



Fiscal 2009 Preliminary Budget Hearings

❖ Committee on Oversight & Investigations

March 2008

Scheduled To Testify:

- *Department of Investigation*

*Hon. Christine C. Quinn
Speaker of the Council*

*Hon. David I. Weprin, Chair
Committee on Finance*

*Hon. Eric N. Gioia, Chair
Committee on Oversight & Investigations*

*James Caras, Acting Director
Finance Division*

Department of Investigation (032)

Agency Operations

The Department of Investigation (DOI) promotes and maintains integrity and efficiency in government operations. Through its Inspector General and other investigative staff, the Department investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, or employee of the City, as well as those who do business with, or receive benefits from, the City. The Department provides the Mayor with recommendations for corrective actions to assist City agencies in the design and interpretation of strategies to limit opportunities for criminal misconduct and waste.

AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2008 Adopted Budget	Fiscal 2008 Current Modified	Fiscal 2009 Preliminary Budget
City	\$18,662,671	\$18,662,671	\$17,771,555
Other Categorical	\$320,000	\$360,000	\$320,000
Capital IFA	\$0	\$0	\$0
State	\$0	\$30,605	\$0
Community Development	\$0	\$0	\$0
Federal-Other	\$0	\$0	\$0
Intra-City	\$3,074,223	\$4,252,223	\$3,081,208
Total	\$22,056,894	\$23,305,499	\$21,172,763

HEADCOUNT OVERVIEW

Headcount	Fiscal 2008 Adopted Budget	6/30/2008 Forecast	Fiscal 2009 Preliminary Budget
City	279	273	258
Non-City	0	0	0
Total	279	273	258

The agency's funding will be reduced by approximately \$884,000 from its Fiscal 2008 Adopted Budget of \$22 million to its Fiscal 2009 Preliminary Budget of almost \$21.2 million. The only January Plan changes to DOI's budget relate to its share of the citywide Hiring Freeze/Vacancy Reduction PEG program, collective bargaining, Lower Manhattan construction fraud prevention, and other standard adjustments to its appropriation (see below).

Fiscal 2009 Preliminary Budget Report

UNITS OF APPROPRIATIONS

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The City Charter requires that U/As represent the amount appropriated for Personal Services (PS) (i.e., salaries, overtime, etc.) or Other Than Personal Services (OTPS) (i.e., supplies, contracts, etc.) for a particular program, purpose, activity or institution.

U/A#	U/A Name	Fiscal 2008 Adopted Budget	Fiscal 2008 Modified as of 1/24/2008	Fiscal 2009 Preliminary Budget
001	Personal Services	\$13,821,771	\$13,821,771	\$12,912,824
003	Inspector General	\$2,990,935	\$3,638,935	\$2,987,920
	Total PS	\$16,812,706	\$17,460,706	\$15,900,744
002	Other Than Personal Services	\$4,663,518	\$4,734,123	\$4,681,349
004	Inspector General	\$580,670	\$1,110,670	\$590,670
	Total OTPS	\$5,244,188	\$5,844,793	\$5,272,019
	Total Agency	\$22,056,894	\$23,305,499	\$21,172,763

PRELIMINARY BUDGET ACTIONS (in 000s)

Description	Fiscal 2008			Fiscal 2009		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per October Plan	\$18,663	\$4,624	\$23,287	\$18,664	\$3,395	\$22,059
January Plan PEGs						
Hiring Freeze/Vacancy Red. Program	(\$201)	\$0	(\$201)	(\$1,151)	\$0	(\$1,151)
Total PEGs	(\$201)	\$0	(\$201)	(\$1,151)	\$0	(\$1,151)
January Plan Other Adjustments						
CWA Local 1180	\$83	\$0	\$83	\$83	\$0	\$83
Heat, Light & Power	(\$3)	\$0	(\$3)	\$0	\$0	\$0
LMCCC Salary Adjustment	\$18	\$0	\$18	\$35		\$35
Transfer Positions from ACS to DOI	\$0	\$0	\$0	\$148	\$0	\$148
Collective Bargaining	(\$7)	\$7	\$0	(\$7)	\$7	\$0
MOU DOI OTPS Exp. for 3 Pos.	\$0	\$20	\$20	\$0	\$0	\$0
Total Other Adjustments	\$90	\$27	\$117	\$259	\$7	\$266
Total Preliminary Budget Changes	(\$111)	\$27	(\$84)	(\$892)	\$7	(\$885)
Preliminary Budget	\$18,552	\$4,651	\$23,203	\$17,772	\$3,402	\$21,174

Preliminary Budget Action Analysis

Program to Eliminate the Gap (PEG)

- **Hiring Freeze/Vacancy Reduction Program.** This initiative reflects savings from the partial elimination of vacancies and replacement of future attrition.” This action will lower DOI’s headcount by 13 positions in Fiscal 2008 and 23 positions in Fiscal 2009 and the outyears, and decrease its budget by \$201,033 in Fiscal 2008, approximately \$1.2 million in Fiscal 2009 and approximately \$1.5 million in Fiscal 2010 and the outyears.

Revenue PEGs

- **Fingerprint Fees.** The Department “will establish a fee to cover the City’s administrative costs for providing fingerprint services.” The new fee will generate \$24,000 in Fiscal 2008 and \$57,000 in Fiscal 2009 and the outyears.
- **Background Check Fees.** The Department “will increase all employee background check fees by \$10.” This increase will generate an additional revenue of \$5,000 in Fiscal 2008 and \$12,000 in Fiscal 2009 and the outyears.

Other Adjustments

- **Communication Workers of America (CWA) Local 1180 Collective Bargaining.** Beginning in Fiscal 2008, annual funds totaling \$83,372 are being transferred from the Labor Reserve in the Miscellaneous Budget to the Department’s PS budget to cover the costs associated with recent collective bargaining settlements.
- **Heat, Light and Power.** The January Plan removes \$3,473 from the agency’s budget in Fiscal 2008 to properly reflect the costs associated with heat, light and power.
- **LMCCC Salary Adjustment.** The Department will receive \$17,500 in Fiscal 2008 and \$35,000 in Fiscal 2009 and Fiscal 2010 to fund salary adjustments for two fraud investigators assigned to the Lower Manhattan Construction Command Center (LMCCC).
- **Transfer Positions from ACS to DOI.** Following the death of Nixzmary Brown and 11 other children, as well as investigations into the Agency for Children’s Services (ACS), DOI published a report recommending additional training for ACS caseworkers by DOI investigators. The January Plan now transfers two positions and \$130,000 from ACS to DOI beginning in Fiscal 2009. Associated OTPS funds totaling \$17,500 in Fiscal 2009 and \$1,356 annually beginning in Fiscal 2010 are also being transferred to DOI.
- **Memorandum of Understanding with DEP.** The Department will receive \$20,000 in Fiscal 2008 associated with its intra-City agreement with the Department of Environmental Protection (DEP) to perform fraud prevention and corruption.