



**NEW YORK CITY COMMISSION TO STRENGTHEN LOCAL DEMOCRACY
HEARING ON CHARTER REVISION PROPOSALS**

**TESTIMONY OF JOCELYN E. STRAUBER
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**CONCERNING RECOMMENDATIONS TO FURTHER PROTECT THE
INDEPENDENCE OF THE NEW YORK CITY DEPARTMENT OF INVESTIGATION**

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**John Jay College, Student Dining Hall
524 W 59th Street, New York, N.Y.**

Good evening. My name is Jocelyn Strauber and I am the Commissioner of the Department of Investigation ("DOI"). Thank you Co-Chairs Garrido and Rice and all Commission members for this opportunity to discuss several proposals that would further strengthen the independence of DOI, the City's Inspector General that investigates corruption, fraud, waste, and abuse involving New York City government. DOI provides robust oversight by conducting objective, fact-finding investigations, and making recommendations for policy and procedural reform. DOI's independence from City Hall — and indeed from any third party — is at the heart of all the work we do. Our independence is supported by the City's charter and a number of Executive Orders and the agency has maintained its independence throughout our 150-year history but as I will discuss this evening, more can be done to reinforce DOI's independence.

Established in 1873, DOI has a broad mission. The DOI Commissioner is statutorily empowered by the City Charter "to make any study or investigation which in his [or her] opinion may be in the best interests of the city, including but not limited to investigations of the affairs . . . of any agency." The Mayor and New York City Council also may direct the DOI Commissioner to conduct an investigation.

DOI's investigations and factual findings can lead to criminal prosecutions, disciplinary proceedings and other administrative actions. Where relevant and appropriate based on those findings, DOI also makes policy and procedure reform recommendations to City agencies aimed to address corruption vulnerabilities. In addition to criminal and disciplinary investigations, DOI investigates potential conflicts of interest that may result in referrals to the Conflicts of Interest Board, as well as claims of retaliation against employees of agencies and City contractors who report misconduct and are protected by the City's Whistleblower Law. DOI also provides other critical services to the City, including:

- background investigations for certain City employees, such as those in high-level and sensitive positions; and
- vendor name checks of City-funded vendors, which we provide to agency procurement officers as well as monitorships, where appropriate, of certain vendors or large-scale City projects

Our work is guided by our deep investigative expertise, knowledge of City agencies, and commitment to follow the facts wherever they lead, without fear or favor.

Over the years, mayors have strengthened DOI's authority and access to information through a number of Executive Orders, most notably during the late 1970s to the mid-1980s. Those orders brought the Inspectors General under the leadership of DOI, whereas the Inspectors General had previously worked out of their "home agencies" and with a dual report to the DOI Commissioner and their home agency head. By establishing DOI as the City agency responsible for combatting City-related corruption issues, these Executive Orders provided DOI and its Inspectors General with an important measure of independence. By housing all Inspectors General within DOI, these Executive Orders facilitated a more unified and streamlined approach to DOI's anti-corruption mission, as well as the sharing of information between Inspectors General, providing valuable insight into corruption vulnerabilities that may impact multiple agencies.

Other aspects of the Mayoral Executive Orders have furthered DOI's mission by mandating City employees' affirmative obligation to report corruption to DOI and to cooperate with DOI's investigations. These Executive Orders also gave DOI access to all regular meetings of

agency executives and managerial staff, and to all records and documents maintained by each agency, including emails.

Currently, DOI is managed by its DOI Commissioner and senior executive team who together manage the agency's legal matters, operations, and investigations. DOI's investigations are handled by our 14 squads, which are headed currently by 17 Inspectors General. Each squad oversees an agency or group of agencies with similar areas of focus, such as the Department of Correction and Department of Probation.

DOI has a unique and critical role in ensuring that City government acts with efficiency, transparency and integrity. Then-DOI Commissioner Raymond Fosdick zeroed in on this fact in his first annual report in 1910, stating "[t]here is probably no other branch of the city government which possesses greater possibility for the support of an efficient administration. ...With its double powers of audit and investigation, [DOI] is peculiarly fitted not only to detect official misconduct and incompetency, but to suggest new methods and systems to prevent waste and inefficiency."

As Fosdick described, DOI has the ability to touch every facet of City government, to uncover wrongdoing, to hold accountable those who seek to compromise City government and its operations, and to improve government through our recommendations for policy and procedural reform. The foundation of DOI's credibility is its independence. Our independence from City Hall, all City officials, and any third party is what ensures that the facts we find, the failures we identify, and the reforms we propose are based solely on a rigorous, objective and unbiased investigative process and our collective decades of expertise in City government.

During my tenure, DOI has maintained its proud tradition of independence, without interference from City Hall or any entity, as our investigations over the past few years make clear. But we believe that more can and should be done to enhance DOI's independence, to safeguard it for the long-term and to protect the agency from any threat of retaliation. This includes giving DOI the authority to hire, promote, and otherwise structure its staff, without requiring approval from the City's Office of Management and Budget ("OMB").

