The City of New York
Department of Investigation

JOCELYN E. STRAUBER
COMMISSIONER

FOR IMMEDIATE RELEASE
MONDAY, MAY 1, 2023

DOI ISSUES 2022 ANNUAL ANTI-CORRUPTION REPORT ON THE IMPACT OF CITY AGENCIES' RECRUITMENT AND RETENTION CHALLENGES ON ANTI-CORRUPTION OBJECTIVES

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation ("DOI"), issued the 2022 Annual Anti-Corruption Report today. This annual report is mandated by Executive Order 105 ("EO 105"), which consolidated the Inspector General function within DOI, established the DOI Commissioner as the City's independent Inspector General, gave agency heads primary responsibility for maintaining corruption-free agencies and called upon DOI to assist in their efforts by preparing this annual report, which summarizes agency-identified corruption vulnerabilities and agencies' remedial strategies. Since 2020, the annual reports have focused on a corruption-related issue and City agencies' responses. For this report, DOI examined how human capital management issues, including recruitment and retention issues, have impacted the resources available to the City to meet its anti-corruption goals, how agencies have responded to these challenges, and any resulting corruption risks. DOI analyzed both quantitative and qualitative data based on questionnaire responses from 64 agencies to compile this year's report, which covers the period October 1, 2021 through September 30, 2022. A copy of the Report is attached to this release and can be found on our reports page or by clicking here.

DOI Commissioner Jocelyn E. Strauber said, "The 2022 Annual Anti-Corruption Report details the staffing recruitment and retention challenges that City agencies are handling and how those challenges impact agencies' anti-corruption efforts. The circumstances that gave rise to these challenges – including hiring freezes and budget cuts –began in 2019, were exacerbated by the 2020 COVID-19 pandemic and continued through 2022. The labor challenges that the City faces today are not unique; they are consistent with national and municipal employment trends throughout the United States. The good news for New York City is that a third of agency respondents indicated that recruitment and retention challenges have had no impact on their anti-corruption efforts. Two-thirds of respondents; however, indicated that decreases in staffing had some adverse impact on their anti-corruption activities, or presented risks to those efforts. These challenges, should they continue, could have a long-term negative impact on the City's anti-corruption efforts and therefore could increase the risks of corruption, fraud, waste, and abuse. The Report also includes information provided by City Hall with respect to a number of initiatives underway, some of which post-date the period covered by our questionnaire responses, that City Hall has stated are intended to improve and strengthen the City's recruitment and retention efforts, as well as to bolster the City's anti-corruption efforts. I want to thank all the City agencies, City Hall and the City employees who took the time to respond to this questionnaire for their deep commitment to public integrity."

This annual report is different than most other DOI reports in that it is not wholly the product of DOI's investigative work, but instead relies on agencies' own assessments to provide a broad overview of the approach

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City agencies are taking to address risks of corruption, misconduct, or other criminal activity. In order to promote candid responses by the participating agencies, the individual responses have been aggregated or anonymized, as appropriate. For the 2022 report, DOI developed a questionnaire that sought information from agencies on:

- Budgeted and vacant headcount;
- Challenges related to recruitment and retention of staff;
- Initiatives to address recruitment and retention challenges; and
- Impacts of recruitment and retention challenges in general and on anti-corruption efforts specifically.

DOI focused on these issues in light of the dramatic increase in the City's staffing vacancy rate from 2019 to late 2022. A number of factors have contributed to the City's workforce reduction – and agencies' recruitment and retention challenges – over this period, including the financial uncertainty created by the pandemic that led to hiring freezes in 2020, the mandated return to in-person work and vaccination requirements imposed by the City in late 2021, and the budget cuts in 2022. The City's municipal labor challenges are not unique; they reflect nationwide labor trends. Nationally, Americans quit their jobs in record numbers in 2021, citing low pay and a lack of opportunity for advancement, among other factors. Municipal government employment also declined nationwide between March 2020 and March 2022 by almost 4.5%.

Responses by City agencies to the questionnaire indicated that the most significant drivers of hiring challenges and high attrition rates are non-competitive salaries; the lack of remote or hybrid work opportunities; and a lengthy, bureaucratic mandated process for approval of new hires, raises, and promotions. Twenty-one of the 64 City agency respondents – 33 percent of respondents – reported that recruitment and retention challenges have had no impact on the agencies' efforts to address corruption-related risks. However, two-thirds of agencies, 66 percent of respondents, reported that understaffing had either some adverse impact on anti-corruption activities, such as reductions in oversight, auditing, and internal control functions, or presented risks to anti-corruption efforts as a result of delays, lowered capacity, inexperienced staff, and burnout. Many agencies described efforts to mitigate these impacts or risks such as rearranging staff responsibilities to cover critical functions, extending the time allotted to complete certain processes or tasks, and forgoing new anti-corruption monitoring and prevention programs.

