an active role in my professional development and advancement.	38.5% 20	61.5% 32	(3)

⁶ Unable to Rate frequencies are in parentheses because they were excluded when calculating the percent of Agree and Disagree responses.

EMPLOYEE SURVEY

DCRA Employee Survey			
Item	Agree	Disagree	Frequency
	Percent and Frequency		Unable to Rate
13. I can disagree with management without fear of retribution.	56.8% 25	43.2% 19	(11)
14. Management has checks in place to ensure the quality of work.	51.1 % 24	48.9% 23	(8)
Work Environment/Job Satisfaction			
15. High ethical standards are maintained throughout DCRA.	51.1% 23	48.9% 22	(10)
16. Promotion and hiring decisions are based on ability, knowledge, and skills.	31.0% 13	69.0% 29	(13)
17. Employees who report and identify illegal and/or unethical actions are protected.	68.0% 17	32.0% 8	(30)
18. DCRA has an Equal Employment Opportunity (EEO) counselor and an EEO officer.	88.0% 22	12.0% 3	(30)
19. EEO policies are posted at DCRA.	63.6% 21	36.4% 12	(22)
20. DCRA has made adequate accommodations for disabled customers and employees.	81.6% 31	18.4% 7	(17)
21. DCRA treats customers equally.	61.4% 27	38.6% 17	(11)
22. I am happy in my job and I do not plan to seek employment elsewhere.	58.7% 27	41.3% 19	(9)
23. I receive recognition when my performance exceeds management's expectations.	46.9% 23	53.1% 26	(6)
Communication			
24. DCRA has effective communication between and among all levels of personnel.	43.5% 20	56.5% 26	(9)
25. DCRA has done an adequate job of educating the public about its mission and purpose.	68.2% 30	31.8% 14	(11)
Policies and Procedures			
26. There are written policies and procedures to cover all key aspects of my duties and responsibilities.	58.7% 27	41.3% 19	(9)
27. Decisions affecting employees are made according to established policies and procedures.	52.5% 21	47.5% 19	(15)
28. Policies and procedures are in place to ensure accurate reporting of time and attendance.	80.4% 37	19.6% 9	(9)
29. Absenteeism is not a problem at DCRA.	47.2% 17	52.8% 19	(19)

EMPLOYEE SURVEY

DCRA Employee Survey			
Item	Agree	Disagree	Frequency
	Percent and Frequency		Unable to Rate
Duties and Responsibilities			
30. My job description adequately reflects what I do on a daily basis.	57.1% 28	42.9% 21	(6)
31. I am given adequate authority to do my job.	92.0% 46	8.0% 4	(5)
32. I am allowed to make decisions that should be made at my level in DCRA without improper influence.	84.9% 45	15.1% 8	(2)
33. The amount of work I am asked to do is reasonable.	68.6% 35	31.4% 16	(4)
34. The timeframes established for most assignments are reasonable.	75.5% 37	24.5% 12	(6)
35. Assignments are fairly distributed and are manageable.	57.1% 28	42.9% 21	(6)
36. I have the tools and resources I need to do my job well.	45.1% 23	54.9% 28	(4)
Work Standards and Performance Evaluations			
37. There are written policies and procedures in place that outline how performance evaluations are carried out.	61.0% 25	39.0% 16	(14)
38. I understand how I am evaluated.	70.8% 34	29.2% 14	(7)
39. I have received written performance standards for my position.	66.7% 30	33.3% 15	(10)
40. I receive an annual performance evaluation from my supervisor.	87.2% 41	12.8% 6	(8)
41. My supervisor discusses my performance with me periodically throughout the year.	67.3% 33	32.7% 16	(6)
42. DCRA performance evaluations are effective in promoting quality work.	46.2% 18	53.8% 21	(16)
43. DCRA performance evaluations are fair.	67.5% 27	32.5% 13	(15)
Training			
44. There are training opportunities available to support my professional development.	61.2% 30	38.8% 19	(6)
45. The training I receive is useful in performing my duties and responsibilities.	68.9% 31	31.1% 14	(10)
46. DCRA ensures that employees are adequately trained [to] perform their duties and responsibilities.	46.7% 21	53.3% 24	(10)

EMPLOYEE SURVEY

DCRA Employee Survey			
Item	Agree	Disagree	Frequency
	Percent and Frequency		Unable to Rate
47. DCRA ensures that employees have the knowledge, skills, and abilities to fulfill their duties and responsibilities.	47.7% 21	52.3% 23	(11)
Information Technology			
48. Information systems in my division adequately capture and report information.	65.2% 30	34.8% 16	(9)
49. Information systems in my division are reliable.	72.3% 34	27.7% 13	(8)
50. I have the IT tools I need to carry out my job duties.	77.8% 42	22.2% 12	(1)

Open-Ended Questions

DCRA employees were asked to complete open-ended questions. In response to a question regarding what DCRA does well, the most common response was customer service. Frequent responses regarding what DCRA does not do well cited management and communication within DCRA. For the question regarding areas for improvement within DCRA, respondents were concerned about employee compensation, other human resources issues, and training. When asked for recommendations to improve DCRA's effectiveness and efficiency, respondents frequently indicated that DCRA should reward and recognize employees, issue and follow standard operating procedures and codes, and improve communication.

**Findings and
Recommendations:**

**SUMMARIES OF
MANAGEMENT ALERT REPORTS**

MANAGEMENT ALERT REPORTS

1. Significant deficiencies found in DCRA boiler inspection operations.

Title 12E DCMR § M-1013.2.1 provides that “[a]ll steam boiler[s] including hot water boilers shall be inspected annually by the boiler Inspector, an assistant boiler Inspector, or by an Inspector of an insurance company.” A DCRA senior manager informed the team that 17 insurance companies currently are licensed to inspect privately owned boilers, and inspectors who work for insurance companies must hold Certificates of Competency (COC) issued by the District. These companies provide DCRA with written reports of annual inspections conducted by their inspectors to determine if the boilers are in compliance with District regulations. DCRA then reviews these reports and issues boiler certificates where compliance has been demonstrated.

CIS staffing is inadequate to perform key boiler operations. Currently, DCRA has only 2 certified boiler inspectors in the CIS to carry out the same functions previously performed by 12 boiler inspectors. A DCRA employee informed the team that boiler inspectors had not performed annual inspections in some government facilities for the 2007-2008 heating season because they had to focus on inspecting schools, libraries, fire stations, police stations, and housing. In addition, a DCRA employee informed the team that “due to the number of inspectors[,] we try to service inspections the best we can.”

DCRA officials are not verifying the accuracy of inspection results reported by insurance company boiler inspectors. A DCRA employee stated that DCRA boiler inspectors have not been able to properly review and act on information in boiler inspection reports because of a work backlog. DCRA is not issuing boiler certificates of inspection timely for government facilities and privately owned boilers reportedly due to a backlog of boiler work and a lack of clerical staff. A DCRA employee informed the team of a backlog of 1,520 unprocessed insurance boiler inspection reports received between May and October 2007, with a revenue potential of \$76,000. Although insurance company inspectors must possess a COC issued by the District, DCRA could not provide documentation to the OIG that all the inspectors met this requirement.

DCRA does not have an automated records system with easily retrievable information on the total number and location of all boilers/unfired pressure vessels operated in District government and privately owned buildings. A DCRA official informed the team that the boiler section has no means to determine the total number of boiler/heating systems in District private or government buildings.

The OIG issued a MAR to DCRA regarding deficiencies related to boiler inspection operations. (See Appendix 2 for the complete MAR and its recommendations as well as DCRA’s responses.) In its response dated August 23, 2008, DCRA stated that it will review staffing in its CIS; assess the number of backlogged files and implement an action plan; implement written policies and procedures for processing and issuance of boiler licenses and certifications; and track all boiler information in an automated system. According to DCRA’s updated response, dated February 19, 2009, DCRA has two certified boiler inspectors and is advertising for two additional inspectors, has reduced the backlog of boiler inspection reports from 2,500 in August 2008 to 145, and is drafting policies and procedures for the intake

MANAGEMENT ALERT REPORTS

processing and issuance of boiler licenses and certificates. In addition, DCRA determined that equipment recommended by the MAR is not necessary for DCRA inspections, developed a database for boiler information, and is in the process of adding the boiler certificate process to the Comprehensive Property Management System (CPMS).

New Recommendation:

That DCRA update the OIG on the status of CIS staffing, implementation of policies and procedures for processing and issuance of boiler licenses and certificates, and implementation of CPMS for boiler information.

Agree **X** Disagree _____

DCRA's Response, as Received:

Due to recent budgetary measures, four boiler inspector positions initially budgeted for FY 2009 were eliminated. Commercial Inspections currently staffs 1 full time boiler inspector, however there are 14 ICC multi-certified inspectors currently on staff, capable of conducting plumbing and mechanical inspections.

DCRA's policies and procedures for the processing and issuance of boiler licenses and certificates is established by the DC Construction Codes, DCMR Title 12, and provides that District-licensed boiler insurance companies, which are authorized to inspect all boilers in the District, are retained by owners or users of boilers to inspect the vessels. Upon completion of their inspection, the company sends copies of their report to DCRA. DCRA then reviews the reports and, if everything is in compliance, issues a Certificate of Inspection to the owner or user of the particular vessel, which is valid for one year.

The charge for the inspection is \$50, paid to the DC treasury.

OIG Response: While DCRA has 14 ICC multi-certified inspectors who are capable of conducting plumbing and mechanical inspections, it is unclear whether they are as qualified as the full-time boiler inspector. DCRA should ensure that all boiler inspections are conducted by inspectors who are competent in all aspects of boiler operations.

2. Deficiencies in the District's regulation of lead-based paint and public education regarding lead-based paint and asbestos may increase health risks.

Best practices recommended by the Centers for Disease Control and Prevention (CDC) state, "Banning unsafe work practices and requiring basic safeguards for remodeling and paint repair work are key to preventing childhood lead poisoning in older housing."⁷ The CDC also

⁷ CDC, *Building Blocks for Primary Prevention: Protecting Children from Lead-Based Paint Hazards* 148 (Oct. 2005), available at http://www.cdc.gov/nceh/lead/publications/Building_Blocks_for_Primary_Prevention.pdf.

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recommends that agencies having regular contact with homeowners, landlords, tenants, and parents provide information to them about preventing lead poisoning, especially in relation to the building permit process.⁸ Similarly, the Global Environment & Technology Foundation recommends public education about asbestos to reduce exposure to it.⁹

For projects that meet the narrow definition of a lead abatement project, the D.C. Code requires lead abatement permits. However, only those projects undertaken specifically to permanently eliminate or temporarily reduce lead-based paint hazards are regulated. In addition, the D.C. Code exempts individuals performing interim control activities or lead-based paint activities at residences they own¹⁰ from the subchapter of the D.C. Code that regulates lead-based paint and work practices.¹¹ However, projects not covered by current District law can pose health risks. In addition, although the District bans unsafe work practices for projects defined as lead-based paint activities, District law is not clear as to whether all practices that the CDC recommends banning, such as dry sanding, are prohibited in the District. Although DCRA has regular contact with property owners and contractors planning work that may disturb lead-based paint or asbestos, the agency does not provide adequate information on safe work practices for lead and asbestos to its customers. For instance, brochures on these practices were not present in DCRA's permit center.

The OIG issued a MAR to DCRA and the District Department of the Environment (DDOE) regarding deficiencies related to lead-based paint and asbestos removal. (See Appendix 3 for the complete MAR and its recommendations as well as agency responses.¹²)

3. Deficiencies in controls over permit and Certificate of Occupancy (C of O) issuance may decrease revenue and increase the risk of fraud and abuse.

Customers must obtain permits prior to beginning building construction. The permit process includes application intake, payment of filing fees, application and plans review, payment of permit fees, and permit issuance. Customers pay permit and C of O fees to an Office of the Chief Financial Officer (OCFO) cashier. When customers apply for building permits, DCRA intake employees verify that applications are complete and that the information provided agrees with customers' construction plans.

⁸ *Id.* at 217.

⁹ Global Environment & Technology Foundation, *Asbestos Strategies: Report of Findings and Recommendations on the Use and Management of Asbestos 1* (May 16, 2003), available at <http://www.epa.gov/asbestos/pubs/asbstrategiesrptgetf.pdf>.

¹⁰ The provisions do apply if a person other than the owner or his/her immediate family occupies the property or if a child under 8 years old resides therein or regularly visits the property.

¹¹ Provisions regarding lead-safe work practices apply to businesses performing interim controls.

¹² The MAR stated that DCRA's permit application process was inadequate to detect projects requiring asbestos permits. This was based on information the OIG received during fieldwork. However, DCRA's response to the MAR indicated that they did not believe revisions to the permit process and application forms were necessary at this time. After receipt of DCRA's response, a DCRA employee showed the team that DCRA has an application form that requires applicants to identify projects involving asbestos.

