

Testimony of

The Hon. Kathy Patterson

D.C. Auditor

Before the

Council of the District of Columbia  
Committee of the Whole

Performance Oversight Hearing

March 11, 2021

3 p.m.

Virtual Platform

The John A. Wilson Building  
1350 Pennsylvania Avenue N.W.  
Washington, DC 20004

Good afternoon, Mr. Chairman and members of the Committee of the Whole. I am Kathy Patterson, and I am privileged to serve as the District of Columbia Auditor. I appreciate the opportunity to appear before you to discuss the performance of the Office of the D.C. Auditor (ODCA) during FY 2020. While my colleagues are not with me physically, General Counsel Amy Bellanca and Agency Fiscal Officer Hussein Aden are monitoring and will be aware of any issues you may raise that I am not able to address.

I will cover three areas in my testimony today: ODCA's performance during a pandemic year, the particular challenge to a legislative audit office of making recommendations to the legislature itself, and the Committee's two policy recommendations made in its budget report last year.

### **A Pandemic Year**

On Thursday, March 12 of last year, the day before Friday the 13<sup>th</sup>, I instructed all ODCA staff members to take their laptops home that day and every day until further notice "so that we have maximum flexibility if and when it becomes necessary to work from home." I continued: "Depending on how widespread COVID-19 becomes in the District it is possible that the DC government will move to mandatory teleworking." The following day I instituted a liberal telework policy and sent everyone home who had come in that day. By Monday "liberal" telework became mandatory.

Since that weekend I am pleased to report that we have worked almost entirely remotely and I believe my staff, like so many others in the District government, have performed exceptionally well. I would like to share some of the steps we took and policies we implemented to help enable a staff of roughly 30 individuals to continue to perform their role as accountability agents on behalf of District residents, visitors and taxpayers.

Between March a year ago and today we have published 21 reports, slightly more than the average number of reports we typically publish in a year. We began a series of reports based on the circumstances of the COVID-19 pandemic, starting with an overview of the four bills Congress enacted in spring 2020 to provide relief to Americans suffering from not only the pandemic but the effects of closures and a damaged economy. Our COVID reports published this far include:

- On May 8, 2020 -- [COVID-19 Federal Funding Streams Available to the District of Columbia](#)
- On November 23, 2020 -- [The District's COVID-19 Data Reporting is Strong but Opportunities Exist for Improvement and Increased Transparency](#)
- On November 24, 2020 -- [Mitigation Policy During the Pandemic](#)
- On December 9, 2020 -- [School Closures as a Pandemic Mitigation Policy](#)

- On January 11, 2021 -- [D.C. Serves Grab & Go Meals Quickly, Efficiently During COVID-19](#)
- On January 26, 2021 -- [Analysis of Demographics and Mobility Across D.C. During COVID-19](#)

We will be publishing two additional COVID-19 related reports in the next few months – one is part of a multi-state effort on data collection and accessibility and another on policies implemented during the health emergency -- and are considering additional topics that might be covered in a short turn-around time.

### **Personnel policies**

Because I serve as the personnel authority for ODCA, an independent agency, I was able to take several steps in the human resources arena over the past year in response to the health emergency. At the end of March and recognizing that we were likely to be working remotely for many months, we implemented a program permitting staff to take home ODCA equipment in addition to their laptops to better enable auditors and analysts to work from home. Second monitors, in particular, were in demand as staff work consistently with research data and report drafts and have a need to toggle back and forth between the two. We inventoried all of our monitors, docking stations and cables and arranged for staff to pick items up at the front door to our office while staying in their cars. Our information technology staff and my chief of staff put this drive-by pick-up plan into effect the first week in April. A majority of ODCA staff picked up additional equipment to use at home throughout the pandemic.

Also at that time I learned that the Government Accountability Office – the lodestar for public sector auditors – had implemented a policy providing a modest amount of paid administrative leave in support of staff with particular family or health care pressures resulting from the COVID-19 pandemic. I was asked if I would implement something similar and I did. I let staff know that if they were caring for children at home because their schools or childcare centers were closed or if they were caring for family members because of closures or had other personal needs due to the coronavirus, they could take up to 20 hours of paid leave per pay period. The policy states:

If you are working and caring for children at home because your schools or childcare centers are closed you can take up to 20 hours per pay period as paid administrative leave... Similarly, if you are working and caring for a family member because of the closures or have other personal needs due to the coronavirus, you may also take up to 20 hours per pay period. This policy relies on individual judgment and discretion.

As indicated in the performance responses we provided last week, a total of 24 staff members have taken a total of 1,473 hours of what we are calling informally “COVID paid leave” in FY20 and 14 employees have taken a total of 960 hours in FY21 as of a week ago. A majority of the hours have been recorded by staff members who are parents of young children who have been at home for the duration of the pandemic. But administrative leave time has been taken by

others as well for personal and health reasons and we have been mindful of privacy concerns in asking individuals to use their own judgment and discretion. While this policy was implemented as benefit for valued staff to help them balance work and personal life, I also viewed it as a way to promote our productivity. And it has paid off in that ODCA has not missed a beat in turning out what I believe are strong, useful audits. I shared this approach in monthly calls with other state auditors as we have shared personnel policies designed to support staff during challenging times.