Some agencies reported disruptions to their agencies' anti-corruption efforts. For example, one agency stated that many of its fraud investigators and quality assurance staff were redeployed to other areas of the agency because of understaffing and as a result it had a large backlog of cases and had to suspend its proactive review activities. Another agency stated that due to understaffing, it had to briefly pause its work that is intended to ensure that only eligible individuals receive City benefits.

Most agencies within the remaining 66 percent pointed to risks of possible fraud or corruption due to human capital management challenges. The most common problem these agencies identified was delay in performing anti-corruption functions, such as audits and monitoring programs. Some agencies reported that the high levels of attrition and turnover resulted in a more inexperienced workforce likely lacking the same ability to identify instances of fraud, waste, abuse, or corruption as their more experienced predecessors. Other agencies indicated that insufficient staff prevented them from being able to take proactive steps to prevent corruption, fraud, waste or abuse. One agency said that recruitment and retention challenges hampered their ability to undertake more robust program monitoring, contract oversight, and other compliance-related work. City agencies also indicated that low salaries may also pose a corruption risk, with one agency expressing concerns that inspectors who are not compensated properly would be at a higher risk of accepting bribes.

DOI's review of the agencies' survey responses suggests that a continued staffing shortage could diminish anti-corruption efforts and may increase risks of corruption, fraud, waste, or abuse.

In light of the issues and challenges that DOI identified on the basis of the questionnaire responses, which focused on the 12-month period concluding September 30, 2022, City Hall provided DOI with information regarding its Citywide strategies intended to improve employee recruitment and retention, and to bolster the City's anti-corruption efforts, some of which post-date the questionnaire period. DOI has included that information in the final section of this Report. For example, in early 2023, the City reached an agreement with District Council 37, a union

that covers approximately a quarter of the City's unionized workforce, that impacts salaries and benefits paid to City employees and will address workplace schedules, including a pilot program concerning remote work.

City Hall also identified several Citywide recruitment efforts that are reducing vacancies Citywide, among them, the identification of an Agency Recruitment Czar for each agency responsible for developing agency-specific recruitment and retention plans and reviewing policies and procedures to improve the City's hiring process; New York City government hiring halls co-sponsored by the City Council and District Council 37 and organized by the City Department of Citywide Administrative Services ("DCAS"); DCAS-organized Citywide hiring pool events for positions that require a civil service exam; and discussions of longer-term actions to streamline City hiring policies and reduce barriers for candidates interested in City jobs.

City Hall also provided information about a number of steps taken by the City to bolster anti-corruption efforts Citywide, including reducing redundancies, providing streamlined oversight and resources for agencies, and the creation of Mayoral entities such as the Mayor's Office of Risk Management and Compliance to assess and mitigate risk and strengthen internal controls and audit functions across the City.

In March 2021, DOI issued the Anti-Corruption Report publicly for the first time and focused the report on the COVID-19 pandemic and the corruption hazards arising in the pandemic response, as well as other public health and safety corruption hazards. The 2020 Anti-Corruption Report can be found by clicking here. The 2021 Anti-Corruption Report was not issued publicly because it focused on cybersecurity risks and challenges at City agencies and contained sensitive information that could compromise City cybersecurity efforts if made public.

This Report was prepared by Deputy Commissioner of Legal Affairs and General Counsel Andrew Brunsden and Director of Intergovernmental Affairs and Special Counsel Rebecca Chasan and with data analytics support by DOI's Director of Data Analytics Shyam Prasad and Data Analyst Maxwell Yeung.

New York City
Department of Investigation

2022 Annual
Anti-Corruption Report

Jocelyn Strauber
Commissioner

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I.   Introduction

The Commissioner of the Department of Investigation (DOI) serves as the City's independent inspector general, supervising a staff of Inspectors General, investigators, attorneys, forensic auditors, computer forensic specialists, and administrative personnel. Mayoral Executive Order No. 105 (EO 105)[1] established this structure in 1986, consolidating the Inspector General functions of various City agencies within DOI.