MANAGEMENT ALERT REPORTS

In July 2009, DCRA launched the Third Party Inspection Program.

**Findings and
Recommendations:**

KEY FINDINGS

KEY FINDINGS

4. **All Washington Metropolitan Area Transit Authority (WMATA) elevators and escalators in the District are not inspected as required.**

Title 12A DCMR § 3007.1 states:

The operation of all equipment governed by the provisions of this chapter [30A Elevators and Conveying Systems], and hereafter installed, relocated or altered, shall be unlawful by persons other than the installer thereof until such equipment has been inspected and tested as herein required and a limited certificate of inspection has been issued by the code official or a final certificate of inspection has been authorized by the code official and issued by the Department of Consumer and Regulatory Affairs.

In addition, the American Society of Mechanical Engineers (ASME) Rule 1000.1a states, “Routine inspections and tests shall be made by an inspector employed by the authority having jurisdiction . . . or by a person authorized by the authority having jurisdiction.”

A DCRA senior official informed the team that DCRA and WMATA conduct inspections of WMATA elevators and escalators. In January 2008, the same official provided information showing that of an estimated 468 WMATA elevator and escalator units, DCRA had licensed 17 of them. In addition, the senior official informed the team that WMATA “has [their] own elevator division; however, DCRA does not accept their inspection reports and is working with [WMATA] to assist in bringing all escalators/elevators/moving walkways into compliance.” This DCRA senior manager added that DCRA has assigned one elevator inspector to work with WMATA and conduct these inspections, and has instructed WMATA to use a third party company to inspect their elevators. In May 2008, the team requested that DCRA provide an update of the number of WMATA elevators and escalators inspected by DCRA; however, DCRA did not provide this information.

Another DCRA manager informed the team that according to his recollection, between 2003 and 2004, DCRA did not have an adequate number of elevator inspectors, and this prevented DCRA from adequately inspecting and reporting accidents in WMATA elevators and on escalators. This manager added that WMATA’s elevator division performs quality assurance inspections on its elevator and escalator units. From 1990 to 2002, third party inspectors conducted limited inspections for WMATA. From 2002 to mid 2007, WMATA performed its own inspections because DCRA did not have adequate staffing to conduct WMATA inspections. In May 2008, this DCRA manager stated that DCRA has six elevator inspectors, including the supervisor, and could benefit by having an additional three to five elevator inspectors. In addition, a senior DCRA official informed the team in August 2008 that DCRA does not have the staff to complete the inspections of WMATA elevators, escalators, handicap lifts, and moving walks.

In August 2008, a WMATA manager informed the team that until 2 years ago, WMATA had always conducted its own inspections and forwarded its inspection reports to DCRA. The WMATA manager stated that WMATA does not use third party inspectors for its routine

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inspections because it would be too costly.¹⁴ The manager added that WMATA is trying to have DCRA agree to a Memorandum of Understanding (MOU) that allows WMATA to conduct its own inspections, similar to the MOU WMATA has with Maryland and Virginia.

According to documentation received from a WMATA manager in August 2008, WMATA has 465 elevators and escalators. Of these, 17.6 percent (82) have been inspected by DCRA since October 2007. Two of these elevators are new installations that DCRA has never inspected. According to ASME A17.1 Rules 1006.1, 1001.1, and 1008.1, all new elevator installations must be tested to determine that they are safe and comply with requirements of ASME code before use; intervals between routine elevator inspections may not exceed 6 months; and escalators must be inspected at 1-year intervals.

Based on the data received, WMATA operates a high number of its elevators and escalators in the District without having them inspected by DCRA or a third party inspection agency certified by DCRA, which is in violation of District regulations. Therefore, DCRA is not ensuring that all WMATA elevators and escalators are safe to operate or are maintained according to District regulations and industry codes.

Recommendations:

- (1) That the D/DCRA ensure that all inspections for elevators and escalators, as well as other required types of inspections, are conducted as required by D.C. regulations.

Agree Disagree

- (2) That the D/DCRA develop a written plan detailing actions DCRA will take to abate all outstanding inspections for each required area.

Agree Disagree

- (3) That the D/DCRA determine what enforcement action should be taken regarding WMATA's operation of its elevators and escalators without a certificate of inspection as required by 12A DCMR § 3007.1.

Agree Disagree

DCRA's Response, as Received:

DCRA and WMATA have reached an agreement, reviewed and approved by agency counsel, whereby WMATA is approved by the Chief Building Inspector as a Third Party Inspector for all WMATA elevators and escalators.

¹⁴ WMATA elevator inspectors hold Qualified Elevator Inspector (QEI) certifications and conduct inspections according to the ASME A17.1 standards.

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OIG Response: **The OIG acknowledges that WMATA will be a Third Party Inspector for all WMATA elevators and escalators and escalators. DCRA should consider conducting routine quality assurance of WMATA inspections.**

5. Oversight of the third party inspection and plans review program is inadequate.

DCRA's third party program allows customers to select and pay for the services of companies authorized by DCRA to review plans and conduct commercial inspections. According to a senior DCRA official, the purpose of the third party program is to expedite plans reviews and inspections as well as to reduce DCRA's workload.

a. DCRA lacks assurance of the qualifications of inspectors from third party agencies.

Title 12A DCMR § 109.4.2 states that inspectors from third party agencies "must meet the minimum qualifications, training and experience requirements set forth herein and in the Procedure Manual."

When requested, DCRA was unable to provide the team with documentation of professional licenses, names, and disciplines for all third party inspectors, as well as acceptance letters granting third party agencies permission to conduct inspections. Furthermore, a DCRA employee informed the team that an agency conducted third party inspections in the District for 1 year, but was not approved as a third party agency by DCRA. When the team followed up with a DCRA senior official on this matter, the official stated that "DCRA is not aware of any third party companies that are conducting inspections and have not been approved to conduct inspections in the District of Columbia."

This same DCRA senior official informed the team that there is currently no annual certification process to ensure that third party agencies meet standards for this program. This official stated that although customers appreciate the third party program, DCRA should increase controls over it. Another DCRA senior official informed the team that DCRA anticipates that many current third party agencies will no longer be eligible to participate as third party agencies because DCRA will require inspectors to be International Code Council (ICC) certified.¹⁵ In August 2008, a DCRA manager stated that once DCRA finalizes an update of its third party procedures manual, the inspectors will have 1 year to become ICC certified. The manager noted that the old procedures did not address ensuring these companies met qualifications.

DCRA is currently revising the third party procedures manual to include internal policies and procedures and outline quality control process and procedures. The team reviewed the third party program information of various jurisdictions such as Chesterfield County,

¹⁵ According to the ICC website, "The International Code Council, a membership association dedicated to building safety and fire prevention, develops the codes used to construct residential and commercial buildings, including homes and schools." See <http://www.iccsafe.org/news/about/> (last visited Aug. 21, 2008). ICC certifications must be renewed every 3 years.

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Virginia and Montgomery County, Maryland. The “City of Arlington Third Party Organization (TPO) Program Documents,” dated April 10, 2007, provide a comprehensive set of best practices for oversight of third party inspection agencies and may serve as a model for DCRA in revising its manual. The team found the Arlington third party manual to be informative and thorough regarding the requirements to be a third party agency, conflicts of interest, and quality assurance.

b. DCRA lacks assurance of the qualifications of plans reviewers from third party agencies.

A third party plans reviewer performs a code compliance review of a project, which includes a review of one or more components of the construction documents. According to 12A DCMR § 105.3.1.1.3, DCRA shall specify the review disciplines that third party review agencies and employees are authorized to review, such as plumbing. In addition, 12A DCMR § 105.3.1.1.1.1 states that plans reviewers shall annually submit evidence that they possess valid professional licenses and/or certifications. According to 12A DCMR § 105.3.1.1.1.4, third party plans review agencies must have a District-licensed architect or engineer serving as a professional in charge to certify plans reviews. Title 12A DCMR § 105.3.1.1.1.5 states:

Each plans reviewer who reviews construction documents under this section, either as a third-party plans reviewer or as a member of a plans review agency, shall have an accredited degree in architecture or engineering or equivalent and an acceptable level of expertise and experience in the performance of code compliance reviews in the disciplines for which he or she is seeking certification, which shall include at a minimum: possession of a current ICC certification as a plans reviewer, or a certifying agency recognized by the code official, in the discipline or disciplines in which the reviewer is applying to perform reviews.

A DCRA employee indicated that a third party company lists the reviewers’ credentials at the time of application. Another employee stated that third party companies submit letters listing the disciplines that the companies reviewed when submitting building plans. However, DCRA employees working with the third party program stated they did not have a list of third party reviewers determined as qualified to review plans nor the credentials possessed by each. One employee indicated he/she does not have documentation related to third party plans review companies, except for one company that applied in 2008. A DCRA third party program employee stated that neither he/she nor the Permit Operations Division, which is involved in third party plans reviews, tracks whether third party plans review companies have provided required information to DCRA. In addition, interviewees stated they do not have a list of companies authorized by DCRA to perform reviews in specific engineering disciplines. DCRA interviewees stated they were concerned about the quality of third party plans reviews. One supervisor indicated there is no official process for approving the companies. By not maintaining a list of approved third party plans reviewers and information on them, DCRA does not have assurance that such reviewers have the expertise and professional credentials to ensure that plans meet safety requirements.

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c. DCRA does not perform routine quality assurance of third party inspections.

At the time of fieldwork, neither the D.C. Code nor the DCMR contained a requirement that DCRA conduct quality assurance activities that would include visiting third party inspection sites. However, during fieldwork, 12A DCMR § 109.4 stated, in part: “The code official shall approve the work inspected by the approved third-party inspection agency or approved third-party inspector, based on the inspection reports, provided that the code official is satisfied that the reports substantiate compliance with the requirements of the Construction Codes.” The revised Construction Codes effective December 26, 2008, include 12A DCMR § 109.4.5, which states, in part: “The code official shall monitor third party inspection activities in the field and office on a periodic basis in order to evaluate performance of Third Party Inspection Agencies in order to determine whether approval should be revoked or suspended.”

A DCRA senior official stated that DCRA inspectors are not regularly checking the work done by third party inspectors. During an interview with two DCRA senior officials, the team was informed that DCRA does not have guidelines regarding review of third party inspection reports; rather, an administrative employee only reviews third party inspection reports for completeness. These officials added that they would like to have inspectors review a sample of third party inspection reports. A DCRA employee stated that third party elevator inspection reports are given to DCRA’s elevator inspectors for their review.

DCRA inspectors informed the team of concerns they had about third party inspectors, such as only a few third party inspectors have credentials; the inspectors in the third party program are not licensed; and complaints that a third party inspector never looked at a job he/she was assigned for inspection. According to a DCRA senior official, DCRA performs quality control of a third party inspection agency when DCRA suspects a problem, notices a problem while performing a subsequent inspection, or receives a complaint. This official added that DCRA cannot pull a sample of inspections performed by a third party company to check performance, but no further information was provided that would explain why DCRA could not pull a sample of third party inspections.

According to interviewees, DCRA lacks a dedicated supervisor, sufficient administrative staff, and sufficient file cabinets for the third party inspections program. These deficiencies may contribute to the inadequacies associated with the third party inspections program. During the inspection, DCRA hired a third party program supervisor to improve oversight of the third party program.

d. Third party inspection agencies perform work that presents a conflict of interest.

D.C. Code § 6-1405.04 states, in part:

A person, or a firm with which that person is affiliated as an owner or employee, who has performed any work for a project for which the property owner or the authorized agent has elected to use third

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party inspectors, including inspectors of architectural and structural plans, mechanical plans, plumbing plans, and electrical plans, shall not be eligible to serve as a third party inspector for any component on the project.¹⁶

Third party agencies perform inspections on projects for which the agencies have performed plans reviews, in violation of the D.C. Code restriction on individuals and firms serving as third party inspectors on projects for which they have performed work. A DCRA senior official informed the team that although there is a provision in the building code to grant waivers, “DCRA does not grant waivers to third party inspection and plans review agencies” to conduct both plans reviews and inspections on the same project. DCRA provided the team with the names of three third party agencies performing inspections and plans reviews on the same projects. According to a senior DCRA official, another third party agency performed the plans reviews and inspections for the Washington Nationals Stadium and the new Convention Center. In 2006, the Council approved a contract of \$2.9 million for a third party agency to conduct both plans reviews and field inspections for a construction site. In response to the team’s question about whether DCRA had a role with this contract, this senior official stated that “DCRA does not have any knowledge or information regarding this issue.”

This same senior official confirmed that companies conducting plans reviews and inspections on the same projects is a violation of District law; however, DCRA did not put any preventative practices into effect regarding this issue. In addition, this official stated that DCRA has not taken enforcement actions regarding this matter.