We also set up a weekly conference call on Microsoft Teams for staff who wanted to share strategies on teleworking – we called the weekly sessions Telework in the Time of Coronavirus and members of the team were appreciative. A handful of staff attended for several months and we dispensed with the weekly calls late last year. We have taken other steps to boost morale including a “Selfie Challenge” the results of which are on our website – photos taken at home to capture the variety in our work environments. We also conducted a virtual scavenger hunt, and several Friday virtual lunches as goodbye events for the handful of ODCA staff members who have left for other positions during the past year. We also held a much sadder virtual staff meeting as a memorial service for former Council Budget Office staff member John MacNeil when he passed away last May – not from COVID -- and several Council colleagues joined us as did John’s wife and sister.

In early May we surveyed the ODCA staff on their thoughts on what a “new normal” should look like at ODCA and discussed ideas at a May 12 virtual staff meeting. Asked how likely they were to be comfortable returning to the office when the mayor determines it’s time to reopen DC government, a clear majority at that time said they were unlikely or very unlikely to be comfortable with a return to the office. Fully 75% said they were unlikely or very unlikely to be comfortable using public transportation. They volunteered many suggestions for making the office a safer environment when we do return to the office. Based on the survey, our discussion, and additional research I issued “ODCA COVID-19 Health Emergency Office Policies” first in draft then in final form, effective June 2, 2020. This included use of masks in common areas, and ODCA providing surgical masks, and a host of other specific policies for those who do choose to work in the office. Our receptionist now goes in on Wednesdays to check mail and receive deliveries. Our IT staff are in the office at least weekly to update our IT systems. We also raised health and safety concerns with our building management firm and then shared their responses to a specific set of questions on things such as replacement of HVAC filters.

We had our first colleague test positive for the coronavirus in mid-May. Thankfully this was a mild case and she recovered quickly. With her permission I shared the information with the staff and we forwarded a get well package to her home. In September we required all staff to return their laptops to the office for a day as part of a major server transition which we undertook in partnership with the Office of the Chief Technology Officer. Again, we arranged for a drop off and pick up of the computers with a minimum amount of contact. In October we amended the pandemic policies to permit staff who have used a personal printer for ODCA work to request reimbursement of up to \$100 for printer ink.

A final office policy pertains to our annual staff evaluations and development of 2021 individual work plans. Deputy Auditor Julie Lebowitz and I developed a plan for an abbreviated evaluation process while preserving both self-evaluations and supervisor evaluations on meeting performance, and agreed on evaluation ratings for all staff. We have three levels of ratings -- needs improvement, valued performer, and role model. A staff member receiving a role model designation becomes eligible for a performance bonus. We concluded that each staff member other than the two of us would receive the role model designation for 2020 because the team's performance had been outstanding. In an email message we wrote that the ODCA staff "think they are essential workers and they're providing some of the best work ever." We gave each employee a \$1,000 bonus in recognition of the extraordinary work performed during the pandemic year.

In addition to the COVID-19 reports we have issued, we have published audits on settlements and judgments in the District, enforcement of the District's lead paint laws, substance abuse disorders among individuals in the justice system and a companion report that was a case study of an individual Washington resident who suffered from a substance abuse disorder, a legislative review of the 2008 Clean and Affordable Energy Act, and an audit of the effectiveness of the city's policy giving "great weight" to Advisory Neighborhood Commissions. I have appended to my testimony the quarterly reports we typically send to the Council summarizing these and all of the other reports we issued in FY20, plus press accounts, and testimony provided during the fiscal year. I am happy to answer questions on any of those projects.

### **Recommendation Compliance and the Legislature**

As I noted in the pre-hearing responses we submitted, we are reassessing and will be revamping our performance reporting based on the belief that the key performance indicators we had developed several years ago are not fully reflective of our work and not sufficiently informative for you or the public. One that we will adapt is recommendation compliance. The heart of our work is the policy and practice change we hope will ensue based on our audits, findings, and recommendations. The recommendation compliance report we issued a few weeks ago showed that some 60% of our report recommendations are either in progress or implemented. But we discovered last year, and this was repeated in our calculations again this year, that the part of the District government to whom we had directed the most recommendations that have not been adopted or implemented was the Council of the District of Columbia. I share this for the record.

ODCA reports have made a wide range of recommendations to the Council from what are modest amendments to current program law, to major change in the way the D.C. government does business. While some of these recommendations represent substantive amendments to strengthen existing laws, others are to clarify legislative intent and correct ambiguities or issues open to interpretation in the way the law is presently constructed.

A sampling of recommendations, one each from the last several years:

In the October 7, 2016, report, [Contracting Out School Food Services Failed to Control Costs as Promised](#), we found that the benefits of privatization of food services in D.C. Public Schools were not realized. We also reported on other major urban systems that had contracted out food services, but then based on their experiences with both cost and quality, they determined to “in-source” the service. We recommended the transition back to a self-operated food service program as had been done in Philadelphia, Detroit, and New Haven, noting that the Council is “empowered to pursue the policy objectives of better nutrition and greater participation while also reducing the proportion of good service expenditures that come from D.C. taxpayer dollars.” This report had been requested by the Council following concerns witnesses raised in public hearings with both the cost and quality of the then-current contract. Although there have been Councilmembers who indicated their strong support for transitioning to self-operated services, the Council has not taken that major action in the time since we issued the report.