EO 105 also made clear that agency heads "remain principally responsible for maintaining corruption-free agencies through this formal collaborative arrangement by developing procedures and systems to protect against corrupt and other criminal activity affecting their agency, by hiring employees of integrity and competence, by careful managerial oversight and high-quality supervision of agency employees, and by adequate review and monitoring of fiscal commitments and processes within their respective agency." This mandate also is reflected in New York City Charter § 389(a), which assigns to agency heads the responsibility for maintaining "an internal control environment and system which is intended to maximize the effectiveness and integrity of agency operations and to reduce the vulnerability of the agency to fraud, waste, abuse, error, conflict of interest, and corruption."

EO 105 calls upon DOI to assist agencies in their efforts by preparing this annual anti-corruption report. The report is intended to describe the corruption hazards identified at City agencies and the strategies identified by agencies, in consultation with the various Inspectors General at DOI, to address those hazards. Although EO 105's mandate applies only to Mayoral agencies, DOI invited non-mayoral agencies to participate in this report and 25 non-mayoral agencies contributed, as well as 39 mayoral agencies.

DOI's anti-corruption report, unlike DOI's other reports, is not the product of DOI's investigative work, but rather provides a broad overview of approaches taken by City agencies to address risks of corruption, misconduct, or other criminal activity. DOI generally obtains this information by submitting questions to other City agencies and analyzing their responses. The public release of this report is intended to promote information-sharing and transparency around corruption hazards and the measures that are being used by City agencies to combat corruption. In order to promote candid responses by the agencies participating in this and future questionnaires, the individual responses have either been aggregated or anonymized, as appropriate.

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[1] *Available at*: https://www.nyc.gov/assets/records/pdf/executive_orders/1986EO105.PDF

II.   Executive Summary

The focus of the 2022 Anti-Corruption Report (Report) is the impact of current human capital management[2] challenges on City agencies' anti-corruption efforts, covering the period of October 1, 2021 to September 30, 2022. The City's recent struggles with recruitment and retention of City employees is well-documented. In the past year, both the City and State Comptrollers have released reports highlighting the rising vacancy rates at City agencies and the impact that staffing shortages may be having on the provision of City services.[3] The issue has been the focus of a City Council hearing[4] and has been separately raised as a concern at numerous hearings focused on other topics.[5] In addition, news and research organizations have documented the recruitment and retention issues in City government and the problems facing individual agencies.[6] These reports, hearings, and articles largely relied on publicly available quantitative data or data available from various City databases and systems.

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[2] "Human Capital Management" refers to a set of practices related to workforce management, including recruitment and retention of personnel.

[3] New York State Comptroller, "Impact of the Pandemic on New York City's Municipal Workforce," February 2022, *available at:* https://www.osc.state.ny.us/files/reports/osdc/pdf/report-18-2022.pdf; New York State Comptroller, "Update on New York City Staffing Trends," November 2022, *available at:* https://www.osc.state.ny.us/files/reports/osdc/pdf/report-13-2023.pdf; New York City Comptroller, "Title Vacant: Addressing Critical Vacancies in NYC Government Agencies," December 2022, *available at:* https://comptroller.nyc.gov/wp-content/uploads/documents/Title-Vacant-Addressing-Critical-Vacancies-in-NYC-Government-Agencies.pdf.

[4] New York City Council Hearing, "Oversight: Maintaining New York City's Municipal Workforce," September 9, 2022, https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=5761735&GUID=15FE487B-9FC6-4943-8E4F-3F0A1E8F5BE9&Options=&Search=.

[5] *See, e.g.,* New York City Council Hearing, "Oversight: Mayor's November Financial Plan, December 8, 2022, https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=5949788&GUID=B57CE231-2681-4B4C-B724-E800CB216F57&Options=&Search=; New York City Council Hearing, "Oversight: Timeliness of Public Benefits Processing at the Human Resources Administration," December 15, 2022, https://legistar.council.nyc.gov/MeetingDetail.aspx?ID=1059504&GUID=F9D0146E-69D2-42D8-B249-C47A2C0192D5&Options=info|&Search=.

[6] *See, e.g.,* Dana Rubinstein and Emma G. Fitzsimmons, "Why City Workers in New York Are Quitting in Droves," *The New York Times*, July 13, 2022, *available at:* https://www.nytimes.com/2022/07/13/nyregion/labor-shortage-nyc-jobs.html; Jesse Coburn, "'Just Keeping the Lights On': Low Morale, High Staff Vacancy Rate Hobble Department of Transportation," *Streetsblog NYC*, September 22, 2022, *available at:* https://nyc.streetsblog.org/2022/09/22/just-keeping-the-lights-on-low-morale-high-staff-vacancy-rate-hobble-department-of-transportation/; Yoav Gonen, "Just One Staffer Remains in Key City Affordable Housing Office," *The City*, July 5, 2022, *available at:* https://www.thecity.nyc/2022/7/5/23191750/just-one-staffer-affordable-housing-office-new-york-city; 5Boro Institute, "Solving the Staffing Crisis," February 2023, *available at*: https://fiveboro.nyc/staffing/.

