

**City of Detroit
Office of Inspector General**

Potential “Ghost Employee” Employed by the BOPC
OIG File No. 23-0008-INV



July 2, 2024

**Ellen Ha, ESQ. CIG
INSPECTOR GENERAL**

CITY OF DETROIT
OFFICE OF INSPECTOR GENERAL
INVESTIGATIVE REPORT

Potential “Ghost Employee” Employed by the BOPC
OIG File No. 23-0008-INV

DATE:
7/2/2024

I. Summary

On March 15, 2023, the City of Detroit Office of Inspector General (OIG) received a complaint regarding a potential “ghost employee” at the Board of Police Commissioners (the “Board” or the “BOPC”) and/or the Office of the Chief Investigator (OCI).¹ Specifically, it was alleged that from March 2018 to March 3, 2023, Breanna Lockhart was paid by the BOPC without actually performing any work.² It was further alleged that Ms. Lockhart submitted time sheets and received regular payroll payments, but that she had only been seen in the office a few times.³

As explained below, the OIG does not find that Ms. Lockhart engaged in fraud by acting as a “ghost employee” for the BOPC.⁴ The evidence reviewed shows that Ms. Lockhart regularly produced work products for the benefit of BOPC commissioners.⁵ She also produced work products for former OCI leadership and staff.⁶

However, based on the evidence, the OIG does find that former Board Secretary Gregory Hicks abused his authority and position by creating a new position for a “GIS Analyst” without a vote of the Board, and without engaging HR and City Council in the process. Typically, when creating a new position in the City, HR and City Council must provide approval. Further, with respect to contracts, City Council must approve all City contracts over \$2,500. In this instance, because the new position was within the BOPC, creating and filling the role also required the Board’s specific approval. Therefore, we find Mr. Hicks further abused his authority and position by hiring Ms. Lockhart into the new position without the Board’s final approval and without any approval from City Council.

¹ Memorandum to Ellen Ha, Inspector General, from Jennifer Bentley, OIG Attorney, RE: OIG File No. 23-0066-COM, March 31, 2023.

² *Id.*

³ *Id.*

⁴ A “ghost employee” is someone recorded on the payroll system, but who does not work for the business. The fraud attacks the payroll system with false employees. See, <https://brisbaneacfe.org/library/occupational-fraud/ghost-employees-frauds-payroll-frauds/#:~:text=A%20ghost%20employee%20is%20someone,payroll%20system%20with%20false%20employees.>

⁵ See, for example, Email from former OCI Supervising Investigator Rosalia Madrigal to BreAnna Lockhart, RE: [EXTERNAL] OCI Report – October, dated November 14, 2022; Email from BreAnna Lockhart to former Interim Board Secretary Melanie White, RE: Data Packet, dated March 9, 2022; Email from BreAnna Lockhart to former Interim Board Secretary Melanie White, RE: Year-end data report, dated December 1, 2021.

⁶ *Id.*

The OIG's investigation revealed that Ms. Lockhart was a part-time employee for the BOPC from March 12, 2018, to March 3, 2023, and that despite receiving numerous reports that called attention to Ms. Lockhart's unapproved placement in the BOPC's budget, the Board neglected to review and resolve the issue before Ms. Lockhart was terminated in March 2023. Therefore, the OIG finds that the Board failed to adequately manage its affairs. In addition, the investigation makes it clear that there were other City departments and agencies that could have corrected the issues surrounding Ms. Lockhart's employment but for the fact that the relevant departments lacked policies and procedures that could have addressed the issues identified in this report.

As such, based on the findings detailed in this report, the OIG recommends the following:

1. A complete OIG audit of the BOPC's personnel processes to ensure all positions created and filled within the BOPC, including the OCI, are compliant with the Charter and City HR rules.
2. That the BOPC review and revise its Bylaws to ensure its terms and any delegations of authority are consistent with the Charter.⁷
3. That the City's OCFO/ODFS/Payroll departments develop a policy and procedure that requires job codes to be checked against the department's approved budget to ensure that Payroll only processes payments to legitimate employees with job codes that match the budgeted positions that are properly approved.
4. That the City's OCFO/ODFS departments develop a policy and process that requires a formal escalation of the budget issues flagged by the OCFO/ODFS when the department or agency repeatedly fails to address the flagged issues.
5. That the City's OCFO/ODFS departments develop a policy and process that would ensure that any budget issues flagged by the OCFO/ODFS throughout the fiscal year be addressed before the start of the new fiscal year.

Pursuant to the Charter and the OIG's Administrative Hearing Rules (Rules), on June 14, 2024, the OIG provided a draft copy of this investigative report to each current member of the BOPC⁸ and to the City's Chief Financial Officer (CFO)⁹ and Deputy-CFOs.¹⁰ By providing the draft report to them, the affected parties were given an opportunity to submit a written response and/or request an administrative hearing to dispute any OIG findings in the draft report. Under the Charter, an affected party can dispute our findings and the OIG Rules provide such an opportunity via a written response and/or through an administrative hearing.

On June 24, 2024, Commissioners Darryl Woods and Tamara Liberty-Smith contacted the OIG to discuss the administrative hearing process. However, no member of the BOPC or the Board, as a body, requested an administrative hearing or submitted a written response to the OIG's findings in the draft report. On June 28, 2024, Deputy-CFO Regina Greear submitted a

⁷ We note that the OIG has previously recommended changes to the Board's Bylaws to ensure compliance with the 2012 Charter. See OIG Investigation Report No. 23-0005-INV. See also, OIG Investigation Report No. 18-0050-INV.

⁸ BOPC Commissioners Quantez Pressley, Tamara Liberty-Smith, Linda Bernard, Cedrick Banks, Willie Bell, Willie Burton, Lisa Carter, Ricardo Moore, Jesus Hernandez, and Darryl Woods.

⁹ Jay Rising

¹⁰ Regina Greear and Steve Watson.

written response on behalf of the OCFO/ODFS. The response did not dispute any OIG’s findings in the draft report. However, it further described the approval process required by HR and City council for new positions and contracts, and accepted the OIG’s recommendations, stating that “the OCFO will work to develop or revise its current directive to include a formal escalation process for budget issues when the department or agency fails to address the flagged issues...[and to] include a process to address positions that are not in line with the new fiscal year’s budget.”¹¹ The response letter submitted by the OCFO is attached to this report in full.

