

# OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE



## REPORT OF MANAGEMENT REVIEW

Review of OIG Investigation #2016-0001  
regarding former Affordable Housing  
Coordinator Darrell Griffin.

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**MATTHEW J. LASCELL**  
INSPECTOR GENERAL

**JUNE 8, 2022**

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**DATE ISSUED**

*“Enhancing Public Trust in Government Through Independent and Responsible Oversight”*



# OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE

## MANAGEMENT REVIEW CASE NUMBER: 2022-0011

Matthew Lascell  
Inspector General

*“Enhancing Public Trust in Government Through Independent and Responsible Oversight”*

### EXECUTIVE SUMMARY

In January of 2022, the City of Jacksonville (COJ) Office of Inspector General (OIG) initiated a Management Review regarding OIG Investigation #2016-0001, an investigation into Darrell Griffin, former Affordable Housing Coordinator, Housing and Community Development Division (HCDD), COJ. Specifically, the OIG reviewed the case to determine if the investigation was handled appropriately and if Griffin was disciplined for actions that were the result of conflicting, yet approved, division guidelines.

The OIG reviewed, in-part, documents and testimony related to OIG investigation #2016-0001 (the Investigation), the Office of the Council Auditor (CAO) State Housing Initiative Project (SHIP) Audit #769 (the Audit), and the COJ Labor Relations Fact-Finding investigation (Fact-Finding) regarding Griffin’s discipline.

Based on this review, the OIG determined Griffin was disciplined for actions that were commonplace and performed by other employees within HCDD, that were the result of conflicting, yet approved, division guidelines.

The OIG acknowledges this OIG investigation into Griffin was not conducted in accordance with the Florida Commission For Florida Law Enforcement Accreditation, Inc. (CFA)<sup>1</sup> standards, and offers the following as a corrective action:

Since Griffin’s investigation, the OIG became Accredited through the CFA. The OIG is under new leadership and is committed to conducting investigations in accordance with CFA standards that hold this office accountable to standards regarding case management, timeliness, relevance, independence, and impartiality. Some requirements of the standards include annual independence attestations, case-specific independence attestations, Code of Ethics acknowledgements, and annual ethics training.

### BACKGROUND

Griffin was employed as Affordable Housing Coordinator for the Housing and Community Development Division (HCDD) and worked for the City in various positions since March of 1989.

<sup>1</sup> According to the Florida Inspectors General Standards Manual, “The Florida accreditation process is designed to reflect best practices in the areas of law enforcement, inspectors general, corrections and pretrial management, administration, operations, and support services. The Commission expects agencies to maintain compliance and presumes agencies operate in compliance with their established directives.”

HCDD is a division within the COJ Neighborhoods Department. According to the COJ website:

*The [HCDD] manages affordable housing and community development related initiatives on behalf of the City of Jacksonville to increase the availability of affordable housing to low-and moderate-income persons within the Jacksonville community through public and private partnerships.*

Griffin oversaw the COJ Rental Rehabilitation Program, an affordable housing program funded in-part by State Housing Initiative Partnership (SHIP) Program funds,<sup>2</sup> available to for-profit or not-for-profit developers to increase or maintain affordable housing units for low and moderate-income families.

In October of 2012, the CAO initiated an audit of the SHIP Program. The scope of the audit covered a period of October 1, 2009 to September 30, 2012, and covered the following eligible activities: Homeowner Occupied Rehabilitation [Limited Repair/Utility Tap-In (LRP/UTIP) Program]; Rental Rehabilitation; Down Payment Assistance; Foreclosure Prevention; and Home Buyer's Counseling. The audit concluded on April 25, 2014, and the report was released on September 23, 2015.

Regarding one of the Audit objectives, "To determine if the SHIP projects were completed in accordance with the provisions of the contracts," the CAO issued a finding regarding a conflict of interest:

*"...that in four out of nine Rental Rehabilitation project files reviewed, the owners of two different construction companies that were chosen to do the rehabilitation work were also officers of two of the NFP's [Not-For-Profits] that had been awarded the funds for the projects."*

The Audit report also included a finding, *"Improper Number of Quotes for Rental Rehabilitation Projects."*

The Audit report included the following recommendation for the above findings, quoted in-part:

*"...that the Administration investigate and determine whether any disciplinary action of the Program Manager [Griffin] would be warranted for allowing this conflict of interest to occur. Also, the Division should work with the Office of General Counsel and the Procurement Division to determine whether the contract violations committed by these two not-for-profit entities would warrant removal from the City's approved vendor list, barring them from engaging in any future City contracts, as well as canceling any current contracts."*

As a result of the Audit recommendation, Labor Relations conducted a Fact-Finding, during which Griffin was demoted, then referred the matter to the OIG for investigation. In addition, the Grantee (Wealth Watchers) was denied future funding from the COJ.