This Report, by contrast, highlights the impact of human capital management challenges on City anti-corruption objectives by reporting information provided directly by the agencies themselves. DOI collected and analyzed both quantitative and qualitative data reflective of their experiences during the reporting period from 64 agencies in order to compile this year's report. To do so, DOI developed a questionnaire that sought information from agencies on (1) budgeted and vacant headcount; (2) challenges related to recruitment and retention of staff; (3) initiatives to address recruitment and retention challenges; and (4) impacts of recruitment and retention challenges in general and on anti-corruption efforts specifically. This Report will examine the recent issues relating to recruitment and retention of personnel through an anti-corruption lens as reported by the agencies, as required by EO 105, and will analyze how human capital management issues have impacted the resources available to the City to meet its anti-corruption goals, as well as how the agencies have responded to these challenges and any resulting risks.

City agencies' questionnaire responses indicate that the largest drivers of both difficulties in hiring and attrition are non-competitive salaries; the lack of remote or hybrid work opportunities; and a lengthy, bureaucratic mandated process for approval of hiring, salary increases, and promotions. The majority of City agencies reported these issues. To illustrate, one agency succinctly described the problem: "protracted approval processes, low salaries (when compared to industry partners) and lack of remote work flexibility have all contributed to the loss and resignation of a significant number of skilled staff and the inability to attract strong external candidates."

With respect to anti-corruption efforts, only one agency linked staffing shortages to an identifiable instance of suspected theft (valued at an amount of $5,000 or less) which in management's view may have been prevented with sufficient staffing, among other integrity controls, and approximately one-third of agencies stated that there was no impact on anti-corruption efforts. However, approximately two-thirds of agencies reported that understaffing had either some adverse impact on anti-corruption activities, such as reductions in oversight, auditing, and internal control functions, or presented risks to anti-corruption efforts as a result of delays, lowered capacity, inexperienced staff, and burnout. Many agencies described efforts to mitigate these impacts or risks, such as rearranging staff responsibilities to cover critical functions, extending the time allotted to complete certain processes or tasks, and forgoing new anti-corruption monitoring and prevention programs. DOI's review of the agencies' survey responses suggests that a continued staffing shortage could diminish anti-corruption efforts and may increase risks of fraud, waste, or abuse.

In light of the issues and challenges that DOI identified on the basis of the questionnaire responses, which focused on the 12-month period concluding September 30, 2022, City Hall provided DOI with information regarding its citywide

strategies intended to improve employee recruitment and retention, and to bolster the City's anti-corruption efforts, some of which post-date the questionnaire period. DOI has included that information in the final section of this Report.

III.   Background

Between Fiscal 2012 and Fiscal 2020, the City's full-time workforce increased by 12.3 percent, from 267,423 to 300,446 employees, as reported by the State Comptroller.[7] When considering both full-time and full-time equivalent employees, the City's actual headcount rose from 293,550 to 324,036 during the same period, reaching an all-time high of 326,739 in Fiscal 2019.[8] With these record-high headcount numbers, the City's staffing vacancy rate[9] remained fairly low. In both March 2019 and March 2020, the City's vacancy rate was just 1.5 percent.[10]

The vacancy rate has changed dramatically since then. Between March 2020 and April 2022, more than 21,000 workers left City service,[11] and attrition outpaced hiring.[12] According to the Mayor's Office of Management and Budget (OMB), as of October 2022, the City's vacancy rate was eight percent, more than five times the pre-pandemic rate.[13] The authorized full-time and full-time equivalent headcount for Fiscal 2023 (as of the November 2022 Financial Plan) is 333,053,[14] meaning that the City had more than 26,500 vacant positions as of that plan. As of the release of the Fiscal 2024 Preliminary Plan, the City's Budget Director estimated that the number of full-time and full-time equivalent employees was approximately 301,000 and Mayor Eric Adams stated that there were still approximately 23,000 vacant positions.[15]

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[7] "Impact of the Pandemic," *supra*, fn. 3.

[8] Citizens Budget Commission, "NYC Employee Headcount," October 18, 2021, *available at:* https://cbcny.org/research/nyc-employee-headcount.

[9] The staffing vacancy rate is determined by comparing the City's actual headcount to its authorized, or budgeted, headcount.

[10] "Quitting in Droves," *supra*, fn. 6.

