

Public Policy Analysis

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Misuse of Richmond City's Credit Card System by Public Administration

Have you ever watched political campaign ads, current ethical and political issues involving government officials or politics slandering one another with conflicting views on the U.S. citizens and their tax dollars, and wondered, "Where exactly are my tax dollars going?". A recent article from the Richmond Times-Dispatch has brought a great deal of concern from residents about Richmond City officials and their misuse of city-issued credit cards.

Americans pay federal and state taxes each year but often do not have a strong understanding of where their tax dollars go. Ben Warner's TEDX talk focuses on government as a "social contract (Warner, B.)" where the people and the government have "mutually reinforcing roles (Warner, B.)." The issues we see across the country today are governments not taking responsibility. "The most important public official is the private citizen (Warner, B.)" and the most basic role and duty of a citizen is to vote. By voting, a citizen is seeking good governance. However, for good governance to exist, government officials must be held accountable for doing the appropriate things in their roles. Good government is hard but can be achieved. The Richmond City credit card system has been a major example of our broken government, and its unethical conduct, lack of accountability and transparency, and irresponsible stewardship.

Taking Accountability

The city of Richmond has acknowledged the role of ethical breaches in the operation of its credit card system. The P-Card program, after a recent audit, uncovered significant internal control weaknesses and misuse of credit cards issued by the city-to-city administration. The Office of the City Auditor found at least \$5 million in questionable expenses, which demonstrated a lack of proper use of public funds and inadequate protection of taxpayer dollars. The issue stemmed from the administration of Mayor Levar Stoney. Since then, the current mayor, Danny Avula, has initiated a reset of the P-Card

program. This reset has a focus on upholding high financial management standards, ethics, and rebuilding trust with the public regarding the P-card program.

Recently, former Richmond Mayor Levar Stoney received questions from residents for “lack of transparency by his administration and reports of apparent improper use of city-issued credit cards in City Hall (Facing transparency criticism).” He addressed an “array of issues (Facing transparency criticism)” from reports made by the Richmond Times-Dispatch and defended his administration stating that “ninety-nine percent of our p-card holders are in good standing (Facing transparency criticism)” and that he will not “let the poor judgement of some define the work of all employees (Facing transparency criticism)”.

After former Mayor Levar Stoney’s statement in August of 2024, the Office of the City Auditor instituted an internal audit of the city’s employee purchasing card program. Many of the OCA’s findings included concerns with millions in “questionable transactions (City employees likely misspent)”, no clear spending policy in place, cards given to employees too freely, transactions not being reviewed properly, and a single person was responsible for the entire process. The audit was conducted after concerns about the P-Card program being improperly used by officials. There was at least “\$5 million in questionable transactions” identified – including instances where there were potential conflicts of interest (City employees likely misspent)”, invoices that were altered and other discrepancies. In recent months, the OCA released “a more than 60-page audit of the P-Card system – which was called for as part of this process (City employees likely misspent)” where city auditors found evidence of millions of misspent tax dollars, as well as a “lack of administrative oversight, unclear or missing policies and more (City employees likely misspent)”.

Reflecting on the situation that has raised concerns over the usage of Richmond City taxpayers’ dollars, the OAC is holding Richmond City officials fiscally accountable to ensure that administrators are acting as good stewards of the taxpayers’ dollars; this is an example of Richard Mulgan’s accountability

concepts. In Richard Mulgan's article "Accountability: An Ever-Expanding Concept", Mulgan explains that one of the main aims of managerial reform is to "make public agencies as responsive to their clients as private sector companies are to their customers (citation)." The OCA has made an example of this by auditing Richmond City's administration.

Resolution

After nearly a year, and under new administration with Mayor Danny Avula, the P-Card program "is in the process of being fully reset and reinvented (City employees likely misspent)." Mayor Danny Avula acted by taking to press that "government accountability must be earned, every day (City employees likely misspent)" and rather than cancelling the P-Card program, he looked further into the program at what wasn't working and chose to "rebuild something stronger and more transparent that better serves (City employees likely misspent)" Richmond City. Nearly 80 percent of P-Cards were cancelled, leaving "about 67 still in use (City employees likely misspent)" and are limited to mission-critical functions only. To avoid misunderstanding in the future, P-Card Tracker was "launched in an effort to offer transparency and accountability (City employees likely misspent)."

Conclusion

The current chain of events from the Richmond City administration is one of the many examples of malpractices of good governance. Good governance is implementing laws and regulations, inviting transparency, and evaluating how those laws and regulations affect decisions that are made in not just local governments, but the federal government as well. Not only was there a lack of transparency by Richmond City officials, but resources were not managed properly. Richmond City officials failed in the practice of good governance and holding themselves accountable to the residents of Richmond City.

Improving governance requires "patience and sustainable programs (Byman, D. 2022)," which seems to be what current Mayor Danny Avula is trying to accomplish through introducing a method for Richmond City residents to track where their tax dollars are being spent through P-Card Tracker. The P-

Card program should ensure responsible stewardship, ethical conduct, transparency and accountability, and the prevention of waste, fraud, and abuse. Mayor Avula has promised to lead with transparency and accountability; it will be a long, hard road to win back the trust of the public after such an oversight. However, with a new public service concept to “serve, rather than steer (Denhardt, R. 2002)” Richmond City residents’ interests may be met, rather than controlled and steered in a different direction.

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