The team asked this senior official why DCRA permitted third party agencies to conduct plans reviews and inspections on the same project. The official’s response did not directly answer this question. This official stated that when DCRA learned of this issue in mid-FY 2008, DCRA began to revise its third party program manual and work with its general counsel’s office to draft new third party procedures. The official added that with a newly hired supervisor and additional staff, DCRA will develop a process to monitor third party assignments; specifically, “DCRA is currently revising the procedures and policies that administer the Third Party Program. The revise[d] procedures and policies will outline a quality control process and procedures.” In August 2008, this official informed the team that DCRA was unable to track and monitor third party projects because it stored the information in two databases. In November 2008, which was after the completion of the team’s on-site fieldwork, the official stated that the launch of CPMS has allowed DCRA to locate permit and inspection information in the same database.

e. Work performed by third party plans reviewers is not sufficiently audited.

Title 6 D.C. Code § 1405.03(f) states: “The [DCRA] Director shall maintain a tracking system to monitor the recommendations of the Peer Reviewers [third party reviewers] and the consistency with which construction documents recommended by them conform to the applicable provisions of the Construction Codes.” Title 12A DCMR § 105.3.1.1.6 states that

¹⁶ This section was added June 25, 2002, by D.C. Law 14-162 § 101.

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DCRA “shall periodically conduct a detailed unannounced audit of documents reviewed by third-party plans reviewers and plans review agencies”

According to interviewees, DCRA’s oversight of plans reviewed by third party agencies is limited to checking that the applications are complete and that all documents are in place. One employee indicated that in the past, DCRA reviewed the plans and found problems. When the engineers asked the customers to correct the problems, the customers complained to DCRA managers, who in turn told the engineers to stop reviewing theirs. This employee added there is no DCRA monitoring of the third party plans review process. Another employee stated that mechanical/plumbing engineers do not check plans reviewed by third parties.

A DCRA official indicated that the DCRA position for oversight of third party plans reviews is vacant. Other employees stated that there are no policies and procedures for oversight of third party plans reviews.

f. DCRA does not sufficiently enter third party inspection requests and reports into its database.

The GAO guide entitled *Internal Control Management and Evaluation Tool* (GAO-01-1008G, August 2001) recommends that transactions be “promptly recorded so that they maintain their relevance, value, and usefulness to management in controlling operations and making decisions.” *Id.* at 41.

During an interview, a DCRA employee stated that the timeframe for processing a third party inspection request is 48 hours. Page 10 of DCRA’s third party procedural manual dated October 2002 states that DCRA shall “process third party inspection results expeditiously.”

In January 2008, a DCRA senior official informed the team that “there are approximately 800 [third party] inspections requests¹⁷ that have not been entered into [the Remote Access Property Inspection and Dispatch System (RAPIDS)],” which at the time was used to track inspection requests and outcomes. In addition, a DCRA employee stated in May 2008, DCRA had a backlog of “several boxes (10) of [third party inspection] [r]eports to enter into Rapids (2003 to [p]resent 2008).” Previously, employees could not enter report information into RAPIDS because the DCRA Office of Information Systems (OIS) limited access to RAPIDS (due to security concerns) and disabled the passwords of the employees who processed third party inspection requests and reports. OIS has reinstated the employees’ passwords, and DCRA is working to eliminate the data-entry backlog of third party inspection requests and reports.

The team is concerned that because third party employees have not been able to data-enter requests and reports timely, this impedes DCRA’s ability to determine efficiently the number of completed third party inspections and whether sites passed or failed inspections.

¹⁷ A third party inspection request occurs when a third party agency will be used to conduct an inspection. DCRA first must approve the use of the third party before the inspection occurs.

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Recommendations:

- (1) That the D/DCRA ensure and continuously verify that employees of third party agencies who conduct plans reviews and inspections meet applicable minimum experience, licensure, and certification requirements.

Agree Disagree

DCRA's Response, as Received:

DCRA currently verifies all third party inspectors for current ICC certifications when the Third Party Company requests permission to inspect a given project.

OIG Response: **The OIG stands by its recommendation as stated. During the inspection's fieldwork, DCRA was unable to provide the team with information regarding the credentials of third party inspectors.**

- (2) That the D/DCRA expeditiously finalize and implement its revised policies and procedures for the third party program.

Agree Disagree

DCRA's Response, as Received:

The revised Third Party Manual was completed and implemented on July 1, 2009.

- (3) That the D/DCRA develop and implement a quality assurance and audit process for third party inspections and plans reviews.

Agree Disagree

DCRA's Response, as Received:

An Internal Operating Procedure is currently being developed.

- (4) That the D/DCRA develop and implement policies and procedures for DCRA to conduct quality assurance that would include visiting third party inspection sites.

Agree Disagree

DCRA's Response, as Received:

See #2, above

- (5) That the D/DCRA develop and implement a mechanism to enforce D.C. Code

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§ 6-1405.04, which prohibits third party agencies from performing work that presents a conflict of interest.

Agree Disagree

DCRA's Response, as Received:

As dictated by rules established in the new Third Party Manual, a third party company is now prohibited from performing both the Plan Review and the Inspections functions for a permitted project.

- (6) That the D/DCRA ensure that third party inspection requests and reports are reviewed and entered into RAPIDS expeditiously.

Agree Disagree

DCRA's Response, as Received:

This administrative function is going to commence on 9-1-2009, at which time the existing DCRA Scheduling Unit will be relocating to 1900 Massachusetts Avenue, the location of the Inspections Division.

- (7) That the D/DCRA assess the adequacy of staffing for DCRA's third party inspection and plans review program, and take any corrective actions as needed.

Agree Disagree

DCRA's Response, as Received:

As a result of the upcoming staffing reorganization referenced above, additional administrative support will be provided beginning September 1, 2009.

6. Quality assurance of permitting and zoning is not sufficient.

D.C. Code § 6-1405.01(a) states in part:

The [DCRA] Director shall seek to administer all building permits [and] certificates of occupancy . . . in a manner that is fair, efficient, predictable, . . . and directed at enhancing the protection of the public health, welfare, safety and quality of life.

The GAO guide entitled *Internal Control Management and Evaluation Tool* (GAO-01-1008G, August 2001) states that agencies should ensure that:

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**Employees are provided a proper amount of supervision.
Consider the following:**

- Employees receive guidance, review, and on-the-job training from supervisors to help ensure proper work flow and processing of transactions and events, reduce misunderstandings, and discourage wrongful acts.”¹⁸

Interviewees stated that supervisory reviews at DCRA are limited. Permit Center employees stated that their work is not regularly reviewed and they rarely receive feedback from supervisors on their performance on individual permit or C of O applications except when there is a complaint. One employee stated that the little oversight there is comes from coworkers rather than managers. Although DCRA has a quality control check prior to permit issuance, employees stated this is intended to ensure that all required signatures and stamps are present. Interviewees in the Office of the Zoning Administrator (OZA), structural engineering, and mechanical/plumbing engineering reported that supervisors in these areas do not regularly review a sample of the work of experienced employees or conduct other reviews except when there is a customer concern. An electrical engineer indicated that although engineering supervisors do not typically check plans reviewers’ work, the supervisory electrical engineer and other employees review plans for large projects. One employee stated that DCRA should have checks of the permit process to ensure consistency.

Some interviewees were concerned that sometimes permit applications are not assigned all necessary reviews or are not approved properly. Interviewees reported that some employees do not thoroughly check the applications and all appropriate computer systems to confirm information on applications. For example, one interviewee stated there were many occasions when permits were issued for conversions of single-family homes into two apartments without change of use C of Os, which are required.

Some supervisors informed the team that they do not have time to review all employees’ work regularly due to understaffing and competing responsibilities, such as reviewing construction plans. A DCRA senior official acknowledged that supervisory engineers’ time to check employees’ work is limited because these supervisors are also reviewing plans.

The lack of oversight may contribute to problems employees described regarding improper approval of some permits and C of Os.

Recommendation:

That the D/DCRA evaluate staffing patterns and supervisory work processes, and develop and implement policies and procedures to ensure that supervisors regularly review employees’ work regarding permits and C of Os.

Agree **X** Disagree _____

¹⁸ *Id.* at 19.

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DCRA's Response, as Received:

Every approval granted by a technical reviewer is not endorsed by the supervisor due to the daily volume of submitted applications, however a new daily log database has been implemented that alerts supervisors of every filed job. The supervisor is responsible to assign the review of the newly submitted jobs to the respective reviewer. Upon completion of the review, the reviewer logs in his status into the daily log which gives the supervisor an immediate status and an opportunity to conduct a quality check. Any error created in the review process will be clearly identified in the field by the inspection division.

OIG Response: The OIG stands by its recommendation as stated. DCRA's response addresses its process for tracking the completion of tasks, not the quality of the work. DCRA should implement policies and procedures to ensure supervisors review the quality of work performed by its employees regarding permits and C of Os.

7. Employees are not subject to criminal background checks, credit checks, or financial disclosure requirements.

District Personnel Manual (DPM) § 405.3 states: "Based on the duties of the position, or if required by law or regulation, each personnel authority shall determine which positions, in addition to being subject to pre-employment checks listed in section 405.2 of this section, shall be subject to background checks or investigations, and mandatory criminal background checks."¹⁹ DPM § 405.3 also states that personnel authorities should assess the sensitivity of positions to be filled to determine the scope of pre-employment background checks, such as whether they should include credit checks.

Regarding conflicts of interest and financial reporting, DPM § 1813 states:

1813.1 No employee of the District government shall engage in outside employment or private business activity or have any direct or indirect financial interest that conflicts or would appear to conflict with the fair, impartial, and objective performance of officially assigned duties and responsibilities.

1813.2 Each agency head shall identify employees performing policy-making, contracting, or purchasing functions, or functions in which meaningful decisions are made respecting private organizations. These employees shall submit annual and supplementary statements of employment and financial interests as required by this section.

¹⁹ The D.C. Department of Human Resources (DCHR) serves as the personnel authority for DCRA.

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1813.3 Each agency head shall designate employees required to submit a Confidential Statement of Employment and Financial Interests.

Pre-employment criminal background checks are not required for positions in permitting and inspections. In December 2007, a DCRA senior manager stated that DCHR has proposed increasing the positions required to have criminal background checks.²⁰ This manager stated that DCRA wants checks conducted for DCRA positions in inspections and permitting. This same manager stated that inspections and permitting positions should be subject to background checks due to the risk of employee misconduct and opined that inspectors should be subject to background checks because they sometimes enter residential homes.

A GAO report identifies financial information as a tool to identify employees who appear to be living beyond their means, or have unsatisfied debts, to determine suitability.²¹ A senior DCRA manager stated that DCRA requested that DCHR perform financial and credit checks for employees, but DCHR has not responded to this request.

According to a DCRA senior manager, employees at grade 13 and above and those who handle credit cards are required to complete financial disclosure statements. However, there are additional positions at DCRA in which employees make meaningful decisions regarding private organizations. For instance, inspectors ensure compliance with laws and issue notices of infraction, and plans review coordinators ensure that building projects are within the scope of applications. In addition, a DCRA senior manager informed the team that “DCRA does not require background checks of third party agencies, however, under the new qualifications, third party agencies will be required to present certifications/qualifications to DCRA’s Third Party Program.”

Consequently, the lack of criminal background and credit checks may result in hiring employees with significant suitability impediments. In addition, deficiencies in financial disclosure practices may increase the risk that DCRA will not detect employees with outside employment or business interests that present conflicts of interest.

Recommendations:

- (1) That the D/DCRA determine those positions that require criminal background checks and credit checks and coordinate with DCHR to conduct these checks.

Agree **X** Disagree

²⁰ In *D.C. Department of Human Resources: Report of Inspection* (2008), the OIG found that DCHR had not been coordinating criminal background checks for agencies, such as DCRA, that are not covered by D.C. Law 15-353, the Child and Youth, Safety and Health Omnibus Amendment Act of 2004.

²¹ GENERAL ACCOUNTING OFFICE, DRUG CONTROL: INS AND CUSTOMS CAN DO MORE TO PREVENT DRUG-RELATED EMPLOYEE CORRUPTION, GAO/GGD-99-31, 17 (Mar. 1999).

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DCRA's Response, as Received:

DCRA has, in conjunction with DCHR and consistent with the District Personnel Regulations Manual, determined those positions which will be subject to criminal background checks and credit checks.

- (2) That the D/DCRA ensure that DCRA employees who make decisions affecting private entities complete financial disclosure statements.

Agree _____ **X** _____ Disagree _____

DCRA's Response, as Received:

Employees making decisions affecting private entities, including all inspectors and investigators, were determined to fall under the definition of those employees who were required to complete and submit the Confidential Statement of Financial Disclosures Form 35. All employees determined to meet the applicable requirements by the DCRA Director were notified and have submitted completed the required Confidential Statement of Financial Disclosures Forms.