[11] Citizens Budget Commission, "Testimony on the NYC Municipal Workforce," September 9, 2022, *available at:* https://cbcny.org/advocacy/testimony-nyc-municipal-workforce.

[12] "Update," *supra*, fn. 2.

[13] Transcript, December 8, 2022 New York City Council Hearing, *supra,* fn. 5, at pg. 32.

[14] The Financial Plan of the City of New York: Fiscal Years 2023-2026, Full-Time and Full-Time Equivalent Staffing Levels, November 2022 Financial Plan, *available at:* https://www.nyc.gov/assets/omb/downloads/pdf/nov22-stafflevels.pdf.

[15] Transcript, Mayor Adams Releases Preliminary Budget for Fiscal Year 2024 and Holds Media Availability, January 12, 2023, *available at:* https://www.nyc.gov/office-of-the-mayor/news/029-23/transcript-mayor-eric-adams-releases-preliminary-budget-fiscal-year-2024-holds-media.

A number of factors contributed to the City's workforce reduction over the last several years. In 2019, after years of increased hiring and headcount, Mayor Bill de Blasio instituted a hiring freeze as part of the Fiscal 2020 Preliminary Financial Plan in response to what he described as "New York City's finances fac[ing] strong headwinds and economic uncertainty."[16]

Beginning in March 2020, the COVID-19 pandemic created financial uncertainty and presented economic challenges for the City. In response to the pandemic, the City implemented a hiring freeze permitting agencies to replace only one of every three non-essential, non-revenue generating positions, a standard that was later loosened to two-for-one. By June 2020, Mayor de Blasio warned of potential layoffs of nearly 22,000 municipal employees,[17] which he avoided through an agreement with labor unions to find $1 billion in savings elsewhere.

In September 2021, after 18 months of authorized telework, Mayor de Blasio phased in a return to in-person work and ultimately mandated that City employees adhere to a full, five-day, in-person work schedule.[18] And, in October 2021, he required all City employees to show proof of vaccination or risk losing their jobs.[19] Reports indicated that both the end of remote work and the vaccine requirement for City employees led to a sharp decline in the City's workforce.[20]

Since taking office in January 2022, Mayor Adams has instituted a series of Programs to Eliminate the Gap (PEGs), or budget cuts, with each financial plan he has released. These, too, contributed to the increase in vacancies as agencies had less funding for hiring, raises, or promotions. The most recent PEG implemented for the Fiscal 2024 Preliminary Plan attempted to lower the vacancy rate by requiring agencies, with some exceptions, to eliminate half of their vacant positions for Fiscal 2023 and the outyears. This PEG, which effectively diminished most significantly the headcount of

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[16] Fact Sheet, Mayor de Blasio Releases Preliminary Budget for Fiscal Year 2020, *available at:* https://www.nyc.gov/office-of-the-mayor/news/082-19/fact-sheet-mayor-de-blasio-releases-preliminary-budget-fiscal-year-2020.

[17] Dana Rubinstein and Christina Goldbaum, "Pandemic may Force New York city to Lay Off 22,000 Workers," *The New York Times*, June 24, 2020, *available at:* https://www.nytimes.com/2020/06/24/nyregion/budget-layoffs-nyc-mta-coronavirus.html.

[18] Dana Rubinstein, "N.Y.C.'s Mayor Directs City Employees to Return to the Office Full-Time Soon," *The New York Times*, September 1, 2021, *available at:* https://www.nytimes.com/2021/09/01/nyregion/new-york-city-workers-office.html.

[19] Maria Caspani and Brendan O'Brien, "New York Orders All City Employees Vaccinate, Drawing Police Union Ire," *Reuters*, October 20, 2022, *available at:* https://www.reuters.com/world/us/new-york-city-require-covid-19-vaccinations-all-public-employees-wsj-2021-10-20/.

[20] Stef Manisero, "Municipal Workers Leave Over In-Office Requirement, Vacancy Rate Hits 8%," *NY1,* September 1, 2022, *available at:* https://www.ny1.com/nyc/all-boroughs/politics/2022/09/02/city-workers-leave-over-in-office-requirement--vacancy-rate-hits-8-.

the agencies with the highest vacancy rates, resulted in the elimination of more than 4,300 vacant positions across agencies.[21]