On July 17, 2017, we published a school modernization audit entitled [The Department of General Services Needs Guidance and Assistance to Develop Effective Internal Controls](#). We found, among other shortcomings, that DGS “does not have sufficient processes in place to prevent, detect and/or correct violations of the Davis-Bacon Act”-- the federal law requiring prevailing wage rates on construction projects in D.C. The report described the very limited role that the District’s Department of Employment Services plays in monitoring projects for compliance with prevailing wages and recommended enactment of a District law with implementation guidelines for District compliance with and enforcement of the wage law including responsibility for following up on complaints that DOES currently merely forwards to the U.S. Department of Labor. Other states have their own prevailing wage laws that are overseen and enforced by their own labor departments, and we recommended local law making clear the responsibilities of DOES in this regard.

We produced the 2018 report, [Housing Code Enforcement: A Case Study of Dahlgreen Courts](#), in response to your request for additional information on the Department of Consumer and Regulatory Affairs to assist in the Committee’s oversight, and it was the subject of a Committee of the Whole hearing on October 31, 2018. That report directed 15 of 21 recommendations to the D.C. Council to, as I said in my testimony then, “remove agency discretion by mandating certain specific steps that could result in more effective enforcement.” We recommended that the Council require revisions in regulations to mandate deadlines for addressing violations to reduce the time taken; increase the dollar value of fines, limit the business activity of problem landlords, and require that the Department of Consumer and Regulatory Affairs make inspection and case data available including information on pending and past cases, among other recommendations.

We published the report, [Elected Officials Create Special Funds but “Sweep” Dollars for Other Purposes](#), on April 25, 2019, detailing the significant proliferation of special purpose revenue funds with three out of eight recommendations directed to the Council. Most importantly, we urged the Council to require an explicit statement of why each fund was needed “for the

efficient operation of the District government” which was the original language in the Home Rule Charter allowing such funds to be created. We recommended that the authorizing language for each fund specify the specific purposes and whether the fund could pay for the salaries of District employees. And we recommended a sunset provision – that the authorizing language include “a fixed time for the review of the fund’s performance and authorization for its continuation.” We recommended that funds be repealed if there is no justification agreed to by both Council and the Executive for the continued existence of a fund.

Just last November we published an audit on enforcement of the District’s standards on lead-based paint in housing, [More Urgency Needed to Fix Lead-Based Paint Hazards](#). We documented confusion and disagreement on whether the Department of Energy and the Environment has sufficient authority to inspect and enforce complaints made about public housing, leaving the D.C. Housing Authority to monitor its own adherence to local lead laws in DCHA properties. ODCA contended that DOEE had sufficient authority but executive branch attorneys disagreed. We therefore recommended that DOEE “continue to advocate for the D.C. Council to expand its definition of ‘owner’ to include the District government and its independent agencies like DCHA within its enforcement powers.” We even highlighted this recommendation as the Council considered Bill 23-132, the Indoor Mold Remediation Enforcement Amendment Act of 2020, recommending an amendment to strengthen DOEE’s authority with regard to DCHA and lead-based paint enforcement.

I share these examples of recommendations we have made to the Council for legislative action over the last five years to highlight why we are reconsidering our performance metrics and the very fundamental reason we are engaged in a strategic planning process. We will be considering a range of potential actions to try to improve the likelihood that our audits and their recommendations lead to change in policy and practice. We will certainly continue to work with auditees as each audit proceeds with the goal of agreement by the audited agency with both what we have found in our review, and the recommendations we make to address the problems we detail in our reports. And where we have recommendations directed to the Council such as the sample of five I have described here, we will consider steps such as offering testimony during performance and budget hearings to amplify our recommendations and potentially adding staff to work more closely with the Council. And there may be other initiatives that we undertake once we have completed our strategic planning process and developed new performance metrics for ODCA.

## **2020 COW Recommendations**

In its FY 2020 budget report section on ODCA a year ago the Committee of the Whole again made reference to our need for new leased space after we were unsuccessful in securing office space in the John A. Wilson Building which would have been preferable for me and for the Committee. In November we identified the building at 1331 Pennsylvania Avenue NW, directly across Freedom Plaza from the Wilson Building and that is to be our new location at some point this calendar year. We learned just last week from the Department of General Services real estate team that there might be a delay beyond our lease expiration and it may prove

necessary to negotiate an extension which is likely to be expensive. The lease provides that any extension would cost one and a half times the lease's rate per square foot. We selected the location, which was the lowest cost option we reviewed, in November. We learned last week that nearly four months later DGS has not yet completed a Letter of Intent with the new building location. We were told, finally, that the delay was somehow related to the pandemic.

The second policy recommendation included in last year's COW report was one for which I am particularly grateful. The Committee moved forward with legislation to create an audit engagement fund that is proving very useful to our planning as we have undertaken additional and relatively expensive contract audits over the past year. The fund permits ODCA to carry over funds not spent in a prior fiscal year which means we can plan more effectively for contract audits that extend beyond a single fiscal year. I appreciate your leadership, Mr. Chairman, and that of your committee director, Mr. Cash, for this step forward for ODCA.

This concludes my statement Mr. Chairman, and I am happy to respond to questions. Thank you.

**Date:** January 12, 2021  
**To:** Council of the District of Columbia  
**From:** Kathleen Patterson, District of Columbia Auditor   
**Subject:** ODCA Activity Report, Fiscal Year 2020 (October 2019 through September 2020)

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This report provides information on the activities of the Office of the District of Columbia Auditor (ODCA) for October through October 2020, including [reports](#) issued, announcements, and media mentions.