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<sup>2</sup> SHIP is administered by the Florida Housing Finance Corporation and provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low, and moderate income families.

After an approximate four-year OIG investigation, during which Griffin retired, the report of investigation concluded Griffin (1) allowed Developers to hire construction companies owned by their officers (a practice known as self-performing), in violation of the Conflict of Interest provision contained in each project contract and (2) failed to ensure the Developers adhered to the Procurement provision within each contract (for not obtaining the required number of quotes). The investigation also supported findings regarding minor technology use infractions.

## ISSUES AND FINDINGS

### Issue:

*Whether Griffin's investigation was handled appropriately and whether Griffin was disciplined for actions that were the result of conflicting, yet approved, division guidelines.*

### Finding:

The following issues were identified:

- The investigation was not handled appropriately and Griffin was disciplined for actions that were the result of conflicting, yet approved, division guidelines.

### **OIG Investigation #2016-0001**

- The OIG acknowledged (1) other HCDD employees violated the same Conflict of Interest provision by allowing self-performing; however, the OIG named Griffin as the only subject of the investigation.
- The OIG acknowledged (2) the division-wide conflicts of interest issue appeared to have ceased after June of 2011 when HCDD policies changed (prior to the Audit, Fact-Finding, and OIG Investigation), and (3) the 2008 Rental Rehabilitation program guidelines were not in agreement with the solicitation requirements per the 2008 Procurement Manual.
- OIG records and testimony disclosed HCDD staff confirmed they had also failed to obtain the required number of quotes per the COJ Procurement Code, and that previous HCDD policies allowed self-performing.
- Despite supporting documentation and testimony regarding the policy deficiencies within HCDD, the Investigation emphasized substantiated findings against Griffin.
- According to the Investigation case notes, the same OGC Attorney who represented the City in Griffin's lawsuit against the City conducted the legal sufficiency review for the investigation and provided a request regarding the timing of Griffin's OIG interview relative to Griffin's deposition.

- The OIG investigation was not completed timely. The OIG investigation was opened on October 2, 2015, and closed on September 19, 2019.

### **SHIP Audit and HCDD Response to Audit Findings**

- According to the Auditor's testimony, the Auditor used only the signed Rental Rehabilitation Contracts for the Audit and did not use the HCDD Rental Rehabilitation Program guidelines. The Auditor obtained HCDD records from Laura Stagner-Crites, former HCDD Director of Finance and Dayatra Coles, former HCDD Housing Manager (SHIP Administrator) and assumed he had been provided with all available and applicable records. The Auditor testified that if HCDD staff had provided additional records or information regarding the findings for the Rental Rehabilitation Program, prior to the release of the SHIP audit, the CAO would not have released the Audit report until the additional information had been investigated. However, this would not necessarily have changed the findings.
- The HCDD internal guidelines were updated in June of 2011 (within the scope of the Audit period) to resolve the conflict of interest issue.
- The Record of Audit Findings for the Rental Rehabilitation Program (Finding 3-2) reflected a recommendation, "*The Housing Division should work with the Office of General Counsel to amend the contract wording to allow Housing to choose the contractors per the Procurement Code*"

For Finding 3-3, the recommendation was, "*The Housing Division should work with the Office of General Counsel to amend the contract wording to allow Housing to choose the contractors per the Procurement Code.*"

However, during the CAO review process, the recommendations were changed for 3-2 and 3-3 to "...recommend that the Administration investigate and determine whether any disciplinary action of the Program Manager would be warranted..." and "...the Division should work with the Office of General Counsel and the Procurement Division to determine whether the contract violations committed by these two not-for-profit entities would warrant removal from the City's approved vendor list, barring them from engaging in any future City contracts, as well as canceling any current contracts."