It has been widely reported that the combined impact of these actions and the agency responses to managing a sustained workload with a reduced staff have taken a toll on the morale of the City's workforce,[22] likely further contributing to the increase in employees leaving City service. This is consistent with the twin national labor trends that took hold in the United States since 2021; resignation and "quiet quitting." First, following a record year of job losses due to COVID, employees started quitting their jobs in record numbers, with the nation's quit rate reaching a record high in November 2021, termed "the Great Resignation."[23] According to a 2022 study by the Pew Research Center, Americans quit their jobs in the prior year due principally to low pay, a lack of opportunities for advancement, and feeling disrespected at work.[24] Second, in 2022, the term "quiet quitting" was used to describe workers who opt out of tasks beyond their minimum assigned work responsibilities or who are psychologically disengaged from their work.[25]

It should be noted that the municipal labor challenges faced by the City are not unique, but rather are consistent with national trends. According to research from the National League of Cities, between March 2020 and March 2022, local government employment declined by 300,300. This drove municipal employment down by 4.48 percent, 18 times greater than the total non-farm employment loss of 0.25 percent.[26]

As noted above, the City's recruitment and retention challenges have been well documented in recent government and media reports.[27] However, these reports have primarily analyzed publicly available data. DOI's 2022 Anti-Corruption Report offers new data and observations based on its analysis of questionnaire responses provided by the City agencies directly impacted by human capital management challenges.

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[21] Transcript, *supra*, fn. 15.

[22] *See*, *supra*, fn. 6.

[23] Eli Rosenberg, "4.3 Million Americans Left Their Jobs in December as Omicron Variant Disrupted Everything," *The Washington Post*," February 1, 2022, *available at:*
https://www.washingtonpost.com/business/2022/02/01/job-quits-resignations-december-2021/.

[24] Kim Parker and Juliana Menasce Horowitz, "Majority of Workers Who Quit a Job in 2021 City Low Pay, No Opportunities for Advancement, Feeling Depressed," *Pew Research Center*, March 9, 2022, *available at:* https://www.pewresearch.org/fact-tank/2022/03/09/majority-of-workers-who-quit-a-job-in-2021-cite-low-pay-no-opportunities-for-advancement-feeling-disrespected/.

[25] Alyson Krueger, "Who is Quiet Quitting For?," *The New York Times*, August 23, 2022, *available at:* https://www.nytimes.com/2022/08/23/style/quiet-quitting-tiktok.html.

[26] Jacob Gottlieb and Julia Bauer, "The Municipal Workforce Through the Pandemic: Where Are We Now?," National League of Cities, *available at:* https://www.nlc.org/resource/the-municipal-workforce-through-the-pandemic-where-are-we-now/.

[27] *See, supra,* fns. 3, 4, and 5.

DOI's analysis of the questionnaire responses reveals commonly identified causes of human capital management problems, as well as potential risks to City anti-corruption objectives.

IV. Survey Results

A. Respondents

There were 64 respondents to DOI's 2022 Anti-Corruption Questionnaire. Table 1 below lists the agencies and offices that submitted a response and Figure 1 below shows the percentage of mayoral and non-mayoral agencies that responded.

Table 1. Respondents to DOI's 2022 Anti-Corruption Questionnaire

Administration for Children's Services	Department of Small Business Services
Board of Elections	Department of Social Services
Board of Standards and Appeals	Department of Transportation
Borough President – Brooklyn	Department of Veterans' Services
Borough President – Manhattan	Department of Youth and Community Development
Borough President – Queens	Economic Development Corporation
Borough President – Staten Island	Financial Information Services Agency
Business Integrity Commission	Fire Department
Campaign Finance Board	Health + Hospitals
City University of New York	Housing Development Corporation
Civil Service Commission	Landmarks Preservation Commission
Civilian Complaint Review Board	Law Department
Commission on Human Rights	Libraries – Brooklyn
Comptroller's Office	Mayor's Office
Department for the Aging	Mayor's Office of Contract Services
Department of Buildings	New York City Emergency Management
Department of City Planning	New York City Employee Retirement System
Department of Citywide Administrative Services	New York City Housing Authority
Department of Consumer and Worker Protection	Office of Administrative Tax Appeals
Department of Correction	Office of Administrative Trials and Hearings
Department of Cultural Affairs	Office of Chief Medical Examiner
Department of Design and Construction	Office of Labor Relations
Department of Environmental Protection	Office of Management and Budget
Department of Finance	Office of Technology and Innovation
Department of Health and Mental Hygiene	Police Department
Department of Homeless Services	Public Administrator's Office – Bronx
Department of Housing Preservation and Development	Public Administrator's Office – Brooklyn
Department of Investigation	Public Administrator's Office – Manhattan
Department of Parks and Recreation	Public Administrator's Office – Queens
Department of Probation	Public Administrator's Office – Staten Island