II. Background

On March 28, 2023, the OIG learned that the Detroit Police Department’s (DPD) Internal Affairs (IA) division had an open investigation concerning Ms. Lockhart and the “ghost employee” allegations.¹² Section 7.5-308 of the 2012 City of Detroit Charter states that if the Inspector General has probable cause to believe that an illegal act has been committed, the matter must be referred to the appropriate prosecuting authorities. Accordingly, on March 31, 2023, the OIG suspended its investigation pending IA’s investigation into any potential criminality.

On January 18, 2024, IA concluded its investigation, stating that “[t]he investigation did not reveal any evidence of Time Fraud by Ms. Lockhart” and that the “evidence showed that Ms. Lockhart completed her responsibilities as a contract employee for the City of Detroit.”¹³ Therefore, after IA’s conclusion of its investigation, the OIG recommenced its investigation to determine whether any City officials or employees engaged in waste, abuse, fraud, or corruption by compensating Ms. Lockhart through January 2023 without proper documentation on file.

2012 Charter of the City of Detroit

The Charter enables the Board to hire and appoint staff to facilitate the duties of the Board. Section 7-804 of the Charter states that the Board “shall appoint a Board Secretary, who serves at its pleasure,” and that the “Board shall also appoint a Chief Investigator and such additional staff of investigators as it deems necessary.”¹⁴ As it relates to hiring “Other [BOPC] Staff,” Section 7-804 states:

The Board may hire, in accordance with Article 6, Chapter 4¹⁵, such additional staff as is necessary to carry out its duties. All members of the staff

¹¹ Letter from City of Detroit Deputy CFO Regina Greear to Inspector General Ellen Ha, copied to Jay Rising, Chief Deputy CFO/Policy & Administration Director Tanya Stoudemire and Steve Watson, RE: OIG Investigation Report No. 23-0008-INV, June 27, 2024.

¹² Memorandum to Ellen Ha, Inspector General, from Jennifer Bentley, OIG Attorney, RE: OIG File No. 23-0066-COM, March 31, 2023.

¹³ DPD IA Inter-Office Memorandum to Commander Michael McGinnis, Professional Standards Bureau (Through Channels), from Sergeant Jamal Hamood, Internal Affairs, RE: IA Case 23 023 - Former Contractor Breanna Lockhart, January 18, 2024 (“IA Investigation Memo”).

¹⁴ 2012 Charter of the City of Detroit, Article 7. The Executive Branch: Programs, Services and Activities, Chapter 8. Police, Section 7-804. Staff.


¹⁵ 2012 Charter of the City of Detroit, Article 6. The Executive Branch: Staff Departments, Chapter 4. Human Resources Department.

are under the direction of the Board, and the Chief of Police has no authority over any member of the staff.

We note that Article 6, Chapter 4 of the Charter concerns the City Human Resources Department (City HR) and obligates City HR to “perform all aspects of the human resources functions for all agencies of the City.”¹⁶

Part-Time GIS Position Scope of Services FY 2017-2018

BOPC’s Part-Time GIS Position Scope of Services document (Scope of Services) details the roles and responsibilities of the part-time GIS position, and names Ms. Lockhart¹⁷ as the “contractor” that will perform the listed duties. The Scope of Services, which is not attached to any contractual documents, is shown in its entirety below:

 CITY OF DETROIT
BOARD OF POLICE COMMISSIONERS

1301 THIRD AVE., SUITE 767
DETROIT, MICHIGAN 48226
(313) 596-1830 • TTY:711
(313) 596-1831 FAX
WWW.DETROITMI.GOV

Part-Time GIS Position
SCOPE OF SERVICES
FY 2017-18

RECEIVED
FEB 23 2018

DIRECTOR OF POLICE PERSONNEL
Human Resources Bureau

This position will:

- Assist with the data gathering and compilation, Geographic Information systems (GIS), GPS, mapping and data analysis.
- Assist with the development and maintenance of GIS data resources.
- Perform varied data gathering and entry to create, maintain, display and update databases, coverages and linkages to various GIS databases and other BOPC databases.
- Produce accurate maps and other representations of data for public use and field work activity.
- Record and document details of map updates, additions and/or deletions.
- Assist with development and presentations to the Board for CompStat

Anticipated contract period for FY 2017-18

- Contract period November, 2017 – June, 2018 - \$22.33 per hour
Total Contract Amount: \$8,750 for FY 2017-18 Board of Police Commissioners

Contractor Name:
BreAnne D. Lockhart
[REDACTED]
Detroit, MI. [REDACTED]

¹⁶ 2012 Charter of the City of Detroit, Section 6-402.

¹⁷ We note Ms. Lockhart’s name is misspelled in the Scope of Services document.

III. Analysis and Findings

A. **BreAnna Lockhart was not a “ghost employee” or a contract employee for the BOPC/City of Detroit.**

The OIG reviewed email correspondences, personnel documents, budget and payroll records, and the Scope of Services shown above to determine the nature of BreAnna Lockhart’s employment with the City of Detroit. We also conducted interviews with BOPC Commissioners and BOPC/OCI staff and reviewed interview recordings obtained from DPD IA.¹⁸ Based on the evidence we reviewed, we find that Ms. Lockhart was not a contract employee for the BOPC. Instead, Ms. Lockhart was a part-time employee occupying an unauthorized full-time position under the BOPC.

In fact, Ms. Lockhart never executed a personal/professional services contract (PSC) with the BOPC. The Scope of Services document that was submitted to the DPD’s Human Resources Bureau (shown above) states that the role is a “part-time GIS position” and goes on to list the tasks the person holding that position will perform. Although the document lists Ms. Lockhart as a contractor, it is not attached to a contract and it does not follow the usual format or template used for PSCs with City agencies.¹⁹ Further, the document is undated and does not bear any signatures. In addition, the OIG found no other documented evidence of a contract between Ms. Lockhart and the BOPC. Therefore, the Scope of Services itself is not a contract.