- Stagner-Crites, the main point of contact for the Audit, was provided an opportunity to report any information that would "clear up" issues after being provided a copy of the draft report. The CAO provided Stagner-Crites a letter requesting she review the draft report and mark whether she agreed with the findings. The letter also indicated she was afforded an opportunity to respond, and the CAO may need to have a close-out meeting to "*work out any possible misunderstandings before the issuance of the final report.*" Stagner-Crites did not clear up the issues regarding the Rental Rehabilitation Program and the final report indicated HCDD agreed with findings 3-2 and 3-3.

## **Labor Relations Fact-Finding**

- On August 3, 2015, Griffin was placed on paid Administrative Leave, while the City conducted a “workplace investigation of alleged misconduct.” On September 5, 2015, Griffin was removed from his position as Affordable Housing Coordinator and demoted to Recreation Planning and Grants Manager, which included a salary reduction of \$36,673.
- During the Fact-Finding, prior to the SHIP Audit release, and prior to the OIG investigation, Labor Relations confirmed other HCDD Program Managers allowed developers to self-perform and self-performing was commonplace within HCDD.
- Labor Relations also confirmed self-performing was in accordance with HCDD internal policies, guidelines, application forms, and training materials, and the internal policies had been updated to prohibit self-performing.

## **Additional Finding:**

During the course of OIG Investigation #2016-0001, the Grantee (Wealth Watchers) approved by Griffin in the audited Rental Rehabilitation contract, was suspended from receiving COJ funds and recommended to be denied future funding from the COJ due to a “pending investigation.”

A review of the OIG investigation file for Investigation #2016-0001 disclosed the COJ defunded Wealth Watchers after the OIG sent a communication to the former COJ Chief Administrative Officer stating the Florida Housing Finance Corporation OIG was investigating Wealth Watchers. However, there was no investigation.<sup>3</sup>

Note: According to the City’s Disqualified/ Probationary Vendor List, Wealth Watchers is currently not prohibited from doing business with the City.

## **RECOMMENDED CORRECTIVE ACTIONS**

The OIG recommends the following corrective actions:

The Office of Inspector General:

- Conduct investigations in accordance with the Florida Commission For Law Enforcement Accreditation standards.
- Obtain a signed attestation of independence from OGC if/when legal sufficiency is necessary for investigations.
- Include this report as an attachment to OIG Investigation #2016-0001.

<sup>3</sup> Efforts to locate the Florida Housing Finance Corporation OIG investigative report, yielded none, and notes within the OIG Investigation file suggest there was no investigation by the Florida Housing OIG regarding Wealth Watchers.

- Note: The OIG has updated its Directives Manual from requiring the OGC to review all OIG draft reports (at a minimum) for legal sufficiency and work product integrity, to utilizing legal counsel, when necessary, in the event the OIG is unsure of jurisdiction and/or proof of conclusion of fact.

The Council Auditor:

- Report potential violations of fraud, waste, abuse, or COJ policy violations directly to the OIG.
- Consider adding an addendum to SHIP Audit #769 to include consideration of HCDD internal policies during the Audit period.

The Chief of Employee and Labor Relations:

- Include the OIG on future Fact-Finding investigations per the IG memo dated June 7, 2022 [Attachment A].
- Include a copy of this report in Griffin's personnel file.

# ATTACHMENT A

## MANAGEMENT REVIEW #2022-0011

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### OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE

#### TRANSMITTAL MEMORANDUM

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DATE: June 7, 2022

TO: Charles Moreland, Deputy Chief Administrative Officer  
Office of the Mayor

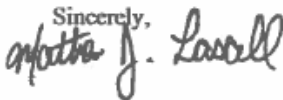
FROM: Matthew J. Lascell, Inspector General  
Office of Inspector General

SUBJECT: Inspector General Notifications of Fact-Finding Investigations

Dear Dr. Moreland,

On June 2, 2022, I sent a memorandum to the Independent Authorities and Agencies, requesting notification when fact-finding investigations are undertaken. I would like to extend this request for notification to include all City of Jacksonville Departments. It is my intention to foster inter-agency cooperation while ensuring all policy, ordinance and statutory considerations are being considered. This initiative will allow my office to interact with city department leaders in an advisory capacity prior to an incident rising to the level of a formal Inspector General investigation.

Should you have any questions, please contact our office at (904) 255-5800. I appreciate your assistance in this matter and please distribute this memorandum as deemed appropriate.

Sincerely,  


Matthew J. Lascell  
Inspector General

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