Department of Records and Information Services	School Construction Authority
Department of Sanitation	Taxi and Limousine Commission

Figure 1. Mayoral and Non-Mayoral Respondents

Legend: ■ Mayoral Agencies ■ Non-Mayoral Agencies

25 (39%) 39 (61%)
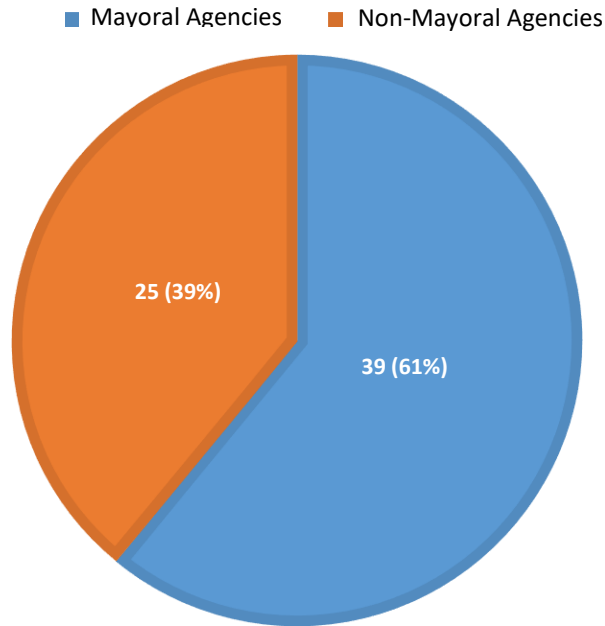
B. Vacancy Data

Agencies were asked to provide their budgeted headcount numbers as well as the number of vacant budgeted headcount positions as of September 30 of each year between 2018 and 2022. In addition, agencies were asked to disclose the experience levels and the job categories in which the majority of the vacancies occurred.

The data reported by the agencies demonstrated that vacancy rates increased between September 2018 and September 2022 with the greatest increases occurring between September 2020 and September 2022. While the small, medium, and large agencies that responded to DOI's questionnaire all saw increases in their vacancy rates over these years, the vacancy rates at medium sized agencies were the highest across the reporting period, increasing from a low of 13.4% in September 2020 to 19.3% in September 2022.[28] Overall, the average self-reported vacancy rate for all the

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[28] For purposes of analyzing the vacancy data, DOI categorized agencies as either small, medium, or large. DOI defined small agencies as those with fewer than 250 employees, medium agencies as between 250 and 1,000 employees, and large agencies as over 1,000 employees. Out of the 64 respondents, 23 are small agencies, 17 are medium agencies, and 24 are large agencies.

responding agencies increased from 9.6% in September 2018 to 15.2% in September 2022. Figure 2 below demonstrates the average vacancy rate for respondent agencies between September 2018 and September 2022. The data is shown for small, medium, and large agencies individually, as well as for all agencies collectively.[29]

Figure 2. Average Vacancy Rates Between Fiscal 2018-2022
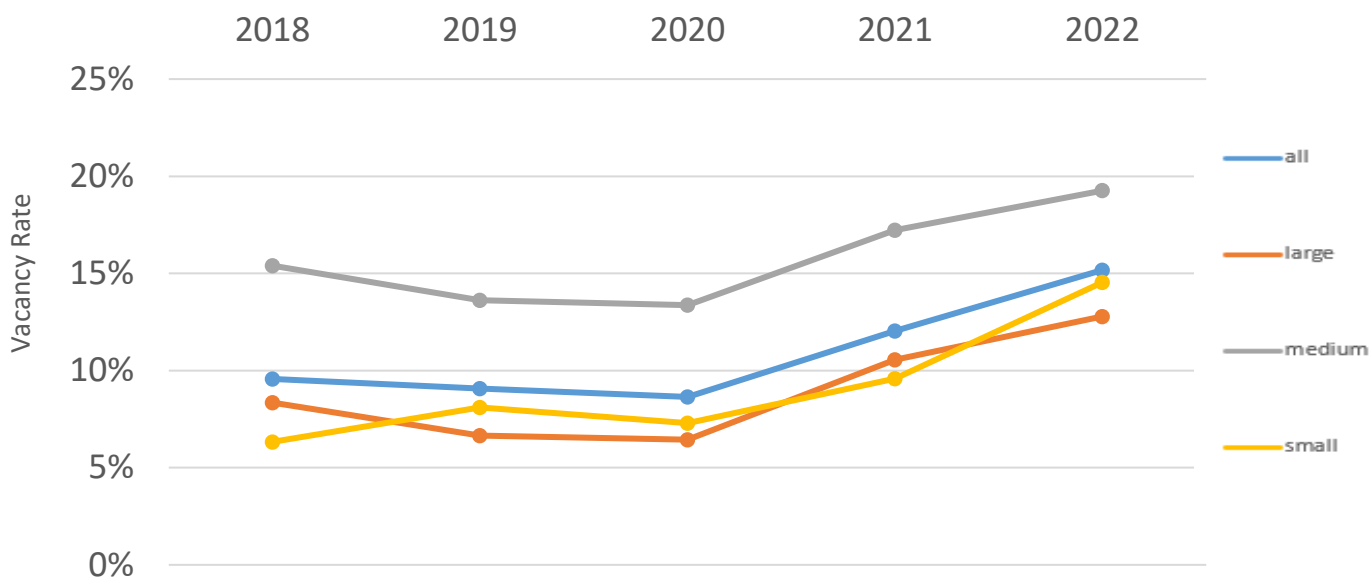
Overall, agencies reported that the majority of the vacancies were in the entry and mid-level experience categories, with 41 agencies, or 64 percent of respondents, citing entry level vacancies and 44 agencies, or 69 percent of respondents, citing mid-level vacancies. Only eight agencies, or 13 percent of respondents, and five agencies, or eight percent of respondents, cited senior and executive level vacancies, respectively. This proportional breakdown remained consistent for the small, medium, and large reporting agencies. Figure 3 below depicts the number of agency responses for vacancies by experience level.