When interviewed by IA, Ms. Lockhart claimed to have been contracted to perform tasks for the BOPC. According to the City of Detroit Human Resources (HR) Director Denise Starr, Ms. Lockhart agreed to give Ms. Starr a copy of the alleged contract.²⁰ However, Ms. Lockhart never submitted a copy of a contract to Ms. Starr.²¹ Although Gregory Hicks and Robert Brown both stated that Ms. Lockhart was hired under a contract and claimed to have written a contract for her²², no evidence of an executed contract has been produced to date.

In 2018, a PSC for any City agency, including the DPD, would have required approval from City Council.²³ A newly contracted position within a department, such as a new Temporary Administrative Special Service (TASS) position, would have also required an approval from City Council before the position could be filled. As discussed below, the OIG found no evidence that Mr. Hicks or the BOPC’s Director of Personnel followed any of the HR/City Council processes required to create a new position or to obtain approval of a contract for a new GIS Analyst for the BOPC.

¹⁸ The OIG interviewed and requested information from the following public servants/employees: Rosalia Madrigal, Willie Bell, Lawrence Akbar, Theresa Blossom, Bryan Ferguson, Hajnal Hiller, Denise Starr, Kimberly Hall-Wagner and Melanie White.

¹⁹ See, for example, executed Professional Services Contract for Caven West, approved August 20, 2014; executed Personal Service Contract for Charles McEwen, approved January 27, 2014.

²⁰ Email from City HR Chief Policy and Planning Officer Kimberly Hall-Wagner to OIG Attorney Jennifer Bentley, RE: [EXTERNAL] OIG Information Request, dated May 1, 2023.

²¹ *Id.*

²² DPD IA Interview, Gregory Hicks, June 27, 2023, and DPD IA Interview, Robert Brown, April 3, 2023.

²³ OIG Interview of City HR Chief Policy and Planning Officer Kimberly Hall-Wagner, June 6, 2024.

Further, evidence shows that Ms. Lockhart was never entered into any DPD or City system/database as a contractual employee. At all times relevant, beginning in February/March 2018, Ms. Lockhart was documented as a regular, classified service employee and she received benefits associated with being a member of the classified service, including paid holidays and sick leave. Although Ms. Lockhart, Mr. Hicks, and others involved in effecting Ms. Lockhart's hire may have intended Ms. Lockhart to be a contractual employee, no one has produced any evidence of an executed contract.²⁴ Thus, we find Ms. Lockhart was not receiving compensation pursuant to a PSC or other similar City contract.

The unauthorized GIS Analyst position that Ms. Lockhart held was likewise never entered as a contracted role or service. Instead, it was improperly entered as a full-time, classified service position and the position was counted amongst the BOPC's approved full-time equivalency (FTE) positions in the BOPC's financial reports.²⁵ Moreover, all evidence shows that Ms. Lockhart was a regular employee working a part-time schedule in a full-time position that was paid for by the BOPC. Therefore, while the OIG finds that Ms. Lockhart did not commit time fraud and therefore was not a "ghost employee," we also find that she was not employed with the City/BOPC pursuant to a personal or professional services contract.

B. Former Board Secretary Gregory Hicks abused his authority by creating and filling a new position that did not exist in the BOPC's approved budget.

The OIG reviewed emails and various documents as well as interviewed several employees and members of the OCI and BOPC to determine whether any City employees or public servants engaged in waste, abuse, fraud, or corruption when hiring Breanna Lockhart.²⁶ In addition, the OIG reviewed recorded statements obtained by DPD during its investigation regarding alleged time fraud. As stated above, Articles 6 and 7 of the Charter authorize the Board to hire staff as needed, in accordance with City HR's policies and procedures. However, the Charter does not allow the Board to delegate its hiring authority to any person, including the Board Secretary.²⁷ Doing so is improper under the Charter and constitutes an abuse of authority by the Board.²⁸

²⁴ We note that because Mr. Hicks, Mr. Brown, the BOPC's Director of Personnel, and any others involved in effecting Ms. Lockhart's hire intended to create a City contract, as opposed to a regular employment agreement, approximately \$2,200.00 in City resources were potentially wasted in payments to Ms. Lockhart for approximately 100 hours that she did not work and for paid holiday and sick leave benefits that she should not have been eligible to receive.

²⁵ See, BOPC Monthly Financial Report Jan 21. We note that in later BOPC Monthly Financial Reports dated after January 2021, Ms. Lockhart was improperly slotted into a "legal assistant" position after it was discovered that the GIS Analyst title was not an approved position in the BOPC's budget. For example, see BOPC Monthly Financial Report July 22.

²⁶ The OIG interviewed and requested information from the following public servants/employees: Rosalia Madrigal, Willie Bell, Lawrence Akbar, Theresa Blossom, Bryan Ferguson, Hajnal Hiller, Denise Starr, and Melanie White.

²⁷ Memorandum to Ellen Ha, Inspector General, from Vie Serifovski, City of Detroit Assistant Corporation Counsel, RE: The Board of Police Commissioners' June 30, 2016 Decision to Delegate the Board's Authority to Hire Staff, dated April 2, 2019; See also, Memorandum to Ellen Inspector General, from Corporation Counsel Conrad Mallet, RE: BOPC Hiring Practices, dated September 23, 2022.

²⁸ *Id.*; See also OIG Report No. 18-0050-INV.

In this instance, Ms. Lockhart was hired by former Board Secretary Hicks in March 2018. During this time, the BOPC's hiring authority had been improperly delegated to the Board Secretary. As discussed in OIG Report No. 18-0050-INV, the BOPC accepted and approved a "Delegation of Authority Memorandum" (DOA) from Mr. Hicks on June 30, 2016. The DOA, which we deemed unlawful in 2019 based on a legal opinion from the City of Detroit Law Department, gave Mr. Hicks the Board's permission to reorganize and transfer existing BOPC staff, as well as to hire and assign new staff to fill any vacancies in the Board's approved budget.²⁹ In April 2019, the Law Department's legal opinion stated that "[t]he Board's decision to delegate its authority to hire [staff] constitutes an improper delegation of authority under the City Charter and governing law."³⁰ Therefore, consistent with our findings in OIG No. 18-0050-INV, Mr. Hicks did not have the legitimate authority to hire any staff, including Ms. Lockhart, for the BOPC without a Board vote affirming its final approval of each hire.

