

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



November 3, 2022

John Falcicchio
Deputy Mayor for Planning and Economic Development
Office of the Deputy Mayor for Planning and Economic Development
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 317
Washington, D.C. 20004

Kristi C. Whitfield
Director
Department of Small and Local Business Development
441 4th Street, N.W., Suite 850N
Washington, D.C. 20001

Dear Deputy Mayor Falcicchio and Director Whitfield:

The Office of the Inspector General's Inspections and Evaluations (I&E) Unit will soon start an evaluation of the District's hyperlocal economic development programs.¹

The objective of this evaluation, which is part of the OIG's *Fiscal Year 2023 Audit and Inspection Plan*,² is to assess the District's administration of these programs, with a focus on processes and mechanisms that minimize opportunities for fraud and redundancies between programs and maximize these programs' efficacy.

I&E projects are conducted under the *Quality Standards for Inspection and Evaluation* promulgated by the Council of the Inspectors General on Integrity and Efficiency. As a matter of standard practice, our inspections and evaluations pay particular attention to the quality of internal control.³

¹ Each year the District awards grant funds to support business development and neighborhood revitalization. Such programs, which are generally administered by either the Department of Small and Local Business Development or the Office of the Deputy Mayor for Planning and Economic Development, include: DC Main Streets; Clean Teams; Small Medium Business Growth Fund; Robust Retail; Great Streets; the Neighborhood Prosperity Fund; and funding to Business Improvement Districts. Collectively, these programs support initiatives aimed at recruiting and retaining businesses, creating jobs, improving and beautifying commercial/retail properties and streetscapes, and attracting consumers.

² This document is accessible on the OIG website at <https://oig.dc.gov/oig-services/reports/annual-reports>.

³ "Internal control" is defined by the U.S. Government Accountability Office (GAO) as comprising "the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity" and is "not one event, but a series of actions that occur throughout an entity's operations." Furthermore, internal control

Please provide Edward Farley, Assistant Inspector General for Inspections and Evaluations, with the name, telephone number, and email address of the people who will serve as the primary points of contact (POC) at the Office of the Deputy Mayor for Planning and Economic Development (DMPED) and the Department of Small and Local Business Development (DSLBD) during this evaluation. He can be reached at (202) 727-9249 or edward.farley@dc.gov.

Additionally, please provide electronic copies of the following information to Mr. Farley by November 22, 2022, so that the I&E team can prepare its fieldwork methodology and plan:

- a list and a brief description (to include the year in which each program was established and its purpose) of all hyperlocal economic development programs currently administered or supported by DMPED or DSLBD;
- a list of all grants and contracts that address the administration of hyperlocal economic development programs that were active between October 1, 2019, and September 30, 2022;
- a list of current DMPED and DSLBD employees whose responsibilities involve any part of the award or administration of hyperlocal economic development programs and related contracts and grants;
- current organizational charts for DMPED and DSLBD;
- all current procedures, processes, or other written guidance that relate to the award or administration of hyperlocal economic development programs and related contracts and grants;
- any audits or other assessments of hyperlocal economic development programs, and related contracts and grants performed during FYs 2020, 2021, or 2022 (conducted internally or by an external entity); and
- any documents relating to hyperlocal economic development programs and related contracts and grants prepared for FY 2020, FY 2021, and FY 2022 D.C. Council performance hearings.

Mr. Farley will schedule an entrance conference with the POCs you identify. Thank you in advance for your cooperation, and I look forward to working with DMPED and DSLBD in our joint effort to improve the quality of services provided to the District.

is a process that provides “reasonable assurance that the objectives of an entity will be achieved,” “serves as the first line of defense in safeguarding assets,” and is an “integral part of the operational processes management uses to guide its operations.” U.S. GOV’T ACCOUNTABILITY OFFICE, STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOV’T 5-6, GAO-14-704G (Sept. 2014), <https://www.gao.gov/products/GAO-14-704G> (last visited Oct. 28, 2022).

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Sincerely,


Daniel W. Lucas
Inspector General

DWL/ef

cc: The Honorable Muriel Bowser, Mayor, District of Columbia, Attention: Betsy Cavendish
Mr. Kevin Donahue, City Administrator, District of Columbia
The Honorable Phil Mendelson, Chairman, Council of the District of Columbia
The Honorable Robert C. White, Jr., At-Large Councilmember, Council of the District of
Columbia
The Honorable Kenyan McDuffie, Chairperson, Committee on Business and Economic
Development, Council of the District of Columbia
The Honorable Kathy Patterson, D.C. Auditor, Office of the D.C. Auditor