DOI has given much thought to the proposals that I will discuss, which are aligned with best practices within the oversight and Inspector General profession.

There are four core proposals, each of which would require a change in the law:

- (1) First, the Charter should be amended to expand and strengthen the controls around the Mayor's authority to remove the DOI Commissioner. Under current law, the Mayor may do so after making a statement of reasons for the termination, to be provided to the Department of Citywide Administrative Services, and after the DOI Commissioner has an opportunity to respond. While this process is intended to reduce the risk of removal for an improper purpose, the Charter does not currently require that removal be for cause and the Mayor has authority to act unilaterally. The law should be amended to add two additional requirements: first, a requirement that any removal be for cause only; and second, a requirement that the City Council approve any removal. The removal-for-cause requirement would only permit removal of the DOI Commissioner for reasons specified in the statute and prohibit discharge in retaliation for the legitimate performance of oversight responsibilities. To consider any proposed removal, the City Council can hold a public hearing to further explore the Mayor's statement of reasons and the

Commissioner's response. This process would provide a check on the Mayor's removal power and allow for a public exploration of the basis for the proposed removal. This process also is consistent with the appointment process for the Commissioner, which requires City Council confirmation.

- (2) Second, the Charter should establish a tenure of five or seven years for the DOI Commissioner, so that the Commissioner's term would span administrations, thereby limiting the risk that a DOI Commissioner would be subject to improper influence or retaliation by any Mayoral administration.
- (3) Third, DOI should be afforded budget independence to reduce the risk of City Hall or City Council interference or retaliation against DOI through control of the agency's budget and staffing. To be clear, I do not believe that DOI has been the target of retaliation during my tenure. At the same time, it's fair to say that our budgetary needs are not a priority for this administration. As you are well aware, the City's budgetary challenges have significantly impacted DOI's ability to hire and to retain employees. Budget cuts that have applied equally to all City agencies have been particularly difficult for DOI to absorb due to our small size. Moreover, the constant shifts in the City's approach to hiring have made long-term planning with respect to staffing difficult, if not impossible. The OMB approval process for hiring, promotions or raises, other than personal services spending, and capital funding, is burdensome and time-consuming, including for requests within our existing budget.

DOI has done some preliminary analysis regarding the best model for an independent budget. Generally, we have concluded that an appropriate and independent budget is best established by determining DOI's budget as a percentage of the City budget. This would not be a novel approach. The Inspector General for the City of Chicago's budget is set in this way, for example, as is the New Orleans Office of the Inspector General. It is also important to note that budgetary independence for oversight agencies is a feature of many City institutions, such as the City Campaign Finance Board, which sets its own budget and the Independent Budget Office, whose funding is a set percentage of the budget of OMB. Funding DOI at an appropriate percentage of the City budget and giving DOI full control over its hiring and spending would safeguard DOI's independence and reinforce the City's commitment to prevent fraud, waste, and abuse.

Using the Fiscal 2026 Executive Budget as a starting point, our preliminary analysis is that DOI should be funded at approximately seven to eight one hundredths of one percent of the City's budget. That is 0.07 to 0.08 percent of the more than \$115 billion that the City plans on spending next year, which in our view is a modest investment in absolute terms and relatively to the value DOI provides.

I would be happy to share additional details with the Commission staff, but broadly, our analysis included a right-sizing of the agency to account for the understaffing and under resourcing we have experienced over the past few years as a result of the budget climate, as well as a modest expansion. If applied to the current Fiscal 2026 Executive Budget, such a percentage would allow us to grow our ranks from

the current headcount of 479 staff (including on-loans) to at least approximately 720 staff (including on-loans), to provide more competitive salaries to support retention, and to sufficiently cover our OTPS needs.

Equally important, we propose that statutory language be included to explicitly protect DOI's ability to spend within its budget in the best interests of the agency, including as to hiring, salary, promotion, and OTPS expenditures, without external approvals.

- (4) Fourth, the Charter should be amended to codify some of the provisions and authorities granted to DOI through the Mayoral Executive Orders that I mentioned earlier. In particular, the Commission should consider codification of City employees' affirmative obligation to report corruption to DOI, the consolidation of all agencies' Inspectors General within the DOI, and DOI's unrestricted access to agency data and records. DOI would welcome the opportunity to work with the Commission on these Charter amendments in order to update the language of the existing Mayoral Executive Orders so as to appropriately align them with DOI's current structure and needs.

It is my view that these proposed protections would strengthen DOI's independence, protect DOI and its work in the long term, and ultimately benefit City government and all New Yorkers. I want to thank the Commission for recognizing the importance of these protections and for considering these changes.

Thank you and I would be happy to answer any questions.