## Reports

### [BEGA Mishandled Whistleblower Complaint on Housing Procurement](#)

**Released:** October 2, 2019

**Summary:** This report is the result of a request by Councilmember Charles Allen, Chair of the Committee on the Judiciary and Public Safety, that the Office of the D.C. Auditor (ODCA) review BEGA's handling of a June 2018 whistleblower complaint related to the Department of Housing and Community Development (DHCD). A limited review conducted by ODCA revealed that in the last year, BEGA has failed to live up to its mission. Starting in June 2018, a then-District government employee submitted to BEGA, twice, a serious ethics allegation, which BEGA not only failed to investigate, but failed to assign a number for tracking purposes. No action was taken for an entire year despite a referral by the Office of the Inspector General (OIG) and an inquiry by a legislative staff member. In addition, the Director of Government Ethics misrepresented to the BEGA Board, at two regular Board meetings, the status of the complaint and the fact that the complaint had been referred to BEGA for investigation by the OIG shortly after it came in to both agencies. ODCA's review reveals that this was not an isolated instance. ODCA found other examples of requests for investigations and advice requests that went unanswered by BEGA in 2018 and 2019. ODCA recommended that the Council of the District of Columbia Committee on the Judiciary and Public Safety take sworn testimony from any BEGA personnel as it sees fit and recommend appropriate action.

### [Residents Give District High Marks for City Services](#)

**Released:** November 4, 2019

**Summary:** The 2019 city-wide survey on government services finds residents of the District of Columbia generally give the government good marks on delivering a wide range of services to the public. At the same time, a sizeable portion of the public expresses concern that it is getting too expensive to live in D.C., especially because of the lack of affordable housing. The survey, conducted by telephone and on-line from July 13 to August 12 by Belden Russonello Strategists and Emma White Research, asked 1,210 residents of Washington, D.C., ages 18 and older, to rate their satisfaction first with city services overall and then with 26 individual city services. Additionally, we asked residents to indicate how high a priority they would give to each specific service. Many of these questions were repeated from a similar survey conducted in 1997. We find dramatic positive changes in residents' perceptions since that time, with marked increases in satisfaction with city services across nearly all services tested and across all demographic categories.

In 1997, residents' top priorities for improvement were schools and crime. These are still on a list of high priority concerns in 2019, though ratings of these services have improved substantially and concerns about affordability now outpace both issues. In addition, other concerns such as services for the homeless and mental health care have emerged as high priorities.

### [Modeling the D.C. Economy, Revenues, and Debt Service Obligations](#)

**Released:** November 13, 2019

**Summary:** The D.C. Official Code, § 1-206.03 (b)(1) states that the D.C. Auditor must certify the accuracy of the Chief Financial Officer's (OCFO) revenue estimate. To comply with this requirement, ODCA issued three revenue reports in FY 2019 certifying that the OCFO revenue estimate, at the time of certification, appeared to be sufficiently supported and achievable. Each report included staff analyses on the District's revenues and interviews with representatives of the Stephen S. Fuller Institute at George Mason University. This year we determined to take a more robust approach to the ODCA role and contracted with the District Economics Group (DEG) to design and build a revenue forecasting model that will serve as an independent assessment for future certifications. DEG founder Michael Udell and consultant economist Diane Lim lead the firm's work on the forecasting model. Our report focuses on the methodology and assumptions used to develop the revenue forecasting model for ODCA. We anticipate the model will be used for the first time later this year in conjunction with the issuance of Income Tax Secured Revenue Bonds. It is our intention to use this forecasting model for revenue certifications for several years then reassess and possibly contract with another firm to assist us in meeting ODCA's revenue certification responsibility to be consistent with best practices in public and private sector auditing.

### [Advisory Neighborhood Commission Security Fund Annual Financial Report for Fiscal Year 2019](#)

**Released:** December 9, 2019

**Summary:** As required by law, ODCA presents the Advisory Neighborhood Commission (ANC) Security Fund Annual Financial Report for Fiscal Year 2019. The Advisory Neighborhood Commission Security Fund (Fund) was established to insure ANCs against unauthorized expenditures or loss of funds. The Fund does not cover any loss as the result of an expenditure authorized by a vote of a Commission. ANC 5B lost approximately \$30,000 due to unauthorized expenditures made by their elected Chairman between August 2010 and April 2011. To recover the losses associated with the unauthorized expenditures, ANC 5B, a participant of the ANC Security Fund at the time, requested a reimbursement totaling \$15,467.67 from the ANC Security Fund Board of Trustees. On December 7, 2011, the Board approved the request and authorized the transfer of \$15,467.67 from the Fund to ANC 5B. Related to this earlier action, on December 19, 2011, a settlement agreement between the District government and the former Chairman of ANC 5B ordered the former Chairman to make a payment sum of \$28,878.46 payable to the D.C. Treasurer. At a minimum, according to the agreement, \$15,467.67 will be reimbursed to the security fund. For FY 2019, \$350 was repaid to the Fund.