Information reviewed by the OIG revealed that former Board Secretary Hicks created a new position for a "GIS Analyst" between November 2017 and January 2018, and he hired Ms. Lockhart to fill that position in February/March 2018.³¹ This GIS Analyst position was not an approved position for the BOPC and it did not exist in the BOPC's approved budget.³² In fact, the "GIS Analyst" title and related code(s) selected by Mr. Hicks, the BOPC Administration, and/or DPD Personnel were created specifically for the Detroit Water and Sewage Department (DWSD) and were only supposed to be used by the DWSD.³³ Further, there is no evidence that Mr. Hicks went through the required HR and/or City Council processes to create and add positions to the BOPC's budget. Personal/professional services contracts are required to be approved by City Council before the contracts become effective.³⁴ There is no evidence that City Council ever approved a GIS Analyst position for the BOPC, or that they reviewed and approved a contract for Breanna Lockhart to work at the BOPC.

According to Ms. Lockhart, she interviewed with the BOPC for a community relations role in October 2017 and did not receive an offer for that position.³⁵ Mr. Hicks later contacted her in January 2018 and instead "offered her a position assisting the BOPC transcribing data analysis."³⁶ Ms. Lockhart stated that she did not interview for the GIS Analyst position.³⁷ Statements provided by BOPC Administrative Assistant Robert Brown and former Board Secretary Gregory Hicks are consistent with Ms. Lockhart's recollection.³⁸

²⁹ OIG Report No. 18-0050-INV.

³⁰ Memorandum to Ellen Ha, Inspector General, from Vie Serifovski, City of Detroit Assistant Corporation Counsel, RE: The Board of Police Commissioners' June 30, 2016 Decision to Delegate the Board's Authority to Hire Staff, dated April 2, 2019.

³¹ See, Part-Time GIS Position Scope of Services FY 2017-18, Received February 23, 2018 by Director of Police Personnel Human Resources Bureau. See also, City of Detroit Police Department (DPD) Internal Affairs (IA) Interview, BreAnna Lockhart, March 31, 2023; DPD IA Interview, Gregory Hicks, June 27, 2023.

³² DPD IA Interview, Denise Starr, October 30, 2023.

³³ *Id.*

³⁴ *Id.*

³⁵ DPD IA Interview, BreAnna Lockhart, March 31, 2023.

³⁶ *Id.* See also, DPD IA Inter-Office Memorandum to Commander Michael McGinnis, Professional Standards Bureau (Through Channels), from Sergeant Jamal Hamood, Internal Affairs, RE: IA Case 23 023 - Former Contractor Breanna Lockhart, January 18, 2024 ("IA Investigation Memo").

³⁷ *Id.*

³⁸ DPD IA Interview, Gregory Hicks, June 27, 2023, and DPD IA Interview, Robert Brown, April 3, 2023.

Further, evidence shows that the Director of Police Personnel, who at the time managed the BOPC's personnel matters, acknowledged receipt of the Scope of Services document on February 23, 2018.³⁹ Records also show that Ms. Lockhart's employment with the City was effective on March 12, 2018.⁴⁰ However, as stated above, no evidence shows that the full Board ever voted to appoint or hire Ms. Lockhart, as required by the Charter.

In recent interviews with IA, Mr. Hicks stated that he had been given the authority to hire staff for the BOPC.⁴¹ However, as explained above, under the Charter and all applicable law, Mr. Hicks did not have the legitimate authority to create positions, hire staff, or procure contracts for the BOPC. Even under the 2016 DOA, Mr. Hicks did not have permission to create new positions that did not exist in the Board's budget. In doing so, we find Mr. Hick's abused his authority/position as Board Secretary.

Under the Charter, the Board must be the ultimate decision-maker in personnel matters for the BOPC.⁴² No internal policies, including the Board's Bylaws, can override that mandate. Here, former Board Secretary Hicks created a new role and filled the position without a vote of the Board, and without taking the steps necessary to amend the BOPC's budget or to get a new position or contract approved.

It is unclear how budgeted funds were redirected to cover the cost of Ms. Lockhart's employment. As stated above, evidence shows that in March 2018, Ms. Lockhart was entered into DPD's personnel/procurement system as "regular classified,⁴³" and was given a GIS Analyst title and corresponding class code.⁴⁴ City HR Director Denise Starr stated that those who put Ms. Lockhart into DPD's system "used an inappropriate title [that] was only supposed to be used by Water Board employees."⁴⁵ She also stated that the "[GIS Analyst] title should have never been in the BOPC budget."⁴⁶ Based on the evidence reviewed, Ms. Lockhart's improper title and code followed her when the BOPC's personnel data and responsibilities were transferred from DPD to general City HR.⁴⁷ As a result, Ms. Lockhart was entered into the City's payroll system (UltiPro)

³⁹ See Director of Police Personnel Stamp affixed to Part-Time GIS Position Scope of Services FY 2017-18, Received February 23, 2018 by Director of Police Personnel Human Resources Bureau

⁴⁰ City of Detroit Personnel Department Employee History File, dated July 1, 2020. See also, Memorandum to Honorable Board of Police Commissioners, Victoria Shah, Board Secretary and Denise Starr, Director, Detroit Human Resources, from Adam Saxby, Senior Assistant Corporation Counsel, City of Detroit Law Department, RE: Recommendation for Inspector General Investigation of Personnel Matter (BL), dated March 29, 2023.

⁴¹ City of Detroit Police Department (DPD) Internal Affairs (IA) Inter-Office Memorandum to Commander Michael McGinnis, Professional Standards Bureau (Through Channels), from Sergeant Jamal Hamood, Internal Affairs, RE: IA Case 23 023 - Former Contractor Breanna Lockhart, January 18, 2024 ("IA Investigation Memo").

⁴² Memorandum to Ellen Inspector General, from Corporation Counsel Conrad Mallet, RE: BOPC Hiring Practices, dated September 23, 2022.

⁴³ The term "Regular Classified" denotes an employee who has entered into the classified service.

⁴⁴ City of Detroit, Personnel Department, Employee History File, dated July 1, 2020.

⁴⁵ DPD IA Interview, Denise Starr, October 30, 2023.