8. Historic documents are vulnerable to damage and theft.

D.C. Code § 1-1306 (2006) states, in part:

The Surveyor shall keep his office in a room designated by the Mayor for the purpose . . . and shall in his said office preserve and keep all such maps, charts, surveys, books, records, and papers relating to the District of Columbia, or to any of the avenues, streets, alleys, public spaces, squares, lots, and buildings thereon, or any of them, as shall for the purpose of being deposited in his office come into his hands or possession

The Office of the Surveyor website states: "The Office of the Surveyor maintains the legal records of all land plats and subdivisions of private and District government property within the District of Columbia. The existing records cover a period of more than two centuries."²²

An Office of the Surveyor manager stated that the office stores documents dating back to approximately the 1760s. In addition, the Office of the Surveyor has plats²³ that are of historic interest because they are signed by famous property owners. Written testimony by the D/DCRA for an oversight hearing before the D.C. Council on February 25, 2008, states:

²² See <http://www.dcradep.gov/dcra/cwp/view,a,1343,q,602311,dcranav,33408|.asp#1> (last visited Mar. 12, 2008).

²³ A plat is a map showing the features of a property.

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The DC Surveyor's Office houses some of the most remarkable historical documents in the nation – irreplaceable vellum, onion skin and linen papers recording the changes and development of the District since its earliest beginning –including the King Plats, which first recorded the width of the District's streets at the request of President George Washington.²⁴

Interviewees expressed concern about inadequate safeguards for documents in the Office of the Surveyor. For example, the oldest documents are stored with other records and do not have any special preservation measures. In addition, the fire suppression sprinklers in DCRA could ruin the documents. According to a DCRA manager, archives should have fire suppression systems that release special gasses instead of using sprinklers.

Customers review original documents in the customer service area of the Office of the Surveyor, including small packets of documents called survey papers that contain information on how surveys of individual properties were conducted. DCRA is scanning Office of the Surveyor documents into its computerized database. In March 2009, an interviewee stated that half of the survey papers remain to be scanned and that the project will be completed in June or July 2009. Once scanning is completed, the public will be able to access the documents on computers instead of using paper documents.

According to a senior official, DCRA has discussed the need to archive Office of the Surveyor documents by moving them off-site or developing secure storage on site. DCRA would like to hire a preservationist as a consultant to determine appropriate storage, but a lack of funding has prevented this solution.

One interviewee indicated that the Office of the Surveyor does not have enough staff to ensure records are properly handled and secured from theft. Interviewees stated that handling old documents sometimes damages them and that the scanning project will reduce how often documents are handled. According to two interviewees, employees think some documents have been stolen because they have seen customers walking out of the Office of the Surveyor with documents. The Office of the Surveyor does not have an inventory of all survey papers, which may hinder DCRA's ability to detect missing ones.

Recommendations:

- (1) That the D/DCRA expeditiously develop and implement a plan to preserve Office of the Surveyor documents.

Agree _____ **X** _____ Disagree _____

²⁴ *Id.* at 6-7.

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DCRA's Response, as Received:

DCRA is currently scanning over 96 boxes of Office of the Surveyor documents into the FileNet Image repository. The process should be completed by January 2010. Going forward these documents will be scanned on a daily basis.

- (2) That the D/DCRA expeditiously complete scanning Office of the Surveyor documents and prohibit public access to the original documents.

Agree _____ **X** _____ Disagree _____

DCRA's Response, as Received:

DCRA is working with OCTO in order to have these documents made available to the public. This project will be completed in a two phase approach. Phase 1 will provide access to agencies and users outside of DCRA but within the district government. Phase 2 will provide access to the general public through a public portal. Phase 1 should be completed by March 2010 and Phase 2 is scheduled to be completed by Sept. 2010 depending on funding.

**Findings and
Recommendations:**

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(2) That the D/DCRA consider funding ICC membership for engineers.

Agree _____ Disagree _____ **X** _____

DCRA's Response, as Received:

DCRA is a member of the ICC, membership # 8007327. Every plan reviewer has access to this membership number and can communicate with ICC with their code questions and requests for interpretations

OIG Response: **DCRA's response appears to meet the intent of this recommendation. DCRA should ensure its plan reviewers are aware of DCRA's ICC membership and all of the benefits it affords, such as discounted training opportunities and the ability to submit requests for interpretations.**

10. Permit employees lack job-specific performance standards.

According to the GAO:

An explicit alignment of daily activities with broader results is one of the defining features of effective performance management systems in high-performing organizations. These organizations use their performance management systems to improve performance by helping individuals see the connection between their daily activities and organizational goals and encouraging individuals to focus on their roles and responsibilities to help achieve these goals. Such organizations continuously review and revise their performance management systems to support their strategic and performance goals, as well as their core values and transformational objectives.²⁵

In April 2008, a DCRA human resources manager stated that DCRA had completed draft performance standards for permit center employees, but could not finalize them until feedback from DCRA managers and the union was received. Another DCRA manager stated that the draft performance standards for permit center employees measure the number of applications processed, employee errors, as well as compliments and complaints received regarding employees. This manager stated that performance standards had been delayed due to turnover of DCRA human resources employees.

²⁵ GENERAL ACCOUNTING OFFICE, RESULTS-ORIENTED CULTURES: CREATING A CLEAR LINKAGE BETWEEN INDIVIDUAL PERFORMANCE AND ORGANIZATIONAL SUCCESS, GAO-03-488, 7 (Mar. 2003).

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Some interviewees perceived that DCRA managers do not hold permit center employees sufficiently accountable for fulfilling their duties and responsibilities. The lack of performance standards specific to these employees may hinder DCRA's accountability efforts.

Recommendation:

That the D/DCRA finalize and implement performance standards for Permit Center employees.

Agree X Disagree _____

DCRA's Response, as Received:

Zoning - Performance standards were completed in 2008.

In fiscal year 2009 each employee in the permit operations division were provided with performance goals with associated KPI's. These KPI's will be the standard used for performance goal measurements for this evaluation year.

11. DCRA's controls to ensure impartiality may be inadequate.

D.C. Code § 6-1405.01(a) states, in part: "The [DCRA] Director shall seek to administer all building permits [and] certificates of occupancy . . . in a manner that is fair, efficient, [and] predictable . . ." In addition, according to best practices in the GAO *Internal Control and Management and Evaluation Tool*, "All outside parties dealing with the agency are clearly informed of the agency's ethical standards and also understand that improper actions . . . will not be tolerated."²⁶

Some interviewees expressed concerns about unethical actions by DCRA employees and customers. Although some interviewees indicated that DCRA treated customers impartially overall, other interviewees noted that some employees favored certain customers by expediting their applications, responding to them faster, or subjecting their applications to less stringent reviews. Interviewees also expressed concern that sometimes permit applications are classified as having shorter timeframes than they should. One interviewee stated that some employees improperly classify permit applications as "walk-through jobs," which DCRA processes within 1 business day, rather than classifying them as "file jobs," which have 14-day and 30-day review timeframes. While observing Permit Center operations, the team heard one permit customer remark that he expected to have an application classified as a walk-through job instead of a file job because a DCRA employee knew him. DCRA employees reported that some permit expeditors²⁷ engage in unethical activities, such as offering employees gifts or lunch, and trying

²⁶ GENERAL ACCOUNTING OFFICE, INTERNAL CONTROL MANAGEMENT AND EVALUATION TOOL, GAO-01-1008G, 54 (Aug. 2001).

²⁷ A permit expeditor is an individual or an employee of a company that permit applicants pay to assist them in obtaining permits.

PERMIT OPERATIONS DIVISION

to cut and paste information that is not consistent with their projects into their permit applications. One employee stated that some customers attempt to change the use of their buildings without authorization, undertake projects beyond the scope of their applications, or submit construction plans that do not match their applications.

In addition, interviewees reported that some customers “shop” for plans reviewers who they perceive as being less stringent. One interviewee reported that occasionally customers will ask a specific engineer to review their plans, and the engineer may agree if he/she is not too busy. According to one engineer, engineers occasionally allow permit expeditors to take plans classified as file jobs from reviewer to reviewer to expedite the permit process. While one DCRA supervisor stated that he/she assigns plans to engineers, some other DCRA supervisors stated that they usually do not assign specific plans reviews for file jobs to employees unless there is a delay. The practice of allowing customers to select specific engineers or zoning technicians to review their projects may compromise the impartiality of the reviews.

Interviewees indicated that the agency provides periodic ethics training and that DCRA stresses the importance of ethics with employees. However, one interviewee stated that DCRA does not have written policies for treating customers equally. In December 2007, a DCRA manager indicated that DCRA has drafted, but not finalized, a comprehensive employee code of conduct. The team’s review of the draft code of conduct showed that it instructs employees to be impartial and prohibits favoritism, such as expedited processing for certain customers. After fieldwork was completed, a DCRA press release dated November 19, 2008, indicated that DCRA has implemented a new code of conduct and is asking all current and future employees to sign and adhere to it.

The team identified areas for improvement in DCRA’s efforts to ensure impartiality by reducing the opportunity for customers to gain preferential treatment or misrepresent information on permit applications. DCRA construction permit applications available in the Permit Center state: “False statements or misrepresentation of facts on a permit application and/or plans is subject to criminal penalties” However, the construction permit application on DCRA’s website does not provide this warning. A DCRA manager expressed a desire to meet with permit expeditors to inform them of the agency’s ethical standards. A DCRA senior official stated that although DCRA has discussed licensing permit expeditors, they are not required to have business licenses or work for a business that is licensed because District law does not require business licenses for all types of businesses. One employee indicated permit expeditors should be licensed in order to be sanctioned when they break the law.

A lack of controls to ensure impartiality increases the likelihood of improper approval of permit and C of O applications.

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December 31, 2008, all businesses paying business taxes are now required to have a Basic Business License.²⁸

12. Employee training is inadequate.

The GAO *Internal Control Management and Evaluation Tool* includes best practices for increasing employee competence. It recommends that:

The agency [provide] training and counseling in order to help employees maintain and improve their competence for their jobs. Consider the following:

- There is an appropriate training program to meet the needs of all employees.
- The agency emphasizes the need for continuing training and has a control mechanism to help ensure that all employees actually received appropriate training.²⁹

Some engineering interviewees reported that engineers receive one-on-one, on-the-job training, but engineers noted the lack of recent formal training. A supervisory engineer stated that DCRA had not provided formal training to engineers since an ICC course in 2002. Two engineers stated there has not been specific training for engineers in the past 2 years. The District government adopted the 2006 ICC codes in December 2008, and two supervisory engineers were concerned that training from the ICC in the updated codes has not been implemented. Interviewees stated that lack of training for new engineers hinders their ability to review plans timely and accurately, possibly creating safety concerns.

Interviewees with permit responsibilities cited a need for increased training for permit employees. Some stated that these employees also need to be cross-trained to provide coverage if an employee with unique tasks or skills is on leave. In addition, one manager stated that DCRA is planning to cross-train permit employees to provide greater flexibility in staffing.

Some interviewees were concerned that customer service employees and intake employees had not received adequate training. According to one interviewee, employees from the information counter sometimes provide inaccurate information, causing applicants to wait several hours only to learn their applications were not complete. Another interviewee stated that some intake employees are not thorough and need additional training to be able to check plans and process permit applications accurately.

²⁸ [Http://dcra.dc.gov/dcra/cwp/view,A,1343,Q,642631.asp](http://dcra.dc.gov/dcra/cwp/view,A,1343,Q,642631.asp) (last visited Aug. 31, 2009).

²⁹ GENERAL ACCOUNTING OFFICE, INTERNAL CONTROL MANAGEMENT AND EVALUATION TOOL, GAO-01-1008G, 12 (Aug. 2001) (emphasis in the original).

PERMIT OPERATIONS DIVISION

One interviewee stated that training was not approved, probably due to funding. Another stated that DCRA management did not seem to think that funding training is important. A senior DCRA official stated that lack of funding has prevented implementation of DCRA initiatives.

Recommendations:

- (1) That the D/DCRA ensure that engineers receive ICC training on the new revisions to the construction codes.

Agree _____ **X** _____ Disagree _____

DCRA's Response, as Received:

DCRA engineers received ICC training on the revisions to the construction code in September and October, 2008 for the new code cycle.

OIG Response: At the time of inspection, finalization of the revised construction codes was pending and training had not been implemented. DCRA provided ICC training in 2008 after the initial notice of proposed rulemaking to adopt the 2006 ICC codes with revisions specific to the District was published on April 25, 2008. However, DCRA should ensure it provides periodic training for engineers, particularly newly hired engineers.

- (2) That the D/DCRA ensure that permit employees are adequately cross-trained and well-versed on how to handle customer inquiries.

Agree _____ **X** _____ Disagree _____

DCRA's Response, as Received:

DCRA conducted multiple customer service trainings with an effort to provide excellent customer service. Due to revamping of resources, all of the staff with customer service responsibilities have been cross trained to support the variable operations.

13. Plans reviews do not meet DCRA timeliness goals.

In FY 2007, DCRA established two timeliness goals: a) 96 percent of the plans for intermediate projects will be reviewed in 14 business days; and b) 96 percent of plans for complex projects will be reviewed in 30 business days.