### [Auditor Certifies Revenues for Issuance of Income Tax Secured Revenue Bonds](#)

**Released:** December 19, 2019

**Summary:** On November 7, 2019, the Deputy Chief Financial Officer and Treasurer of the District of Columbia requested that the Auditor certify the Office of the Chief Financial Officer (OCFO) Fiscal Year 2020 nondedicated Local Fund Revenue. The OCFO requested the Auditor's certification in connection with the District's issuance of \$1,004,825,000 in Income Tax Secured Revenue Bonds, Series 2019A, 2019B, and 2019C. This report sets forth the results of the Auditor's analysis performed by the District Economics Group (DEG) of the OCFO's Fiscal Year 2020 non-dedicated Local Fund Revenue of \$8,237,861,000. In September of 2019, DEG constructed a revenue forecasting model for the Office of the District of Columbia Auditor (ODCA). The model forecasted D.C. Gross Domestic Product (GDP) to be \$145.569 billion in calendar year 2019. Currently, the U.S. Bureau of Economic Analysis (BEA) has reported D.C. GDP through

calendar year 2019 Quarter 2 (Q2). For calendar year 2019 Q2, the BEA reported an annualized D.C. GDP figure of \$145.476 billion which is slightly below DEG's forecasted D.C. GDP figure of \$145.569 billion but well within the statistical error range of the forecast. The DEG forecast of D.C. GDP uses an auto-regressive moving average model (ARIMA) to forecast future D.C. GDP based upon past values of both U.S. and D.C. GDP. **(For a detailed explanation of the DEG forecast see "Modeling the D.C. Economy, Revenues, and Debt Service Obligations: A Methodology Report by District Economics Group", Office of the District of Columbia Auditor, November 13, 2019.)** The DEG model used data through calendar year 2018 to forecast D.C. GDP through 2023. DEG updated the forecast of D.C. GDP through 2023 by using BEA's annualized 2019 Q2 figure of D.C. GDP as a data point rather than forecasting 2019. The revised forecast of D.C. GDP is then used to revise forecasts of D.C. revenues. The revised D.C. revenue forecasts are very similar to the original forecasts.

### **[Enrollment Projections in D.C. Public Schools: Controls Needed to Ensure Funding Equity](#)**

**Released: January 9, 2020**

**Summary:** ODCA has been engaged in comprehensive education research at the request of the Council of the District of Columbia. This report is a deep dive into the enrollment data with a focus on the impact on subgroups of students. These include students of color, students considered at-risk under D.C. Code provisions, students with disabilities (SWD), and students who are English language learners (ELL). This report raises important questions about the long-term impact of the city's robust choice environment and continuing patterns of neighborhood segregation by income and race. The study finds that almost 40% of public-school students attended the school that was closest to their homes. When students did not attend the school that was closest to their homes, they most frequently attended another school within their ward of residence, followed by a school in an adjacent ward. Two critical takeaways from this study highlight the interconnected nature of public-school enrollment and subsequent resource allocation in the District, explained in much greater detail in the report itself. First, there is a pattern of District families moving away from schools with more students considered at-risk to schools with fewer students considered at-risk. Second, the report confirms a very high degree of school mobility particularly among students of color and students living in Wards 7 and 8. We know from earlier research that school mobility is strongly associated with negative impacts on student outcomes, including achievement, graduation, engagement, attendance, and discipline.

### **[Twenty Percent of ODCA Recommendations Implemented; 49% In Progress](#)**

**Released: January 24, 2020**

**Summary:** The purpose of this report is to make public the implementation status of the recommendations we have made to District of Columbia government agencies. Through December 18, 2019, we tracked 186 open recommendations contained in 26 reports issued from October 2016 through September 2019. These 26 reports included audits conducted under Generally Accepted Government Auditing Standards (GAGAS) as well as other engagements, all consistent with policies and procedures published on ODCA's website. We typically do not include recommendations included in contract audit reports though we may reconsider this practice in the future. We begin our follow-up process by entering all recommendations contained in completed reports into our tracking database. We then follow up with agencies once a year, asking them to report on the implementation status of all open recommendations made to them in the last three years. As of December 18, 2019, 20% of the recommendations included in this report have been implemented, 49% were in progress, 6% had not yet been started, and 11% will not be implemented, according to the responsible party. In addition, we lack information to report on an additional 13% of our recommendations either because responsible parties did not provide a response to our written request regarding implementation status or because the information is otherwise not available.

### [Earmark Review: DMPED Can Improve Grant Management](#)

**Released:** February 25, 2020

**Summary:** This audit was mandated by the Rules of Organization and Procedure for the Council of the District of Columbia for Council Period 22. Article VII – Budget Procedures, §733 Audit Requirements states: (a) Grantees [of earmarked grants] shall be notified that the District of Columbia Auditor will randomly audit grant recipients. (b) The District of Columbia Auditor’s report shall be issued no later than March 1st of the fiscal year immediately following the year for which the grant was awarded. The Office of the Deputy Mayor for Planning and Economic Development (DMPED) made a \$200,000 earmarked award to the Coalition for Nonprofit Housing & Economic Development (CNHED) in the form of a contract rather than a grant, as stipulated in the Fiscal Year 2018 Budget Support Act of 2017. After research of the D.C. Code and the D.C. Municipal Regulations related to issuing a sole source contract as compared to a named grant recipient, we found the relevant differences relate to timing of the advance publishing requirements. Because the agreement between DMPED and CNHED was documented as a contract and assigned Contract Number DCEB2018-C-2003, throughout this audit report, for accuracy and consistency, the award will be referred to as a contract. We found that DMPED had some processes and procedures in place for contract administration. While DMPED took receipt of all deliverable items that were required by the contract, they were all received months after their due dates and more than three months after the completion of the contract. There was no evidence that those deliverables had been reviewed for accuracy and completeness prior to the invoices being paid. We recommend that DMPED develop and implement standard operating procedures that detail contract administrator responsibilities, including review and approval of invoices and supporting documentation to ensure compliance with contract terms.