⁴⁶ *Id.*

⁴⁷ City of Detroit, Personnel Department, Employee History File, dated July 1, 2020. See also, DPD IA Interview, Denise Starr, October 30, 2023.

as a regular, full-time employee and as such, she inappropriately paid into the City's pension and life insurance and was made eligible for worker's compensation.⁴⁸

Evidence also shows that for a portion of Ms. Lockhart's 5 year employment with the City, she was paid with funds that had been designated for the Board to hire a legal assistant.⁴⁹ As of the start of Fiscal Year 2023, the Board's budget still did not have an approved position for a GIS Analyst.⁵⁰ Further, even if the 2016 DOA were deemed valid, the Board Secretary did not have the authority to create and fill positions that did not exist in the Board's approved budget. Therefore, consistent with our findings in OIG File No. 18-0050-INV, we find that former Board Secretary Gregory Hicks abused his authority/position as Board Secretary by creating and filling a new position that was not in the Board's approved budget.

C. The Board neglected its duty to manage the affairs of the BOPC, including its duty to manage the budget in a fiscally responsible manner.

The OIG reviewed the BOPC's financial records, voting records, and various statements provided during IA interviews to determine whether any City officials or employees engaged in waste, abuse, fraud, or corruption by compensating Ms. Lockhart for several years with funds that were supposed to be used to fill a different position. As stated above, the Board never voted to create or request approval from City Council for a GIS Analyst position for the BOPC. In addition, 8 months before Ms. Lockhart's employment was terminated, the Board's FY 2023 Budget still did not have an approved position or an open contract for a GIS Analyst. OCFO Financial Analyst Manager James George confirmed that Ms. Lockhart was receiving funds that had been approved for the Board to hire a legal assistant.⁵¹ Thus, we find the Board improperly directed funds for more than 5 years, without proper personnel documents on file and without ever making the necessary changes to the BOPC's budget to pay Ms. Lockhart.

The investigation also revealed that the Board received monthly financial reports from the Office of the Chief Financial Officer (OCFO)/Office of Department Financial Services (ODFS).⁵² The reports detailed the positions that were included in the Board's approved budget

⁴⁸ *Id.*

⁴⁹ Email from OCFO Financial Analysis Manager, James George to Former Board Secretary Victoria Shah, RE: 35-BOPC Monthly Financial Reports – Apr23.xlsx, dated June 24, 2023. See also, BOPC Monthly Financial Report for July 2022, and BOPC Monthly Financial Report for October 2022.

⁵⁰ *Id.*; See also, Email from OCFO Financial Analysis Manager, James George to Former Board Secretary Victoria Shah, RE: 35-BOPC Monthly Financial Reports – Apr23.xlsx, dated June 24, 2023.

⁵¹ Email from OCFO Financial Analyst Manager James George to former Board Secretary Victoria Shah, RE: 35-BOPC Monthly Financial Reports – Apr23.xlsx.

⁵² See for example, Email from OCFO Financial Analyst Manager, James George, to former Interim Board Secretary Melanie White and former Board Chair Willie Bell, RE: January 2021 monthly Financial Report, dated February 26, 2021; Email from Departmental Fiscal Manager, Karen Foster, to former Interim Board Secretary Melanie White and Acting Board Secretary Robert Brown, RE: JUN22 Monthly Financial Reports- BOPC, dated July 27, 2022; Email from OCFO Financial Analyst Manager, James George, to former Board Chair Bryan Ferguson and former Interim Board Secretary Melanie White, RE: 35-BOPC Monthly Financial Reports – Oct22.xlsx, dated November 23, 2022; See also, Email from former Interim Board Secretary Melanie White, to Former Commissioner William Davis, Commissioner Lisa Carter, Commissioner Willie Burton, Former Commissioner Darryl Brown, Former Commissioner Shirley Burch, Former Commissioner Jim Holley, Commissioner Willie Bell, Former Commissioner Annie Holt, Former Commissioner Martin Jones, Commissioner Jesus Hernandez, and Commissioner Lisa Benard, RE: Fw: January 2021 monthly Financial report, dated February 26, 2021; Email from

and the amounts paid to the individuals holding those positions.⁵³ In each report reviewed by the OIG, we note Ms. Lockhart’s name is highlighted and/or flagged with a note from the OCFO/ODFS stating that Ms. Lockhart’s “GIS” title and position were not approved in the BOPC’s Budget.⁵⁴ For example, the following images are screenshots of the OCFO/ODFS’ monthly reports that were shared with the Board:

NON DEPARTMENT BOARD OF POLICE COMMISSIONERS (35)				
LIST OF ACTIVE EMPLOYEES AS OF Jan 31, 2021 PER THE ULTIPTRO SYSTEM				
Cost center	FTE	Employee Name	Employee#	Full Job Title
350002	1	Akbar, Lawrence		Chief Investigator Police Supervising Investigator
	1	Banks, Roslyn		Investigator Police Commi
	1	Blossom, Teresa		Police Community Relation
	1	Brown, Robert E.		Administrative Specialist
	1	Callaway, Daniel R.		Investigator Police Commi
	1	Coleman, Yoniqua		Investigator Police Commi
	1	Coulter, Gianna		Investigator Police Commi
	1	Cox, Angela L.		Admin Assistant Board Of
	1	Cromwell, Ainsley		Supervising Investigator
	1	Hiller, Hajnal T.		Investigator Police Commi
	1	Hollis-Neely, LaShanda T.		Investigator Police Commi
	1	Hunter, Jessica A.		Investigator Police Commi
	1	James, Makeeba N.		Investigator Police Commi
	1	Jones, Charlotte L.		Senior Investigator Polic
	1	Lockhart, Breanna D.	35788	GIS Analyst 1 Not an approved title in the budget
	1	Madrigal, Rosalia M.		Senior Investigator Polic
	1	Matias-Rivera, Adela Y.		Senior Investigator Polic
	1	Moses, Delvata R.		Senior Investigator Polic
	1	Murphy, Elgin D.		Investigator Police Commi
	1	Nichols, Carolyn E.		Investigator Police Commi
	1	Phillips, Stephanie E.		Office Assistant 3

