



OFFICE OF INSPECTOR GENERAL
City of Albuquerque

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Investigative Informative Case Synopsis

FILE NO: 22-0117-C

SUBJECT MATTER: Contract violations for charging the homeless for services.

STATUS: Final

INVESTIGATOR: M. Santistevan

DocuSigned by:

Melissa R. Santistevan

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MELISSA SANTISTEVAN
INSPECTOR GENERAL
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July 5, 2022

Date of Completion

DocuSigned by:

C. Jack Emmons

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C. JACK EMMONS, VICE CHAIR
ACCOUNTABILITY IN GOVERNMENT
OVERSIGHT COMMITTEE

8/29/2022 | 1:08 PM PDT

Date of Approval

DISTRIBUTION:

- Honorable Mayor**
- President City Council**
- Chief Administrative Officer**
- City Councilors**
- Director Council Services**
- City Attorney**
- Department Director**
- Members, Accountability and Government Oversight Committee**
- File**

EXECUTIVE SUMMARY

According to City Ordinance 2-17-2, the Inspector General's goals are to (1) Conduct investigations in an efficient, impartial, equitable, and objective manner; (2) Prevent and detect fraud, waste, and abuse in city activities including all city contracts and partnerships; (3) Deter criminal activity through independence in fact and appearance, investigation and interdiction; and (4) Propose ways to increase the city's legal, fiscal and ethical accountability to insure that tax payers' dollars are spent in a manner consistent with the highest standards of local governments.

On June 20, 2022, the Office of Inspector General (OIG) received information from a complainant alleging contract violations by the Contracted Business (C1) for charging the homeless for services. The OIG determined that the allegations contained elements of potential fraud, waste, or abuse and that it was appropriate for the OIG to conduct a fact-finding investigation. The purpose of the investigation was to determine if the Founder (CF) and staff were using and consuming the donations that were for the homeless, if the CF mistreated the complainant and whether C1 was charging the homeless for services in violation of the terms of the contract.

While conducting our fact-finding investigation, the OIG Investigator researched ordinances and reviewed the City's contract with the vendor, researched the vendor, and conducted interviews with City and Vendor employees.

As a result of the investigation, the OIG could not substantiate *allegation 1*, pertaining to the CF and staff using and consuming the donations that were for the homeless. The OIG could not substantiate *allegation 2*, pertaining to the CF mistreating the complainant. Additionally, the OIG could not substantiate *allegation 3* pertaining to the CF charging for services provided to the homeless under the contract.

ABBREVIATIONS

OIG: Office of Inspector General
CITY: City of Albuquerque
FCS: Department of Family and Community Services
C1: Contracted Business
CF: Founder
E1: FCS Employee

INVESTIGATION

Background

On January 6, 2022, the City's Department of Family and Community Services (FCS) entered into contract 202200827 with the Contracted Business (C1) to provide food, drinks, and warm shelter to people experiencing homelessness for the period November 22, 2021 through March 23, 2022. On March 16, 2022, FCS entered into supplemental agreement 202200827.1 to provide additional funding and to extend the services through June 30, 2022.

Allegation 1: The CF and staff use and eat the donations that were for the homeless.

The OIG reached out to the complainant for more information but was unable to make contact.

An interview with CF revealed that C1 is a religious organization designated by the IRS. The religious designation permits the organization to accept charitable donations and use them in accordance with its stated mission. CF stated that 100% of the donations of food and clothing are used at the C1 for the homeless. The OIG reviewed articles and interviews of CF and those served that supported the statement that the donations are used to assist the homeless individuals with food and clothing.

The OIG interviews with FCS revealed that the E1 had been to the site on several occasions and had not seen any activity that would be prohibited under the contract. E1 did state that C1 had issues with homeless individuals "shooting up and taking drugs" in the bathrooms and that C1 hired a security company with funds from the contract to aid in addressing this issue along with other security issues.

Allegation 1 Conclusion: The OIG could not substantiate the allegation that the CF and staff are using and eating the donations that were for the homeless.

Allegation 2: The CF mistreated the complainant.

The OIG reached out to the complainant for more information but was unable to make contact.

An interview with CF revealed that CF did not know the individual identified as the complainant, but the CF stated that the C1 has a policy that if you are caught doing drugs or engaging in illicit behavior at the C1, you are escorted off the premises by security or center staff.

In an interview with E1, the OIG found that E1 had been to the site on several occasions and had not seen any activity by CF that was of concern. E1 stated that CF through C1 was providing services to the homeless and that those services were necessary to address the homeless issues facing our City.

Allegation 2 Conclusion: The OIG could not substantiate the allegation that CF mistreated the complainant due to the lack of information.

Allegation 3: The CF charges for services provided to the homeless under the contract.

The OIG reached out to the complainant but was unable to make contact.

During the OIG interview with CF, the CF explained that there were some of the served population who are employed and wanted to give back in some way. Between those parties and the CF, it was determined that donations of \$50 could be contributed if the individual chose to contribute but the donation is not mandatory and only four (4) individuals voluntarily contribute.

In an interview with E1, E1 was unaware of such allegations against CB as this issue has never been brought to the attention of FCS.

Allegation 3 Conclusion: The OIG could not substantiate the allegation that homeless individuals were charged for services in violation of the contract.