Delays in plans reviews contribute to delays in receiving permits, which can affect economic development. A report by PricewaterhouseCoopers states that reduced permitting

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times and more efficient permit processes “will encourage economic development . . . , attract investment from other areas, [and] can permanently increase local government revenues.”³⁰

According to a document provided by DCRA, the agency reviewed 51.3 percent of intermediate plans within 14 business days, and 68.7 percent of complex plans within 30 business days during FY 2007. The team reviewed data from DCRA for plans pending review as of December 21, 2007, and found that the disciplines with the greatest numbers of overdue plans were zoning (153 plans), structural engineering (93 plans), and elevator reviews (32 plans). Some employees stated that DCRA was making progress in reducing the backlog of reviews. A DCRA senior official indicated that supervisors should increase their focus on monitoring productivity and explain to senior managers the length and factors affecting the average review. In addition, this official stated he/she wanted to determine why some engineers complete more plans reviews than others.

Interviewees stated that delays in plans reviews resulted from understaffing and a learning curve for new employees. One engineer stated that there is a need for additional plans reviewers, particularly in structural engineering. Interviewees indicated that DCRA had high turnover in engineering positions and difficulty attracting qualified applicants to fill vacancies due to low pay. According to one supervisory engineer, the timeframes for reviewing plans would be achievable with enough experienced staff. An OZA manager stated that increasing the grades of zoning technicians and adding zoning technician positions addressed factors that led to employee turnover in the past. This manager stated that hopefully OZA will be fully staffed to eliminate the backlog of zoning reviews.

DCHR and DCRA human resources staff also identified low pay as a barrier to filling engineering positions. A memorandum from DCHR to the OIG dated March 6, 2008, states that engineering positions are considered hard-to-fill and are eligible for recruitment and retention incentives. This memorandum also stated that DCHR is evaluating the classification of engineering positions, which may result in changes to engineers’ compensation. A DCRA employee with human resources responsibilities stated that recruitment incentives were helpful, but do not overcome pay and benefits issues. The employee added that District pay scales for engineers are not competitive and that the federal government and many private companies offer better benefits.

Recommendation:

That the D/DCRA develop short-term solutions to immediately reduce the amount of time taken for plans reviews and long-term solutions to improve DCRA’s capacity to consistently meet its timeliness goals.

Agree _____ **X** _____ Disagree _____

³⁰ PRICEWATERHOUSECOOPERS, THE ECONOMIC IMPACT OF ACCELERATING PERMIT PROCESSES ON LOCAL DEVELOPMENT AND GOVERNMENT REVENUES, i-ii (Dec. 7, 2005).

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DCRA's Response, as Received:

The Permit Operations division is currently meeting the timeline goals. The agency is constantly reviewing its business processes and procedures, which will include enhancements to the Comprehensive Property Management System (CPMS) to ensure that customers receive services with greater predictability, accountability, and transparency.

OIG Response: **The OIG stands by its recommendation as stated. DCRA did not provide any detailed information reflecting its current performance in conducting timely plan reviews.**

14. Tracking is inadequate for some permit timeframes.

GAO's *Internal Control Management and Evaluation Tool* (GAO-01-1008G, Aug. 2001) states that an agency should ensure that it "has established and monitors performance measures and indicators."³¹

a. DCRA has not established timeframes for reviewing re-submitted plans.

DCRA's goals for reviewing plans when they are first submitted are 14 business days for intermediate projects and 30 business days for complex projects. After the initial review, plans reviewers sometimes require customers to correct and re-submit plans. A supervisory engineer and two engineers stated that when customers re-submit plans, there is no official target timeframe for reviewing the corrected plans, and their review times for re-submitted plans are not tracked. One engineer expressed a belief that the timeframe for re-reviewing plans was 15 days, but they had not received anything in writing to this effect. An engineer stated that the lack of a timeframe for (and monitoring of) re-submitted plans results in delays in issuing permits.

b. DCRA's system for tracking the timeliness of processing walk-through permits is inadequate.

Interviewees stated that information in DCRA's tracking system for overdue walk-through permit applications includes inactive applications. A walk-through permit application should be processed within 1 business day. A DCRA manager stated that DCRA began in 2007 to classify some permit applications as "abandoned" to improve tracking of applications that customers were not pursuing. DCRA provided to the team a list of pending jobs as of December 21, 2007, that reflected 7,900 overdue walk-through jobs, dating back to 2004.

In March 2009, the team requested from DCRA the number of walk-through applications that are currently overdue regardless of their application date. A DCRA senior official stated that from July 2008 through March 16, 2009, DCRA had received a total of 1,281 walk-through permit applications and 384 of these are being processed and a permit has not been issued. The official added that without reviewing each of these 384 permit applications, DCRA is unable to

³¹ *Id.* at 39.

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notices and orders issued.” In addition, the GAO’s *Internal Control Management and Evaluation Tool* (GAO-01-1008G, Aug. 2001) states that an agency should ensure “[a]ccess to resources and records is limited”³²

Interviewees stated that pending permit applications and associated plans are sometimes difficult to locate. Documents related to pending permit applications are stored in DCRA’s file room, which is distinct from the records room for issued permits. According to employees, there has been improvement in records management for pending permit documents. However, interviewees stated that access to the file room is not limited to file room employees. One interviewee stated that customers enter the file room and remove plans without checking them out, which contributes to frequent difficulties locating plans. One supervisor stated that there are locks on the file room doors but no one knows who has the keys. According to interviewees, employees and customers sometimes do not sign documents in and out of the file room and DCRA managers should enforce the sign-out system. DCRA will implement a barcode scanning system for the file room to improve document tracking, but one interviewee stated that it will not ensure that employees check plans out properly.

Permit applications and plans awaiting approval, approved permit records, and some C of O records are not secure, which may increase the risk of unauthorized removal. The team observed rolls of plans at reviewers’ desks and in a cubicle in the permit office suite. A DCRA manager stated that there are locks on the rear doors of the main records room and the old records room, but there are problems with the locks on the main records room door. The manager stated that DCRA has recently obtained a contract for locksmith services to address security concerns. In November 2007, an interviewee stated that DCRA employees and customers have access to this room after records employees leave for the day, and there have been approximately three incidents in which individuals accessed records after hours in the past year. The team observed original, completed building permit applications and electrical permits in unsecured areas of the Commercial Inspections Section (CIS). A DCRA manager indicated that all original permit records should be in the records room or archived, and was unaware of permit documents stored in the CIS. In addition, C of O documents that have not been scanned for several months are stored in unlocked filing cabinets in a hallway connected to the Permit Center that the public can access. Consequently, original documents that have not been scanned into the electronic system may be vulnerable. DCRA employees stated that they use information in the scanned C of O records to verify information as part of permit and C of O application processes.

In December 2007, the team was unable to find complete sets of documents for 10 of the 20 permits selected in a random sample of permits issued between October 1 and November 2, 2007. The purpose of the review was to determine if permits, permit applications, proof of payment of fees, and applicable plans were present. The team searched through stacks of documents because records room employees stated they had not yet filed records for permits issued in October and November 2007. A DCRA manager stated his/her goal is to have permit

³² *Id.* at 42.

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records filed within 20 business days of permit issuance.³³ Individuals with records management responsibilities stated that staffing is inadequate, records room employees are occupied with assisting customers and retrieving files, and these employees do not have sufficient time to file. A permit center employee stated that management oversight of the records room was inadequate.

By not properly securing and organizing all permit and C of O records, these records may not be readily available to verify information or fulfill customer requests.

Recommendation:

That the D/DCRA develop and implement procedures to ensure permit and C of O records are stored and tracked in an organized and secure manner.

Agree _____ **X** _____ Disagree _____

DCRA's Response, as Received:

The DCRA Permitting office is implementing a process where C of O records and applications will be scanned and stored in the agency's Enterprise Application Comprehensive Permit Management System (CPMS). Additionally these scanned documents will be made available through FileNet

16. The FileNet system used to verify C of O information is frequently inoperative.

GAO's *Internal Control Management and Evaluation Tool* (GAO-01-1008G, Aug. 2001) contains best practices and states that an agency should ensure that it "manages, develops, and revises its information systems in an effort to continually improve the usefulness and reliability of its communication of information."³⁴

Interviewees stated that the FileNet system, which contains scanned C of Os, is frequently inoperative. DCRA employees use the FileNet system to verify information submitted with permit and C of O applications. A DCRA manager stated that the FileNet system takes up to 2 minutes to retrieve a single document, allows only 20 employees to access it at a time, and takes 5 to 10 minutes to log off users. The manager added that when employees do not log out of FileNet, other employees are not able to use it. In December 2007, this manager stated that the FileNet system's software was 8 years-old and has not been updated, and that DCRA is in the process of transferring information to a new system. One interviewee expressed concern that employees do not verify C of O information when FileNet is not working. The interviewee added verification is necessary because some applicants present altered C of Os to DCRA.

³³ The team's review of permit records occurred more than 20 business days after the October and November 2007 permits were issued.

³⁴ *Id.* at 55.

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DCRA's Response, as Received:

Permit issuance is based solely on compliance with the building codes and zoning regulations; There is no regulation which requires or authorizes DCRA to require an applicant either have or prove it has worker's compensation coverage as a condition of obtaining a building permit.

OIG Response: The OIG stands by its recommendation as stated. D.C. Code § 6-1405.01(a) requires proof of workers' compensation coverage prior to permit issuance.

PERMIT OPERATIONS DIVISION

**Findings and
Recommendations:**

**OFFICE OF THE ZONING
ADMINISTRATOR**

OFFICE OF THE ZONING ADMINISTRATOR

The Office of the Zoning Administrator (OZA) is responsible for administering and enforcing District zoning regulations, which govern building dimensions and land use in different areas. Zoning regulations include residential and commercial designations. OZA reviews permit and C of O applications to ensure conformance with zoning regulations. OZA decisions can be appealed to the Board of Zoning Adjustment.

18. DCRA does not have an adequate system or staff for zoning enforcement.

OZA, the DCRA Office of General Counsel, the DCRA Investigations Unit, and zoning inspectors in the Commercial Inspections Section (CIS) are involved in zoning enforcement to resolve complaints of zoning violations. OZA coordinates zoning enforcement, requests zoning inspections, and drafts notices of violation. Zoning regulations can be enforced through revoking C of Os and issuing notices to cease illegal use of properties.

An OZA manager described issues with zoning enforcement, such as difficulty determining the status of complaints. In February 2008, this manager stated that DCRA had approximately 30 pending zoning enforcement cases requiring DCRA action, such as issuing a notice to discontinue illegal use or follow up to determine if the problem has been resolved. However, DCRA does not have a zoning enforcement position.

This manager informed the OIG of several factors that may impede the efficient handling of zoning enforcement complaints. The manager stated that zoning enforcement would be improved through standard operating procedures and a unified database to ensure closure of complaints. Reports from zoning inspectors are sometimes inadequately detailed for OZA employees to determine whether a zoning violation exists. According to this manager, DCRA had a template for inspection reports and was working to improve these reports. This manager stated that improving OZA systems has been delayed due to understaffing and backlogs of permit and C of O applications. This manager added that an enforcement position is being classified and that DCRA’s Director supports adding the enforcement position.

Recommendation:

That the D/DCRA ensure that DCRA has adequate systems, procedures, and staffing for zoning enforcement.

Agree X Disagree _____

DCRA’s Response, as Received:

OZA’s previous enforcement staff created a database (available for viewing on the G Shared Drive) which provides very detailed information regarding most if not activity over the past year. In the absence of the enforcement staff, maintenance of the database as well as enforcement actions will be delayed.

19. Tracking the timeliness of C of O reviews is inadequate.

GAO's *Internal Control Management and Evaluation Tool* (GAO-01-1008G, Aug. 2001) states that an agency should ensure that it "monitors performance measures and indicators."³⁵ An OZA manager stated that the timeframe for reviewing C of Os is 21 calendar days.

The team requested OZA's average review times for C of O applications for FY 2007. An OZA manager did not provide this information and admitted to not having "good statistics" on this but indicated that the review time has improved from 2006 due to an increase in staff.

DCRA managers stated that although the Hansen computer system used to process C of Os allows managers to review the status of individual jobs, the system does not have reporting capabilities to assist in tracking the timeliness of C of O application review. A DCRA manager stated that "tracking is not good presently as we are awaiting a new [C of O] process to be implemented and [a] new computer system (CPMS) to go into effect." Inadequate tracking may hinder DCRA's ability to ensure C of O applications are reviewed timely.

Recommendation:

That the D/DCRA ensure that the timeliness of C of O reviews is tracked and that performance is measured against the established timeframes for completing the reviews.

Agree X Disagree _____

DCRA's Response, as Received:

C/O reviews by OZA reviewers have been completed within the permit center as "express" reviews which typically take place on the same day.