### [2008 Clean Energy Law Spurs Progress But District Can Do More To Cut Emissions](#)

**Released:** February 27, 2020

**Summary:** Councilmember Mary Cheh asked ODCA to “review the overall effectiveness of the Clean and Affordable Energy Act (CAEA) in reducing the District’s contribution to climate change and potential to reduce it further.” She asked ODCA to identify any changes that would make the programs more effective. Successive District of Columbia administrations have met the major requirements of the Clean and Affordable Energy Act of 2008. Significantly, the District’s greenhouse gas (GHG) emissions have declined 24% from 2006 to 2015, primarily due to a shift in electricity generation from coal to natural gas and renewable energy sources. The DC Sustainable Energy Utility (DCSEU) has made progress in meeting its performance targets, but a comprehensive evaluation is complicated by the D.C. Council having amended the statutory goals and the Department of Energy and Environment (DOEE) allowing changes to DCSEU targets. The District’s strategy to reduce carbon emissions from electricity generation, as amended and expanded by the CAEA, has some shortcomings. Renewable Portfolio Standards (RPS) have not yet succeeded in inducing sufficient investment in local solar generation capacity to meet the requirements. Further, the RPS do not actually require that the electricity delivered to the District come from carbon-free sources. Nor do the RPS offer incentives for all carbon-free technologies that could generate around-the-clock carbon-free electricity. The report also found that DOEE has implemented the CAEA requirements that publicly- and privately-owned buildings in the District of a certain size submit data annually to DOEE on building attributes and energy performance. The most significant area where the District falls short is in addressing GHG emissions from passenger and commercial vehicles—emissions that could grow unless the District addresses this gap in its climate policy.

## [Auditor Certifies Revenues for Issuance of Income Tax Secured Revenue Bonds](#)

**Released:** April 9, 2020

**Summary:** On February 14, 2020, the Deputy Chief Financial Officer and Treasurer of the District of Columbia requested that the Auditor certify the issuance of Series 2020AB bonds comprised of up to \$700 million of Income Tax Secured Revenue (ITS) bonds and \$585 million of ITS refunding bonds. This report sets forth the results of the Auditor's analysis performed by the District Economics Group (DEG) of the OCFO's Fiscal Year 2020 non-dedicated Local Fund Revenue of \$8,451,978,000. DEG's estimate for the District's FY 2020 non-dedicated Local Fund Revenue is \$8,425,472,000, or 99.7% of the OCFO's estimate of \$8,451,978,000. Given the similarity, DEG finds the OCFO's estimate to be both reasonable and attainable. Additionally, based on the analysis performed by DEG, including adjustments for increased revenues, the Auditor can certify that after issuance of the Series 2020AB bonds, the District will comply with statutory debt limitations. The Auditor certified the FY 2020 non-dedicated Local Fund Revenue estimate of \$8,451,978,000 submitted by the OCFO for the issuance of \$578,110,000 million of ITS bonds and \$454,435,000 million of ITS refunding bonds, on March 11, 2020. The Auditor only certifies that the revenue estimate, at the time of certification, March 11, 2020, appears sufficiently supported and achievable. As the OCFO frequently revises projections throughout the fiscal year after gathering additional information, we stress that our report is based on the information available at the time of this review.

## [Are ANCs Given Great Weight?](#)

**Released:** April 24, 2020

**Summary:** This discretionary audit was conducted to determine whether recommendations provided to the District government by the ANCs—the voice of the community—were given great weight. We conducted a review of the great weight process as applied by three District government entities: the Alcoholic Beverage Regulation Administration (ABRA); DC Office of Zoning (DCOZ), which includes the Board of Zoning Adjustment (BZA) and the Zoning Commission (ZC); and the District Department of Transportation (DDOT). Our audit found that that ABRA, BZA, and ZC gave Advisory Neighborhood Commissions (ANCs) great weight by considering ANC recommendations and articulated their decision in writing. In four out of 10 cases reviewed, the proposed District action was changed based on an ANC's recommendation. The audit resulted in the following findings: 1) The ANCs did not consider the proposed District government action in a meeting, as required by law, in almost half of the cases reviewed; 2) The Office of the Advisory Neighborhood Commissions (OANC) had not maintained a central repository of all great weight notices provided from District agencies; 3) BZA and DDOT did not in all cases provide proper notification of the proposed District action to the OANC or the affected ward Councilmember; 4) DDOT did not give ANCs great weight as required by the law; 5) D.C. Code § 1-309.10 lacks a clear and concise reference to District actions that require notice to ANCs.