BOPC Monthly Financial Report Jan 21

NON DEPARTMENT BOARD OF Police Commissioners				
POSITIONS - JULY 2022				
Cost Center	Employee Name	Employee	Full Job Title	Job code
N/A			011805.Executive Manager - Police	011805
	White, Melanie A.		011805.Executive Manager - Police	011805
	Blossom, Teresa		012073.Police Community Relations	012073
	Phillips, Stephanie E.		012121.Office Assistant III	013131
	Lockhart, Breanna D.	Dashanae Dozier:	Legal Assistant	091941
	Brown, Robert E.	Correct Job Code 502004;Gis Analyst 1	Administrative Specialist III	931401
	N/A		Administrative Assistant - B	931440
	Cox, Angela L.		Administrative Assistant - B	931440
	Underwood, Jonya		931440.Administrative Assistant - B	931440
	N/A		932501.Secretary to Board of Police	932501
	N/A		932502.Chief Investigator - Police C	932502
	N/A		932503.Investigator - Police Commis	932503
	N/A		932503.Investiator - Police Commis	932503

35-BOPC Monthly Financial Reports – July22

Former Interim Board Secretary Melanie White to former Board Chair Bryan Ferguson, Former Commissioner Annie Holt, Former Commissioner Jim Holley, and Commissioner Willie Bell, RE: June22 35-BOPC-Monthly Analysis Reports.xlsx, dated July 27, 2022.

⁵³ Id.

⁵⁴ Id.

NON DEPARTMENT BOARD OF Police Commissioners				
POSITIONS - OCTOBER 2022				
Cost Center	Employee Name	Employee	Full Job Title	Job code
	Stewart, Tiffany	██████	011805.Executive Manager - Police	011805
	White, Melanie A.	██████	011805.Executive Manager - Police	011805
	Blossom, Teresa	██████	012073.Police Community Relations Coordinator	012073
	Phillips, Stephanie E.	██████	012121.Office Assistant III	013131
	Lockhart, Breanna D.	Dashanae Dozier:	Legal Assistant	091941
	Brown, Robert E.	Correct Job Code	Administrative Specialist III	931401
	Hayes, Candace	502004;Gis Analyst 1	Administrative Assistant - Board of Police Commissioners	931440
	Cox, Angela L.		Administrative Assistant - Board of Police Commissioners	931440
	Underwood, Jonya	██████	931440.Administrative Assistant - Board of Police Commissioners	931440
	Akbar, Lawrence	██████	932502.Chief Investigator - Police Commission	932502
	Coulter, Gianna	██████	932503.Investigator - Police Commission	932503

35-BOPC Monthly Financial Reports – Oct22

In some reports, Ms. Lockhart is listed as a “legal assistant” with a highlighted note and/or flag indicating an issue with her title, job code, and placement in the budget.⁵⁵ These monthly notes should have triggered some corrective action by the Board and those managing the Board’s financial matters. However, no evidence reviewed by the OIG shows that the Board acted on the issues raised in the monthly reports for the estimated 5 years Ms. Lockhart was paid without proper documentation in place.

Based on our review of the evidence, most former and current Board members had little, if any, direct contact with Ms. Lockhart. Nonetheless, the Board is responsible for the BOPC organization, and it is the Board’s duty to ensure that the organization complies with the annual budget approved by the Mayor and City Council. The Board as a whole, and especially its budget and personnel subcommittees, had ample opportunity to review and correct Ms. Lockhart’s unapproved placement in its budget before she was terminated. However, the OIG found no evidence that any Board member or its staff acted on the highlighted notes, flagged in the monthly financial reports during the 5-year span.

The BOPC issues an annual report at the end of each calendar year that details its staff, the organization’s work, and the Board’s achievements.⁵⁶ Taken together, the BOPC and OCI have approximately 35 employees, and the names and general titles of each are listed in each annual report.⁵⁷ In contrast to the payroll reports from the OCFO/ODFS that the Board received month after month for at least 3 years (between 2020 and 2023), none of the Board’s annual reports listed Ms. Lockhart as BOPC or OCI staff. Thus, the Board missed yet another

⁵⁵ See, for example, 35-BOPC-Monthly Financial Reports – July22, and 35-BOPC-Monthly Financial Reports – Oct22.