20. Understaffing delays implementation of C of O process improvements.

D.C. Code § 6-1405.01(a) states, in part: "The [DCRA] Director shall seek to administer all . . . certificates of occupancy . . . in a manner that is fair, efficient, predictable, readily adaptable to new technologies, consumer-oriented, devoid of unnecessary time delays and other administrative burdens"

According to an OZA manager, the C of O process is complex and repetitive, with inspectors sometimes conducting multiple site visits at the same property. Another concern with the current C of O process is difficulty tracking application forms submitted by customers. DCRA is streamlining C of O processes to eliminate duplicative forms. According to an OZA manager, standard operating procedures have been drafted, and DCRA is working on new processes. OZA will have to train staff and educate customers about the new processes. An

³⁵ *Id.* at 39.

OFFICE OF THE ZONING ADMINISTRATOR

OZA manager stated that understaffing has hindered OZA's ability to finalize and implement C of O improvements.

Delays in implementing new C of O processes have postponed improvements that would make C of O processes less time-consuming and burdensome to applicants.

Recommendation:

That the D/DCRA expeditiously finalize implementation of new C of O policies, procedures, and processes, and educate employees and customers.

Agree _____ **X** _____ Disagree _____

DCRA's Response, as Received:

This issue will be addressed during the upcoming code cycle under the newly established Construction Code Coordinating Board (CCCB).

**Findings and
Recommendations:**

COMMERCIAL INSPECTIONS

COMMERCIAL INSPECTIONS

The Commercial Inspections Section (CIS) conducts inspections for various disciplines such as illegal construction, electrical, plumbing, elevator, construction, fire and life safety, and zoning. Commercial inspectors conduct inspections of buildings undergoing construction, alterations, and repairs to ensure compliance with building codes and all laws and regulations administered by DCRA. In August 2008, DCRA fired seven commercial inspectors, nearly one quarter of its commercial inspectors, because they failed to become certified by the International Code Council.

21. Several commercial inspectors stated that they lack protective equipment and inspection tools.

The GAO *Internal Control Management and Evaluation Tool* states that management should ensure that “[e]mployees are provided orientation, training, and tools to perform their duties and responsibilities, improve performance, enhance their capabilities, and meet the demands of changing organizational needs.”³⁶

During interviews with inspectors and managers in the CIS, the team learned that inspectors lack or need more of the following protective equipment and tools to use during inspections, as reflected in the following table.

Reference Materials/Training	Protective/Safety Equipment	Tools/Supplies
<ul style="list-style-type: none"> • Code books, inspection manuals, and supplemental books • DCRA standard operating procedures manual • Boiler inspector course • Classes for use of light-beam viewing glasses 	<ul style="list-style-type: none"> • Respirators and gloves • Face masks • Elevator door release keys and pressure gauges • Rubber boots and raincoats • Jackets that protect inspectors from the radiation waves of building antennas • Coveralls and work boots • New hard hats • Carbon monoxide and gas detectors • Tyvek suits (a type of protective coverall) • Gloves 	<ul style="list-style-type: none"> • Batteries and flashlights • Temperature and test gauges • Thermometers • Binoculars • Hammers and nails • Measuring tapes and rolling measurement tapes • Light-beam viewing glasses • Identification tags and stamps for boilers • Additional vehicles • Computers and a scanner • Height readers to measure heights of building • Landline telephones • Range meter finder • Hand-held computers for use in the field

³⁶ GENERAL ACCOUNTING OFFICE, INTERNAL CONTROL MANAGEMENT AND EVALUATION TOOL, GAO-01-1008G, 36 (Aug. 2001).

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Interviewees informed the team that CIS has requested some of these items through the chief building inspector's office and spoke to management about the lack of tools and equipment, but the inspectors continue to conduct inspections without the needed tools and equipment. For example, an inspector from the construction unit stated that they sometimes borrow the measuring tape equipment of contractors or zoning inspectors at the inspection site.

DCRA may be placing inspectors' health and safety at risk by allowing them to conduct inspections without the necessary protective equipment, and may be creating a liability risk to the District. In addition, inadequate inspection equipment and code manuals could impede the effectiveness and efficiency of inspection operations.

Recommendation:

That the D/DCRA ensure that all inspectors have the necessary training, protective equipment, tools, and books to conduct inspections.

Agree X Disagree _____

DCRA's Response, as Received:

DCRA has established an internal policy that an inspector can not enter any building or structure that would require specialized equipment. Inspections requiring specialized equipment are required to be performed by third party inspectors; Inspectors are otherwise provided all training and equipment necessary to perform their duties.

OIG Response: The OIG stands by its finding and recommendation as stated. DCRA should ensure that it supplies its inspectors with all of the necessary equipment needed to safely and adequately perform inspections. In addition, if DCRA requires that only third party inspectors will perform inspections that require specialized equipment, this eliminates a choice for customers who may prefer that DCRA, an accountable government entity, inspect their facilities.

22. DCRA lacks a dedicated staff of inspectors to conduct illegal construction inspections.

According to DCRA's website, "Illegal construction is a public danger: it can hurt people and property."³⁷ In November 2007, a DCRA manager informed the team that previously, the illegal construction unit had four inspectors and now has one. In November 2007, a DCRA senior manager issued a memorandum to the Commercial Inspections Unit that set forth DCRA's proposal to reinstate the illegal construction unit on a volunteer basis until the necessary full-time equivalents (FTEs) could be hired. According to the memorandum, the "two principal functions to be performed by [ICU are] inspections that result from complaints of

³⁷ <http://dcra.dc.gov/dcra/cwp/view,a.1342,q.634798,dcraNav,%7C33420%7C.asp> (last visited May 6, 2009).

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illegal construction; and [i]nspections of illegal construction that are identified while patrolling the streets and alleys [of the District.]” In addition, the memorandum states: “Currently, the majority of illegal construction takes place undetected because DCRA inspectors are not working when these constructions take place in the evenings and at weekends.”

Management solicited inspectors from other units to volunteer temporarily to work in ICU for approximately 120 days and be relieved of their current inspection schedules during that period. The new shifts required them to work in the late evenings when, according to DCRA, most illegal construction occurs. In addition, one interviewee stated that assigning inspectors from another unit to conduct ICU inspections leaves the originating unit short-staffed, which, in turn, prevents the originating unit from meeting its goals.

Recommendation:

That the D/DCRA ensure that the ICU is adequately staffed to conduct illegal construction inspections.

Agree X Disagree _____

DCRA’s Response, as Received:

The Inspections Divisions currently staffs four FTE’s in the ICU. This is 100% staffing.

23. George Washington University Hospital (GWUH) may require a Class 1 steam engineer to ensure the safety of boiler operations.

According to 17 DCMR § 404.4(a)(1), Class 3 steam engineers shall be qualified to operate “a combination of high pressure boilers and heating boilers or refrigeration equipment, not to exceed four hundred (400) horsepower”

The team learned that a DCRA inspector determined that GWUH’s heating plant equipment exceeded 400 horsepower. Therefore, GWUH’s heating plant required a Class 1 steam engineer. However, a DCRA administrator approved third class plant status for GWUH, which allowed GWUH to use a Class 3 steam engineer rather than a Class 1 steam engineer. Because there was an apparent discrepancy between the class of engineers operating the GWUH boilers and the requirements of 17 DCMR § 404.4 (a)(1), there may have been safety issues that should have been evaluated. Therefore, in March 2008, the OIG issued a Compliance Form to DCRA regarding this finding. The complete Compliance Form and the agency responses are included at Appendix 5. In April 2008, DCRA informed the OIG that they instructed GWUH that it needs to employ operators with a first class license. However, DCRA has not confirmed that GWUH is using a Class 1 steam engineer.

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Recommendation:

That the D/DCRA ensure that GWUH operates its boilers with Class 1 steam engineers and provide the OIG with an update confirming the status at GWUH.

Agree _____ **X** _____ Disagree _____

DCRA's Response, as Received:

The George Washington University Hospital has reported to DCRA that they now have the properly licensed boiler operations personnel.

24. Customers do not routinely pay boiler fees directly to Office of the Chief Financial Officer (OCFO).

According to 12E DCMR § M-1013.5.4: "The fee of fifty dollars (\$50.00) required to be paid by the owner or user for the issuance of a certificate of inspection shall be forwarded with the inspection report to the [DCRA] with a check made payable to the D.C. Treasurer."

During our inspection, a DCRA employee informed the team that previously, boiler customers paid their \$50 boiler certificate fees directly to the OCFO cashier. However, after customers paid their fees to the OCFO cashier, they frequently did not submit a copy of their certificates, as proof of payment, to DCRA. Currently, a DCRA inspections employee submits customers payments in batches to the OCFO cashier, and then forwards owners their boiler certificates.

During an interview, two DCRA senior officials informed the team that they thought all customers made payments directly through the OCFO cashier and not to DCRA employees. The officials added that they would look into the situation. Although senior officials were not aware that boiler owners or users paid fees directly to DCRA employees, District regulations allow owners or users to submit their inspection reports and checks to DCRA.

A DCRA senior official provided the team with a copy of DCRA's administrative bulletin issued in January 2008 regarding DCRA's cash handling policy and procedures. For walk-in payments, the bulletin states: "Under no circumstance are members of DCRA agency staff authorized to accept cash, check, or other forms of payment without express, written consent of the Agency Fiscal Officer. [A] customer who wishes to make payments in person must be directed to the Office of Finance and Treasury cashiers" *Id.* at 1. For mail-in payments, the bulletin states on page 2:

Customers must be discouraged from sending payments directly to agency staff. Invoices, renewal notices, return envelopes and other correspondence provided to customers should never list an agency address. In cases where customers incorrectly mail checks or money orders directly to the agency, staff must [provide] those

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checks to DCRA revenue accounts in the OCFO Shared Service Center

This bulletin conflicts with the DCMR in that the DCMR indicates that an owner or user shall forward a check to DCRA. The bulletin did not include the administrative issuance number, expiration or replacement date, purpose and authority, or the signature and date of the DCRA director. Therefore, the team could not conclude whether this policy was officially implemented.³⁸

Recommendation:

That the D/DCRA consult with the DCRA General Counsel regarding the conflict of internal policy with the District regulation regarding handling of cash and update staff on the decided appropriate practice.

Agree X Disagree _____

DCRA's Response, as Received:

This has been corrected and an Administrative Policy addressing this is in place.

OIG Response: **Although we received a copy of DCRA's administrative bulletin issued in January 2008, we did not receive additional information from DCRA on how this matter was corrected. The OIG stands by its finding and recommendation as stated.**

25. Documentation of manlift³⁹ operators' examinations is inadequate.

According to best practices in the GAO *Internal Control and Management Tool*, agencies should ensure that “[d]ocumentation of transactions and other significant events is complete and accurate and facilitates tracing the transaction or event and related information from authorization and initiation, through its processing, to after it is completed.”⁴⁰

A senior manager informed the team in March 2009 that DCRA administers approximately 150 oral manlift examinations a year and that it has been standard policy for DCRA to administer the manlift examination orally. The official stated that DCRA requires this examination to comply with the 2006 International Building Code (IBC) and the District of Columbia 2008 Construction Code, which has adopted the American Society of Mechanical Engineers (ASME) requirement, that all authorized personnel operating manlift belts be properly trained. A DCRA employee who administers the oral manlift examination informed the team that the employee asks an applicant questions and the applicant provides an oral response to each question. In one instance, the DCRA employee gave a written examination to an applicant, but

³⁸ The bulletin listed in its scope topics unrelated to cash handling.

³⁹ A manlift is a device to transport personnel from floor to floor using a power-driven belt with steps or a platform.

⁴⁰ GENERAL ACCOUNTING OFFICE, INTERNAL CONTROL MANAGEMENT AND EVALUATION TOOL, GAO-01-1008G, 43 (Aug. 2001).

COMMERCIAL INSPECTIONS

threw it away after the results of the applicant's examination were reviewed. This employee stated that no one has failed the test with him/her. After successful completion of the oral examination, DCRA issues the applicant a certification card.

A senior official informed the team that DCRA does not have written procedures regarding the manlift examination; however, DCRA maintains a database of the applicant names and dates of the approved examinations. In addition, the senior official advised the team that "DCRA is currently reviewing the entire manlift processing operation, to include the current examination policy and the issuance of an operator's license . . . [and] plans to complete this review by April 15, 2009." Without copies of written examinations, DCRA does not have proof of the examination results, the questions asked, or that the examinations were administered.

Recommendation:

That the D/DCRA ensure that the manlift operator examination is administered in writing, completed examinations are filed, and procedures about these examinations are issued.

Agree _____ **X** _____ Disagree _____

DCRA's Response, as Received:

A policy is in draft and awaiting legal review.

26. DCRA inappropriately issues business licenses for elevators and escalators.

A DCRA supervisor informed the team that the Business Licensing Division (BLD) has issued business licenses for elevators, escalators, and similar units for several years. According to documents obtained by the team, when DCRA took legal action against a company for failure to pay license renewal fees for its elevators, the presiding judge ruled that DCRA should not issue business licenses for elevators and similar units.