## [COVID-19 Federal Funding Streams Available to the District of Columbia](#)

**Released:** May 8, 2020

**Summary:** To assist the Council of the District of Columbia in its oversight responsibilities during the Coronavirus public health emergency, the Office of the D.C. Auditor (ODCA) has compiled the following letter report, COVID-19 Federal Funding Streams Available to the District of Columbia, a summary of federal funding available to states and, in some cases, to cities, in recently enacted legislation including the following: H.R. 6074, The Coronavirus Preparedness and Response Supplemental Appropriations Act; H.R. 6201, The Families First Coronavirus Response Act; H.R. 748, The Coronavirus Aid, Relief and Economic Security Act (CARES Act); and H.R. 266, the Paycheck Protection Program and Health Care Enhancement Act. This report describes each of the major sources of funding for the D.C. government including the total amount available, the agency or funding source, the general purpose for the funding, and other characteristics, including whether it is based on a formula or a reimbursement or a competitive application,

and additional information that may be of use to policymakers. We focus here on funding that would be part of the District's budget. This summary does not include a description of federal relief designed to assist individuals directly such as the \$1,200 checks mailed to individuals. We do not include the significant additional benefits provided to those who have lost their jobs available through the federal-state Unemployment Insurance program. And it does not include benefits for the airlines, or the Paycheck Protection Program designed to provide loans to businesses to enable them to keep employees on the payroll. We note, though, that according to SBA reported data, as of April 16, 2020, District of Columbia businesses received 3,253 loans totaling \$1.25 billion from the Paycheck Protection Program. What report focuses on funds that could be received and allocated by the District government.

### [OST Provides Programs for D.C. Youths But Grant Oversight Needs Improvement](#)

**Released:** May 26, 2020

**Summary:** ODCA audited the Office of Out of School Time Grants and Youth Outcomes (OST) to comply with the Office of Out of School Time Grants and Youth Outcomes Establishment Act of 2016. This law states that ODCA must conduct an audit of OST within two years of the issuance of the first grant and shall conduct subsequent audits of OST at least every five years thereafter. This audit also serves as ODCA's 2018 performance accountability report (PAR) audit, which is required by D.C. Code § 1-614.14(c). Overall, we found that during its first two years, OST achieved its mandate of providing the District's youth access to out of school time programs. At the same time, we found that OST needs to strengthen monitoring and oversight of its grantee, particularly as it relates to ensuring that subgrantee staff who work with children and youth are compliant with the District's criminal background check requirements, grant funds are expended properly, and the data they collect and report to stakeholders are accurate. We found that 96% of sampled subgrantee staff had worked with youths without documentation verifying that they had cleared all required components of their criminal background checks. During a review of subgrantee expenditure documentation, we also found that in our sample, 45% of expended funds did not have sufficient supporting documentation on file. Furthermore, the attendance data in OST's electronic database contained inaccuracies, and OST did not accurately report on the number of unique youths impacted.

### [RPTAC Should Continue Work to Protect Against Conflicts & Improve Transparency, Timeliness, & Data Quality](#)

**Released:** June 30, 2020

**Summary:** D.C. Code § 47-825.01a (j)(2) requires that the District of Columbia Auditor perform a management audit of RPTAC's activities at least once every three fiscal years (or sooner as considered appropriate by the Auditor) or upon request of a Councilmember, and report the findings to the D.C. Council. Among the reports findings are that: 1) hourly Commissioners of the Real Property Tax Appeals Commission (RPTAC) continued to serve as contract workers rather than government employees as required by law leaving them outside District personnel and ethics rules; 2) RPTAC's safeguards against conflicts of interest in hearing appeals needed to be stronger; 3) RPTAC hearings were not open to the public, and RPTAC did not publish hearing decisions; 4) RPTAC's data system was unreliable, resulting in RPTAC sending an annual report to the D.C. Council and the Mayor that may have contained inaccurate information; and RPTAC decided most appeals by the February 1 deadline, but did not meet timeliness requirements by deciding all appeals within the statutorily required numbers of days after the hearing, reducing time available to taxpayers for financial planning.

### [Lessons From the Life and Death of Alice Carter](#)

**Released:** August 25, 2020

**Summary:** Based largely on District government documents and social agency staff interviews, the study puts a human face on the incarceration policies and practices in place for D.C. residents, the services available to individuals who suffer from substance use disorders, and the challenges of carefully serving

individuals in both of those capacities. This study is the companion piece to our report, [Everything is Scattered...The Intersection of Substance Use Disorders and Incarcerations in the District](#), and was written for ODCA by Street Sense Media, a nonprofit organization with a mission to end homelessness in the D.C. area. The study's subject is the complex life of Alice Carter, from her tumultuous childhood to her experiences as an adult—including sexual assault, physical abuse, and homelessness—to the challenges of being a transgender woman with a substance use disorder (SUD), mental illness, and numerous encounters with the justice system. We hope that by understanding how Carter came to drink herself to death on a freezing D.C. sidewalk just shy of her 36th birthday after hundreds of professionals tried to help her with housing, medical care, and legal support, D.C. might help other of its residents who struggle as she did. The case study's conclusion includes issues for further discussion to help prevent someone like Alice from spending her life making repeated trips through the revolving door of arrest, judicial proceedings, incarceration, release, and re-arrest.