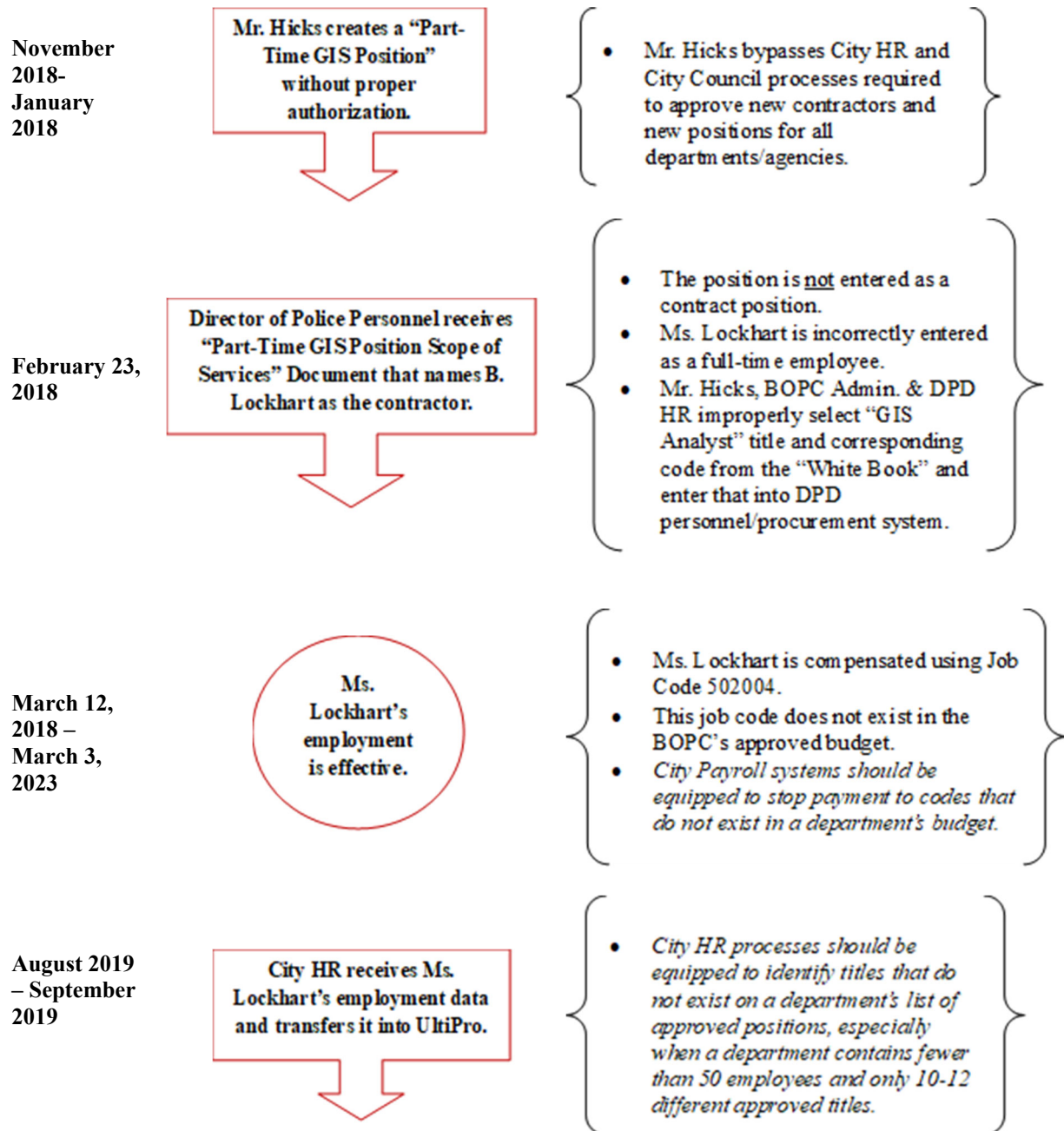
⁵⁶ For example, see 2020 Annual Report: Pandemic Protests and the Path Ahead, Board of Police Commissioners, available online at https://detroitmi.gov/sites/detroitmi.localhost/files/2022-01/bopcar2020_webcopy.pdf; Board of Police Commissioners Annual Report 2021, available online at: https://detroitmi.gov/sites/detroitmi.localhost/files/2022-12/2021%20BOPC%20Annual%20Report_Web%20Edition%202021.pdf; Detroit Board of Police Commissioners 2022 Annual Report, available online at https://detroitmi.gov/sites/detroitmi.localhost/files/2023-12/2022%20Annual%20Report_City%20of%20Detroit%20Board%20of%20Police%20Commissioners.pdf.

⁵⁷ *Id.*

opportunity to identify and correct the inconsistencies in its records and ensure compliance with its annual budget. Based on the foregoing, the OIG finds that the 2020-2023 Board of Police Commissioners as a body abused their positions by neglecting their duty to adequately manage the affairs of the BOPC, including its budget.

D. The BOPC’s improper budget spending should have been stopped by other City departments and systems.

The flowchart below illustrates the different human and systematic errors that allowed Ms. Lockhart’s improper hiring and placement in the BOPC’s budget to persist for five (5) years:



February
2021 –
October
2022

OCFO flags unapproved
title and job code in BOPC
monthly budget reports.

- *OCFO processes should include escalating such issues for correction or resolution during the annual budget review procedures.*

March 3,
2023

Ms.
Lockhart's
employment
is terminated.

As shown above and discussed throughout this report, Ms. Lockhart was never identified as a contractor in any DPD or City databases. In addition, the GIS Analyst position was not entered as a procurement contract position, much less an approved position in the BOPC's budget.

From the beginning of Ms. Lockhart's time with the City she was incorrectly recorded as a regular full time employee, which allowed her to receive compensation and benefits, such as paid holiday/sick time. She was also eligible to receive medical and pension benefits that are generally associated with employees who are designated in the full-time employee status. Ms. Lockhart was further compensated using an improper job code that was only supposed to be used by the DWSD. Moreover, she was compensated using funds that were supposed to be used to fill a different position within the BOPC.

According to the City's Payroll Department and the OCFO/ODFS the City's payroll program (UltiPro) and its budget-tracking software (Oracle PBCS) are not linked. Employee job codes are typically entered manually and are not checked against a department's approved budget. This means that if a job code exists anywhere in the City, Payroll will process a payment using that code, whether or not the code matches the list of approved job codes for a given department. Such vulnerability creates a risk for potential waste, abuse, fraud, or corruption that is often associated with "ghost employees."

The investigation also revealed that the City's financial departments identified the issue with Ms. Lockhart's placement in the BOPC's budget in January 2021, at the latest. However, the OCFO/ODFS did not alert any other departments to the issue even after it saw that monthly notes to the Board went unaddressed. Therefore, the OCFO/ODFS should have a process in place that would require escalating such budget issues to either the City Council or another party, if/when a department repeatedly fails to address the issues.

Finally, the OIG did not find any evidence that shows that the OCFO/ODFS, the Board, or the BOPC's administration attempted to resolve the issue with Ms. Lockhart's hiring and placement during any of the Board's annual budget review processes. With the help of HR, the Board could have easily voted to create a GIS Analyst position and seek approval from City Council. From there, Ms. Lockhart could have been properly placed into the BOPC budget. The

Board had multiple missed opportunities to correct or revise its budget and have Ms. Lockhart properly approved as a contractor. Instead, evidence shows that OCFO/ODFS employees used improper “work arounds” to fit Ms. Lockhart into the BOPC Budget, and Mr. Hicks’ successor merely accepted Ms. Lockhart’s improper hiring and placement as “status quo.”⁵⁸ Therefore, the OCFO/ODFS should have a process in place that would ensure such budget issues flagged throughout the fiscal year be formally addressed before the start of the new fiscal year.

IV. Conclusion

The OIG finds that former Board Secretary Gregory Hicks abused his authority/position as Board Secretary by creating a new position for a “GIS Analyst” and by hiring Ms. Lockhart to fill that position without a vote of the Board. In addition, there is no evidence that Ms. Lockhart committed time fraud or that she was a ghost employee. However, her improper employment gave the appearance of time fraud, because she was incorrectly classified as a full-time employee, and she occupied a full-time position but only worked part-time.