According to an order from an Office of Administrative Hearings (OAH) administrative law judge dated June 21, 2007:

[D.C. Official Code § 47-2851.02]⁴¹ is applicable only to businesses such as elevator dealerships or contractors, which sell and service elevators, and does not require entities that simply own

⁴¹ D.C. Code § 47-2851.02 states:

- (a) A person which is required under law to obtain a license issued in the form of an endorsement to engage in a business in the District of Columbia shall not engage in such business in the District of Columbia without having first obtained a basic business license and any necessary endorsements in accordance with this subchapter.
- (b) A license shall be required for each business location.

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buildings with elevators used to transport passengers from floor to floor to obtain a business licenses to engage in the elevator business.

...

Secondly, the construction advocated by the Government is not consistent with the purpose of the business licensing laws. In the business licensing law, a business is defined as follows:

(1) (A) “Business” means any trade, profession, *or activity* which provides, or holds itself out to provide, goods or services to the general public or to any portion of the general public, for hire or compensation ... [Emphasis added]

In August 2008, a senior manager stated that the BLD will continue to issue a 2-year business license for elevators. Also in August 2008, a supervisor explained to the team that DCRA will first need to develop a process to issue certificates of inspection, implement a database, and hire additional staff in order to abate the practice of issuing business licenses to elevators, escalators, wheelchair lifts, and similar units. This supervisor also stated that by taking the actions mentioned, DCRA is working to comply with the judge’s ruling.

Recommendation:

- (1) That the D/DCRA cease requiring business licenses for elevators in order to comply with the judge’s ruling in OAH Case No. CR-I-06-N100616, and update the OIG regarding the current status of DCRA’s compliance.

Agree _____ **X** _____ Disagree _____

DCRA’s Response, as Received:

DCRA no longer requires individual business licenses for elevators but the does provide individual certifications to ensure safety.

- (2) That the D/DCRA assess the adequacy of its staffing needs to inspect elevators/escalators and monitor elevator/escalator inspection due dates.

Agree _____ **X** _____ Disagree _____

DCRA’s Response, as Received:

DCRA has instituted a third-party inspection program where a majority of the inspections are conducted by certified third-party inspectors. The Agency focuses on certifying companies that actually perform the inspections.

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27. The number of vehicles for commercial inspections is inadequate.

The GAO *Internal Control Management and Evaluation Tool* states that agencies should provide employees with the tools necessary for their duties and responsibilities.⁴²

DCRA commercial inspectors and supervisors stated that DCRA does not provide an adequate number of vehicles for inspectors. Inspectors sometimes ride together in one car to conduct inspections or use their personal vehicles. In November 2007, an inspector stated that DCRA did not have a policy on the use of a personal vehicle to conduct business. DCRA senior officials informed the team that vehicle purchases were frozen until the District's fleet was inventoried and needs were analyzed. They added that management ordered new vehicles to replace some vehicles in DCRA's fleet and they plan to re-distribute vehicles to the inspection units rather than individual inspectors for more efficient use of the vehicles.

In January and March 2008, a DCRA official provided the team with copies of DCRA's draft administrative issuances regarding use of agency vehicles and personally owned vehicles. The official added that the issuance regarding agency vehicles was in place in the inspections unit and DCRA was working on implementing it throughout the agency. After field work, DCRA relocated its inspection unit. Consequently, the location and storage sites for its vehicle might need to be revised in the issuance.

The draft issuance regarding use of personally owned vehicles to conduct official business requires managers to grant approval prior to an employee using his/her personal vehicle for official business. This issuance also requires an employee to maintain a Personally Owned Vehicle (POV) Drivers Log Sheet to reflect mileage used for subsequent reimbursement. However, this issuance does not address safety inspections of personal vehicles. The team is concerned that until the POV issuance is officially implemented, agency vehicles may not be assigned efficiently and DCRA might not be aware of the safety inspection status of POVs because the draft POV policy does not require employees to provide proof of vehicle safety inspections to DCRA. Therefore, DCRA cannot be assured that an employee's POV used on the job meets all applicable state safety standards.

In addition, DCRA's POV policy does not address an employee's responsibility to have and provide proof of insurance for a POV used for official business. The team is concerned that a DCRA employee who lacks appropriate insurance might be held liable for any injuries, moving violations, and/or damages the employee incurs or causes during use of a POV for official business.

⁴² GENERAL ACCOUNTING OFFICE, INTERNAL CONTROL MANAGEMENT AND EVALUATION TOOL, GAO-01-1008G, 36 (Aug. 2001).

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Recommendation:

That the D/DCRA determine whether DCRA will finalize the MOU with WASA and assess its impact on DCRA's staffing resources.

Agree _____ **X** _____ Disagree _____

DCRA's Response, as Received:

The agency agrees that the MOU with WASA will be finalized, and will assess its impact on DCRA's staffing resources.

**Finding and
Recommendation:**

**COMPREHENSIVE
PLAN**

29. Several senior DCRA managers were not aware of DCRA’s responsibilities in the Comprehensive Plan (Plan).

The purpose of the *Comprehensive Plan for the National Capital: District Elements*⁴⁵ is to influence development in the District that will create an inclusive city so that “individuals and families are not confined to particular economic and geographic boundaries.”⁴⁶ The Plan has chapters on citywide elements such as land use; transportation; housing; environmental protection; economic development; parks, recreation, and open space; urban design; historic preservation; community services and facilities; educational facilities; infrastructure; and arts and culture. The current Plan is codified at Title 10 of the DCMR and was adopted by the Council of the District of Columbia in December 2006.

The Office of Planning (OP) convened a task force that developed the Plan with public input and an advisory group of District and federal agencies. According to the Plan, DCRA was not included among the 17 District agencies that participated in the advisory group; an OP employee stated that this was because DCRA’s primary responsibilities do not include setting policies related to land use. As of March 2008, this OP employee stated that OP is beginning to monitor the progress of District agencies regarding the Plan.

The Plan lists specific action steps and timeframes for DCRA and other agencies to begin implementation. DCRA’s responsibilities in the Plan include establishing zoning enforcement in arts districts by 2009 and reviewing and proposing revisions, where needed, to building codes.

According to an OP employee, DCRA appears to be carrying out its responsibilities as called for in the Plan for actions that should be ongoing. The Plan calls for other actions to be initiated by 2009 or later.

The one area in the Plan specific to DCRA commercial inspections⁴⁷ calls for DCRA to “[e]stablish an inspection and enforcement program for arts district zoning requirements, ensuring that such requirements (such as the display of art in store windows) are enforced after projects are constructed.”⁴⁸ In response to the team’s question regarding whether DCRA had implemented a plan for zoning enforcement in arts districts, a DCRA manager stated that when OZA has a deputy administrator for enforcement, it will be able to implement the enforcement priorities of the Plan. An interviewee stated that DCRA is seeking a legal opinion to determine whether it has enforcement authority for arts zoning.

According to a DCRA manager, OP is revising zoning regulations to bring them in line with the Plan. The Zoning Commission is responsible for approving proposed revisions to

⁴⁵ The Plan and associated maps are available at <http://www.planning.dc.gov/planning/cwp/view.a,1354,q,639789,PM,1.asp>.

⁴⁶ *Id.* at 1-1. The Plan also contains “Federal Elements” intended to influence planning for the use of federally owned land.

⁴⁷ Housing inspections were part of the DCRA I Report of Inspection and are not included in the current inspection of DCRA. The Comprehensive Plan includes improving housing code enforcement.

⁴⁸ *The Comprehensive Plan for the National Capital: District Elements* 25-73 (Oct. 2007).

COMPREHENSIVE PLAN

zoning regulations.⁴⁹ This manager added that DCRA will administer the zoning regulations once they are approved. This manager noted that there are few instances that allow for discretion in applying zoning regulations and that in these cases, reference to the Plan for guidance is warranted.

When the team initially contacted DCRA managers regarding the Plan in February 2008, two of three managers in permitting, zoning, and inspections and one senior official were not familiar with it. Two of these managers stated that they did not have copies of the Plan. This raises the question of whether DCRA managers in divisions affected by the Plan are knowledgeable of DCRA's responsibilities for implementing the Plan.

Recommendation:

That the D/DCRA ensure that managers and employees are familiar with sections of the Plan that are relevant to their duties and responsibilities for compliance and enforcement purposes.

Agree X Disagree _____

DCRA's Response, as Received:

DCRA will take all necessary and appropriate measures to ensure that all managers and employees are familiar with the Comprehensive plan, and with the sections of the Plan that are relevant to their duties and responsibilities for compliance and enforcement purposes.

⁴⁹ According to a draft interim report by Zucker Systems for OP entitled *Review and Analysis of Planning, Zoning and Development Review Processes in the District of Columbia*, "implementation of the Comprehensive Plan through changes in zoning is the responsibility of the Zoning Commission, not any other body or agency." *Id.* at 26. This report also states:

The Tenley Case (Tenley and Cleveland Park Emergency Committee et al versus D.C. Board of Zoning Adjustment, APP D.C. 500 A2d 331, 1988) confirmed that the Comprehensive Plan is not self-implementing and that the Zoning Commission must act affirmatively to change the regulations following changes to the Comprehensive Plan that may make the zoning maps inconsistent with the plan.

Id.

COMPREHENSIVE PLAN

APPENDICES

Appendix 1:	List of Findings and Recommendations
Appendix 2:	MAR 08-I-007 with DCRA Response
Appendix 3:	MAR 08-I-002 with DDOE and DCRA Responses
Appendix 4:	MAR 08-I-003 with DCRA and OCFO Responses
Appendix 5:	Compliance Form with DCRA Response

APPENDIX 1

Summaries of Management Alert Reports:

1. **Significant deficiencies found in DCRA boiler inspection operations.**

That DCRA update the OIG on the status of CIS staffing, implementation of policies and procedures for processing and issuance of boiler licenses and certificates, and implementation of CPMS for boiler information.

2. **Deficiencies in the District's regulation of lead-based paint and public education regarding lead-based paint and asbestos may increase health risks.**

3. **Deficiencies in controls over permit and Certificate of Occupancy (C of O) issuance may decrease revenue and increase the risk of fraud and abuse.**

That the D/DCRA provide the OIG with a status update on reconciliations with OCFO, the implementation of CPMS, and the assessment of the third party inspection program to ensure compliance with regulations and permit requirements.

Key Findings:

4. **All Washington Metropolitan Area Transit Authority (WMATA) elevators and escalators in the District are not inspected as required.**

- (1) That the D/DCRA ensure that all inspections for elevators and escalators, as well as other required types of inspections, are conducted as required by D.C. regulations.
- (2) That the D/DCRA develop a written plan detailing actions DCRA will take to abate all outstanding inspections for each required area.
- (3) That the D/DCRA determine what enforcement action should be taken regarding WMATA's operation of its elevators and escalators without a certificate of inspection as required by 12A DCMR § 3007.1.

5. **Oversight of the third party inspection and plans review program is inadequate.**

- a. *DCRA lacks assurance of the qualifications of inspectors from third party agencies.*
- b. *DCRA lacks assurance of the qualifications of plans reviewers from third party agencies.*
- c. *DCRA does not perform routine quality assurance of third party inspections.*
- d. *Third party inspection agencies perform work that presents a conflict of interest.*
- e. *Work performed by third party plans reviewers is not sufficiently audited.*

f. DCRA does not sufficiently enter third party inspection requests and reports into its database.

- (1) That the D/DCRA ensure and continuously verify that employees of third party agencies who conduct plans reviews and inspections meet applicable minimum experience, licensure, and certification requirements.
- (2) That the D/DCRA expeditiously finalize and implement its revised policies and procedures for the third party program.
- (3) That the D/DCRA develop and implement a quality assurance and audit process for third party inspections and plans reviews.
- (4) That the D/DCRA develop and implement policies and procedures for DCRA to conduct quality assurance that would include visiting third party inspection sites.
- (5) That the D/DCRA develop and implement a mechanism to enforce D.C. Code § 6-1405.04, which prohibits third party agencies from performing work that presents a conflict of interest.
- (6) That the D/DCRA ensure that the third party inspection requests and reports are reviewed and entered into RAPIDS expeditiously.
- (7) That the D/DCRA assess the adequacy of staffing for DCRA's third party inspection and plans review program, and take any corrective actions as needed.

6. Quality assurance of permitting and zoning is not sufficient.

That the D/DCRA evaluate staffing patterns and supervisory work processes, and develop and implement policies and procedures to ensure that supervisors regularly review employees' work regarding permits and C of Os.

7. Employees are not subject to criminal background checks, credit checks, or financial disclosure requirements.

- (1) That the D/DCRA determine those positions that require criminal background checks and credit checks and coordinate with DCHR to conduct these checks.
- (2) That the D/DCRA ensure that DCRA employees who make decisions affecting private entities complete financial disclosure statements.