### [Everything is Scattered...The Intersection of Substance Use Disorders and Incarcerations in the District](#)

**Released:** August 25, 2020

**Summary:** This report was prepared by the Council for Court Excellence (CCE) for ODCA, providing a comprehensive review of the District's provision of substance use disorder services (SUDS) to persons involved in the criminal justice system in our community. It represents a first-ever analysis of what the data collected and maintained by District agencies on SUD services can tell us, and highlights both the successes and the long-term challenges in addressing the persistent needs. We include a series of recommendations for policy and practice change, all with the goal of better health and reduced incarceration. The report includes a comprehensive and detailed response to the draft report by the Bowser Administration, which concurs with a majority of our recommendations and provides further description of reforms underway, including actions taken after the time period covered in the report, such as expansion of the pre-arrest diversion program and adding new leadership expertise at DBH. We particularly appreciate the ongoing commitment to improving cross-agency collaboration and the reminder that building systems to securely share data can be a costly endeavor. The cover letter signed by Deputy Mayors Wayne Turnage and Kevin Donahue notes that the report "affirms that work remains to connect individuals through the system in the community, interactions with the justice system, and by assessments and engagements by our service providers." This report is the third public-private partnership between the D.C. Auditor and CCE, a nonprofit, non-partisan civic organization that has focused on justice in the Washington metropolitan area for nearly four decades.

### [Sufficiency Certification for the Washington Convention and Sports Authority \(Trading as Events DC\) Projected Revenues and Excess Reserve to Meet Projected Operating and Debt Service Expenditures and Reserve Requirements for Fiscal Year 2021](#)

**Released:** September 28, 2020

**Summary:** Pursuant to D.C. Code § 10-1203.05(b), the District of Columbia Auditor is required to prepare and deliver to the Mayor, Council of the District of Columbia, Chief Financial Officer of the District of Columbia, and the Chairman of the Washington Convention and Sports Authority (WCSA) a certification of the sufficiency of WCSA's projected revenues and excess reserve to meet its projected expenditures and reserve requirements for the upcoming fiscal year (FY). The objective of the analysis was to determine whether WCSA's projected dedicated tax revenue, operating revenues, and excess reserves will be sufficient to meet its projected operating and debt service expenditures and reserve funding requirements for FY 2021. The scope of this analysis included WCSA's financial records and data for FYs 2017 through 2019 and FY 2020, as of March 31, 2020. Our analysis also included a review of WCSA's FY 2021 projected revenues, expenditures and reserves. Based upon the Auditor's analysis of information provided by the Washington Convention and Sports Authority (WCSA) and the Office of the Chief Financial Officer (OCFO), as of the date of this certification, September 28, 2020, WCSA's total projected revenues and excess

reserve estimate for FY 2021 are sufficient to cover its projected expenditures. WCSA's FY 2021 estimated revenues and excess reserve are expected to exceed its projected expenditures and reserve requirements by \$59.53 million which assumes operations for three quarters, or nine months, of FY 2021.

## **Media Mentions**

**The Washington Post, October 3, 2019**

[D.C. ethics agency failed to probe prominent whistleblower complaint, audit says](#)

**The Washington Post, October 13, 2019**

[The agency charged with handling D.C.'s whistleblower complaints isn't doing its job. That's alarming](#)

**The Washington Post, December 1, 2019**

[Does every D.C. child have a fair shot at attending an elite high school? The city is trying](#)

**The Washington Post, January 1, 2020**

[Jack Evans's case is only the latest in the D.C. Council's long history of corruption](#)

**The Washington Post, January 9, 2020**

[Does D.C.'s school choice system hurt neighborhood schools?](#)

**The Washington Post, May 11, 2020**

D.C.'s Ward 2 special election is far from irrelevant

<https://www.washingtonpost.com/opinions/2020/05/11/dcs-ward-2-special-election-is-far-irrelevant/>

**The Washington Post, July 17, 2020**

[Bowser presented a sound spending plan. Now the D.C. Council needs to wake up to reality](#)

**The Washington Post, July 23, 2020**

[D.C. is in the middle of an emergency. It must raise taxes now](#)

**The Washington Post, August 10, 2020**

[D.C. police union seeks court injunction to stop release of body-worn camera footage, officers' identity following fatal interactions](#)

**The Washington Post, August 25, 2020**

[Many D.C. drug users not receiving consistent treatment after arrests, audit shows](#)

**The Washington Post, September 15, 2020**

[D.C. auditor reviewing fatal shootings by District police](#)

## **Testimony**

**October 31, 2019**

[Testimony by ODCA Education Research Director Erin Roth for the Council of the District of Columbia Committee on Education and Committee of the Whole Joint Public Oversight Roundtable on the Education Research Practice Partnership Proposed Notice of Invitation](#)

**November 6, 2019**

[Testimony by the Hon. Kathleen Patterson, D.C. Auditor, before the Council of the District of Columbia Committee of the Whole and Committee on Education Joint Public Hearing on B23-0196, the District of Columbia Public Schools Student Technology Equity Act of 2019](#)

**February 27, 2020**

[Testimony of The Hon. Kathy Patterson, D.C. Auditor, before the Council of the District of Columbia Committee of the Whole's Performance Oversight Hearing](#)

**February 20, 2020**

[Written Testimony of the Hon. Kathy Patterson, D.C. Auditor, prepared for the Council of the District of Columbia Committee on Health Department of Health Performance Oversight Hearing](#)

**November 21, 2019**

[Testimony of the Hon. Kathy Patterson, D.C. Auditor, before the Council of the District of Columbia Committee on the Judiciary and Public Safety Public Oversight Roundtable on the Performance of the Board of Ethics and Government Accountability Office of Government Ethics](#)

**May 29, 2020**

[Testimony by the Hon. Kathleen Patterson, D.C. Auditor, before the Council of the District of Columbia Committee of the Whole Public Hearing on the FY 2021 Budget for the Office of the D.C. Auditor](#)