The OIG further finds that for at least 3 years, the Board had monthly opportunities to review and resolve issues related to Breanna Lockhart’s employment status. By failing to act, we find the Board neglected its duty to adequately manage the BOPC’s affairs, including matters concerning the BOPC’s budget. Lastly, the OIG also finds that several errors and vulnerabilities across different departments perpetuated Ms. Lockhart’s improper employment, allowing it to become effective and further allowing this placement within the BOPC’s budget to persist. As such, the OIG recommends an audit of all BOPC and OCI positions, and a review and a revision of the BOPC Bylaws. We also recommend the OCFO/ODFS develop policies and procedures, as outlined in page 2 of this report, to further prevent potential waste, abuse, fraud, and corruption.

⁵⁸ See, for example, City of Detroit Police Department (DPD) Internal Affairs (IA) Interview, Melanie White, April 4, 2023. Inter-Office Memorandum to Commander Michael McGinnis, Professional Standards Bureau (Through Channels), from Sergeant Jamal Hamood, Internal Affairs, RE: IA Case 23 023 - Former Contractor Breanna Lockhart, January 18, 2024 (“IA Investigation Memo”).



June 27, 2024

Inspector General Ha:

I acknowledge the receipt of your report No. 23-0008-INV regarding a potential “Ghost Employee” employed by the BOPC. I appreciate the thorough and detailed examination conducted in this matter. As noted in the investigation's findings it was concluded that Ms. Breanna Lockhart was not a “ghost employee” but was a regular employee working part-time in a full-time position paid for by the BOPC. However, abuse of authority by the Board Secretary, Gregory Hicks and lack of policies and procedures was found.

The findings, as outlined, indicate a breach of procedures and abuse of authority by the former Board Secretary. Creating a new position without a Board vote and bypassing both the Human Resources department are indeed infractions that contradict procedures. The BOPC has a set of bylaws that give authority for the board to appoint key board and department personnel.

In July 2018, the payroll and personnel processing for the BOPC along with a number of other city departments were migrated from PDS to UltiPro a cloud-based platform for management of employee data and payroll processing. With the implementation of UltiPro in conjunction with Neogov a position tracking software, a series of processes were put in place to improve position control. Request for new positions are requested in Neogov noting the budgeted job code with an approval workflow that includes the requestor, a department approver, ODFS and the Office of Budget. Once the OCFO review is performed confirming the requested position is in line with budget and applicable approvals are received, HR can then hire the employee and setup in UltiPro as a new hire.

Your report also states: “Typically, when creating a new position in the City, HR and City Council must be involved. With respect to contracts, City Council must approve all City contracts over \$2,500.” In the interest of clarity, please note the following:

- Creating a new position classification (Job Code, Job Title, and Salary Range), or modifying an existing one, requires both HR and City Council approval (Sec. 35-2-1 and Sec. 35-2-21 et seq. of 2019 Detroit City Code).
- Each year, City Council approves the annual budget for the City and its various agencies at the appropriation level to authorize spending (Sec. 17-2-1 et seq. of 2019 Detroit City Code).
 - For example, the City Council approved the Fiscal Year 2024-2025 budget in April 2024, and it included Appropriation No. 25350 for the Board of Police Commissioners totaling \$4,581,541. The appropriation total is the agency’s expenditure limit.
 - The adopted budget is based on a combination of personnel and non-personnel expenditure estimates and a list of budgeted positions those budgeted expenditures can support. However, agencies can revise their budgets during the fiscal year by shifting funding between personnel and non-personnel categories and by revising their budgeted position complement.

- When revising their budgets within their appropriations, agencies submit request to ODFS for Budget Journal Entries to modify expenditure budget (e.g., move part of a contractual services budget to a personnel budget) and Position Amendments to modify their budgeted position complement (e.g., decreasing the number of Investigators and increasing the number of Senior Investigators). The agency works with ODFS to submit such revisions to the Office of Budget for review throughout the fiscal year. In this case, the agency/BOPC never submitted a Position Amendment request.
- The City Council contract approval procedures are separate from both the position classification and budget procedures.

Response to Recommendations

The OCFO encourages the OIG to work with Denise Starr, HR Director, and the BOPC to audit the BOPC's personnel processes.

The OCFO supports the request for the BOPC to review its Bylaws to ensure charter compliance.

The BOPC's UltiPro job code to budget variance could have been resolved by the BOPC Bylaws process and ultimately, if Board approved, by submitting a Position Amendment request, via ODFS, to the Office of Budget to properly align budgeted positions with actual filled positions. If the GIS Analyst title is incompatible with the BOPC and should not have been used, then the BOPC would have needed to remedy the incumbent's job classification via HR.

The OCFO has [CFO Directive No 2020-101-007](#) for Position Control which states:

6.1 All city position additions, deletions, and changes must be approved by Office of Budget and the CFO through the position control system as determined by the Office Budget.

6.2. HR shall not post a position without prior approval from Office of Budget and the CFO.

6.3. HR shall not provide an offer letter to a candidate without approval from Office of Budget and the CFO The OCFO will work to improve its position control procedures.

Currently, agencies prepare their annual budget requests with their current positions and any prospective position budget changes. Throughout the fiscal year, the ODFS prepares a monthly financial review and report of department UltiPro positions vs budgeted positions and shares this with the department directors including the BOPC. The departments are able to utilize the monthly reports to manage their operations as needed, which may include expenditure budget and/or position budget modifications, so long as they remain within their total appropriation.

The UltiPro payroll system does not have an automated process to verify job codes to budgeted positions before payroll is processed. This would be a manual and laborious process to verify every pay period. However, the OCFO will work to develop or revise its current directive to include a formal escalation process for budget issues when the department or agency fails to address the flagged issues. In addition, OCFO/ODFS will work to develop or revise its current directive to include a process to address positions that are not in line with the new fiscal year's budget.

The OIG's recommendations are appreciated and the OCFO/ODFS is committed to work collaboratively and to continue our process improvements that will include continued reporting and additional effective escalation measures to prevent potential waste, abuse, fraud, and corruption and to ensure effective processes and procedures are in place.

Thank you for your attention to this issue. Should you require further discussion or assistance in implementing these recommendations, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Regina Greear", with a long horizontal flourish extending to the right.

Regina Greear
Deputy CFO, ODFS

Cc: Jay B. Rising, CFO
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration Director
Steve Watson, Deputy CFO/Budget Director