8. Historic documents are vulnerable to damage and theft.

- (1) That the D/DCRA expeditiously develop and implement a plan to preserve Office of the Surveyor documents.
- (2) That the D/DCRA expeditiously complete scanning Office of the Surveyor documents and prohibit public access to the original documents.

Permit Operations Division:

9. Engineers lack a complete set of construction codes and interpretation guidance.

- (1) That the D/DCRA ensure that engineers have all current commentary books and referenced standards.
- (2) That the D/DCRA consider funding ICC membership for engineers.

10. Permit employees lack job-specific performance standards.

That the D/DCRA finalize and implement performance standards for Permit Center employees.

11. DCRA's controls to ensure impartiality may be inadequate.

- (1) That the D/DCRA develop and implement written policies and procedures to assign plans reviews impartially to employees.
- (2) That the D/DCRA update the permit application on DCRA's website to reflect the consequences of false statements on applications and inform expeditors and other customers of DCRA's ethical standards.
- (3) That the D/DCRA consider pursuing legislation that would require permit expeditors to hold business licenses.

12. Employee training is inadequate.

- (1) That the D/DCRA ensure that engineers receive ICC training on the new revisions to the construction codes.
- (2) That the D/DCRA ensure that permit employees are adequately cross-trained and well-versed on how to handle customer inquiries.

13. Plans reviews do not meet DCRA timeliness goals.

That the D/DCRA develop short-term solutions to immediately reduce the amount of time taken for plans reviews and long-term solutions to improve DCRA's capacity to consistently meet its timeliness goals.

14. Tracking is inadequate for some permit timeframes.

- a. *DCRA has not established timeframes for reviewing re-submitted plans.*
- b. *DCRA's system for tracking the timeliness of processing walk-through permits is inadequate.*

That the D/DCRA establish goals and track timeliness for reviewing resubmitted plans and accurately monitor the timeliness of walk-through applications.

15. **Permit and C of O records are disorganized, not secure, and accessible to customers.**

That the D/DCRA develop and implement procedures to ensure permit and C of O records are stored and tracked in an organized and secure manner.

16. **The FileNet system used to verify C of O information is frequently inoperative.**

That the D/DCRA ensure there is an operative system to expeditiously submit and access C of O information.

17. **DCRA does not ensure that employers have workers' compensation coverage prior to issuing construction permits.**

That the D/DCRA develop and implement policies and procedures to define which entities should be required to provide proof of workers' compensation coverage prior to permit issuance and ensure that these employers have this coverage prior to permit issuance.

Office of the Zoning Administrator:

18. **DCRA does not have an adequate system or staff for zoning enforcement.**

That the D/DCRA ensure that DCRA has adequate systems, procedures, and staffing for zoning enforcement.

19. **Tracking the timeliness of C of O reviews is inadequate.**

That the D/DCRA ensure that the timeliness of C of O reviews is tracked and that performance is measured against the established timeframes for completing the reviews.

20. **Understaffing delays implementation of C of O process improvements.**

That the D/DCRA expeditiously finalize implementation of new C of O policies, procedures, and processes, and educate employees and customers.

Commercial Inspections:

21. **Several commercial inspectors stated that they lack protective equipment and inspection tools.**

That the D/DCRA ensure that all inspectors have the necessary training, protective equipment, tools, and books to conduct inspections.

22. DCRA lacks a dedicated staff of inspectors to conduct illegal construction inspections.

That the D/DCRA ensure that the ICU is adequately staffed to conduct illegal construction inspections.

23. George Washington University Hospital (GWUH) may require a Class 1 steam engineer to ensure the safety of boiler operations.

That the D/DCRA ensure that GWUH operates its boilers with Class 1 steam engineers and provide the OIG with an update confirming the status at GWUH.

24. Customers do not routinely pay boiler fees directly to Office of the Chief Financial Officer (OCFO).

That the D/DCRA consult with the DCRA General Counsel regarding the conflict of internal policy with the District regulation regarding handling of cash and update staff on the decided appropriate practice.

25. Documentation of manlift operators' examinations is inadequate.

That the D/DCRA ensure that the manlift operator examination is administered in writing, completed examinations are filed, and procedures about these examinations are issued.

26. DCRA inappropriately issues business licenses for elevators and escalators.

- (1) That the D/DCRA cease requiring business licenses for elevators in order to comply with the judge's ruling in OAH Case No. CR-I-06-N100616, and update the OIG regarding the current status of DCRA's compliance.
- (2) That the D/DCRA assess the adequacy of its staffing needs to inspect elevators/escalators and monitor elevator/escalator inspection due dates.

27. The number of vehicles for commercial inspections is inadequate.

- (1) That the D/DCRA ensure that CIS has sufficient vehicles.
- (2) That the D/DCRA promptly implement DCRA's administrative issuances regarding use of personal and agency vehicles, ensure that its employees are aware of the requirements of each policy, and ensure that proof of safety inspections are maintained for all POVs used in the course of duty.
- (3) That the D/DCRA revise the POV policy to require employees to submit proof of proper insurance coverage before they can use their personal vehicles for official business.
- (4) That the D/DCRA determine if the provision in DCRA's vehicle use policy regarding location and storage sites for vehicles should be revised.

-
28. **DCRA and the D.C. Water and Sewer Authority (WASA) have not finalized their Memorandum of Understanding (MOU) regarding inspection of lead service line replacement in the District.**

That the D/DCRA determine whether DCRA will finalize the MOU with WASA and assess its impact on DCRA's staffing resources.

Comprehensive Plan:

29. **Several senior DCRA managers were not aware of DCRA's responsibilities in the Comprehensive Plan (Plan).**

That the D/DCRA ensure that managers and employees are familiar with sections of the Plan that are relevant to their duties and responsibilities for compliance and enforcement purposes.

APPENDIX 2

The complete Management Alert Report (MAR 08-I-007) and agency responses regarding deficiencies in boiler inspection operations are available on the OIG website at <http://oig.dc.gov/news/view2.asp?url=release08%2FMAR08%2D007%2Epdf&mode=ian de&archived=0&month=20088>.

APPENDIX 3

The complete Management Alert Report (MAR 08-I-002) and agency responses regarding deficiencies related to lead paint and asbestos removal are available on the OIG website at

<http://oig.dc.gov/news/view2.asp?url=release08%2FMAR%5F08%2DI%2D002%5FLead%5FAsbestos%5FFINAL%2Epdf&mode=iande&archived=0&month=20083>.

APPENDIX 4

The complete Management Alert Report (MAR 08-I-003) and agency responses regarding deficiencies in controls over permit and Certificate of Occupancy issuance are available on the OIG website at

<http://oig.dc.gov/news/view2.asp?url=release08%2FMAR%5F08%2DI%2D003%2Epdf&mode=iande&archived=0&month=20083> .

APPENDIX 5

**District of Columbia
Office of the Inspector General
Inspections and Evaluations Division
Compliance Form**

Use this form to report actions on recommendations made by the Office of the Inspector General (OIG) during and following an inspection of your agency, program, or other matters. Include all information necessary to show compliance with the recommendation. *Fax and then mail* the completed form and any attachments to Office of the Inspector General, Attention: [REDACTED] Director of Planning and Inspections, Inspections and Evaluations Division. The address is 717 14th Street, Northwest, Suite 500, Washington, D.C. 20005. Telephone: 202/727.2540. The fax number is 202/727.9903.

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS (DCRA)
Commercial Inspections Unit
March 4, 2008

FINDING:

1. George Washington University Hospital (GWUH) may require a Class 1 steam engineer to ensure the safety of boiler operations.

After a September 2002 inspection of GWUH's heating plant equipment, a DCRA boiler inspector determined that GWUH did not have a Class 1 steam engineer as required by District regulations. Subsequently, in October 2002, an engineer consultant for GWUH wrote to DCRA to request that DCRA reconsider its position that GWUH needed a Class 1 steam engineer. (See attachment in faxed hard copy) The consultant argued that the equipment in question comprises "two separate and distinct systems in different locations in the building with no crossover" and "some employees are approaching retirement and the hospital does not want to dismiss them if at all possible." In September 2003, a DCRA administrator approved third class plant status for GWUH boiler operations. (See attachment 2 in faxed hard copy) This allowed GWUH to use Class 3 steam engineers and not hire a Class 1 steam engineer.

During our inspection of DCRA, a boiler inspector informed the inspection team (team) that the class of steam engineer required to oversee a heating plant is based on the combined total horsepower rating of all heating plant equipment at a site, not the location of the equipment. Based on information provided to DCRA by GWUH in October 2002, the steam boilers at GWUH have a combined total of 686 horsepower. However, GWUH has Class 3 steam engineers who, according to DCMR 404.4(a) 1, are only licensed to operate "a combination of high pressure boilers and heating boilers or refrigeration equipment, not to exceed four hundred horse power (400) horsepower...."

APPENDICES

DCRA Compliance Form
Commercial Inspections Unit
March 4, 2008
Page 3 of 3

Signature: _____ Date: _____

APPENDICES

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

Office of the Director



March 31, 2008

Mr. Charles Willoughby
Inspector General
717 14th Street, NW
Washington, DC 20005

RE: OIG Compliance Form Regarding The George Washington University Hospital
 Boiler Engineers.

Dear Mr. Willoughby:

This letter is in response to your inquiry regarding the OIG's finding that the George Washington University Hospital (GWUH) may require a Class 1 steam engineer to ensure the safety of boiler operations; however the GWUH engineers are only licensed as Class 3 steam engineers. Specifically, the OIG inspection team found that, although DCMR 404.4(a) 1 provides that Class 3 steam engineers are only licensed to operate "a combination of high pressure boilers and heating boilers or refrigeration equipment, not to exceed four hundred (400) horsepower, according to documentation provided to DCRA by GWUH in October 2002 the steam boilers at GWUH have a combined total of 686 horsepower.

Accordingly, OIG recommended that "the Director of DCRA ensure that GWUH's boiler operations are inspected by a DCRA boiler inspector to determine the appropriate class of steam engineer as required by District law". OIG also requested DCRA "provide the OIG with documentation of both the inspection and the official conclusion of DCRA regarding the class of steam engineer at GWUH and if there are any safety concerns."

DCRA has investigated this matter. Below is DCRA's response to the OIG recommendation.

AGENCY ACTION TAKEN:

DCRA conducted an inspection of The George Washington University Hospital (GWUH) boiler system on March 12, 2008. The DCRA inspector found that the

941 North Capitol Street, N.E., Suite 9500, Washington, D.C. 20002
Phone: (202) 442-8947 Fax: (202) 442-9445

APPENDICES

GWUH "Plant rated is for a 1st class engineers . . . Currently 3rd class engineers are operating the building". Accordingly, [REDACTED] Chief Building Inspector for DCRA, has reviewed the matter and is preparing a formal notification to GWUH personnel that GWUH is out of compliance with the requirements of the DCMR, and providing a time frame within which GWUH will be required to come into compliance.

Additionally, it is the determination of DCRA that there are no immediate safety concerns at GWUH as a result of the circumstances regarding the GWUH boiler operations.

Thank you for bringing this matter to my attention. If you need additional information, please contact [REDACTED] DCRA Service Integrity Officer at (202) [REDACTED].

Sincerely,


Linda K. Argo
Director

cc: [REDACTED]

APPENDICES

04/23/2008 15:35 FAX 2024429445

DCRA OFC OF DIRECTOR

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Page 1 of 1

[REDACTED] (DCRA)

From : [REDACTED] (DCRA)
Sent : Monday, April 21, 2008 2:20 PM
To : [REDACTED]@gwu-hospital.com
Cc : [REDACTED] (DCRA); [REDACTED] (DCRA); Argo, Linda (DCRA)
Subject: Boiler certification

Hi [REDACTED]

Several weeks ago I left you a voice mail in regards to the certifications of your boiler operators. I have not heard back from you, so I am now e-mailing you. The issue is that the GW boilers require an operating engineer to have a 1st Class license due to the number and size of the units. I am aware that several years ago DCRA agreed to allow GW to operate the boilers with personnel that had third grade boiler operating licenses rather than the regulatory required 1st class licenses. However, this authorization did not meet the adopted regulations of the day and the current regulations still require a 1st class licensed operator. I am not sure why this letter was sent, but in reviewing the regulations, it is not in compliance with the current adopted regulations.

Therefore, I am herein rendering this agreement to be null and void and you are required to have your operators obtain their first class licenses. In the message that I left you I informed you that due to the end of the heating season this not an immediate issue, but October 15th rolls around very quickly. We need to discuss how your organization will get your personnel properly licensed prior to this upcoming heating season.

Cordially,

[REDACTED]
Chief Building Inspector, DCRA/ICA
25 M Street, S.W., 3rd Floor
Washington, D.C. 20024
202-[REDACTED] Fax [REDACTED]