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[29] DOI recognizes that the average vacancy rates cited here are different than the overall City vacancy rates cited in the background section of this Report above. While DOI cannot provide a definitive explanation for this discrepancy, it is likely due to several factors including the point-in-time nature of vacancy reporting (DOI requested data as of September 30 of each year to coincide with the end of the reporting period for this mandated anti-corruption report, which may be different than the dates on which OMB calculates vacancy rates), as well as the agencies on which the vacancy rates were based – that is, the sample of agencies reporting information for this anti-corruption report may differ somewhat from the agencies included in OMB's vacancy data.

Figure 3. Majority of Vacancies by Experience Level
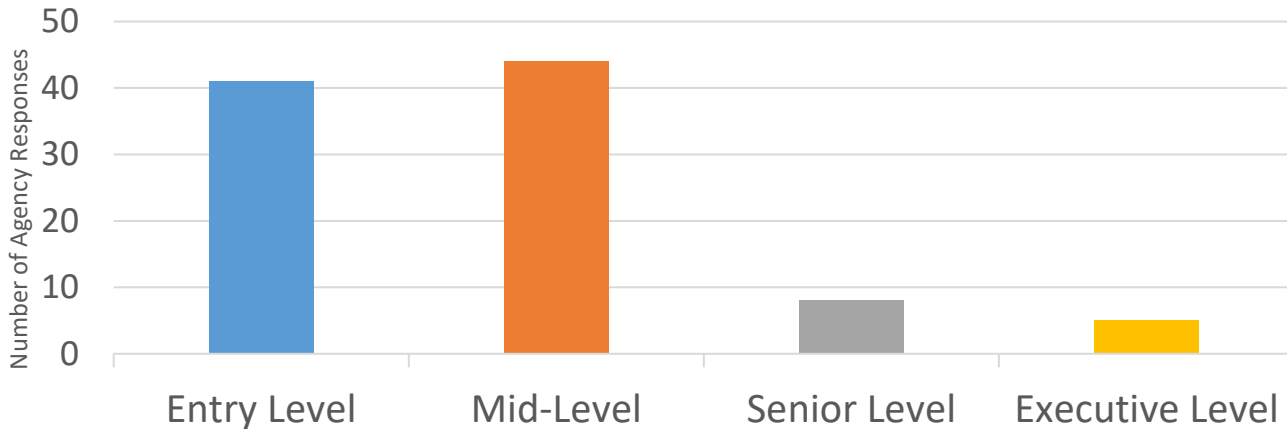
For vacancies in particular job titles, 39 agencies, 56 percent of respondents, reported vacancies in specialized or agency specific titles, such as community coordinators, pest control workers, urban designers, and project managers. The next three most identified job categories with vacancies were information technology personnel (29 agencies or 45 percent of respondents), administrative professionals (24 agencies or 38 percent of respondents), and certification/license required positions, which includes attorneys (23 agencies or 36 percent of respondents). Figure 4 depicts the job categories that agencies identified as having the majority of vacancies. Some agencies selected more than one job category.

Figure 4. Majority of Vacancies by Job Category
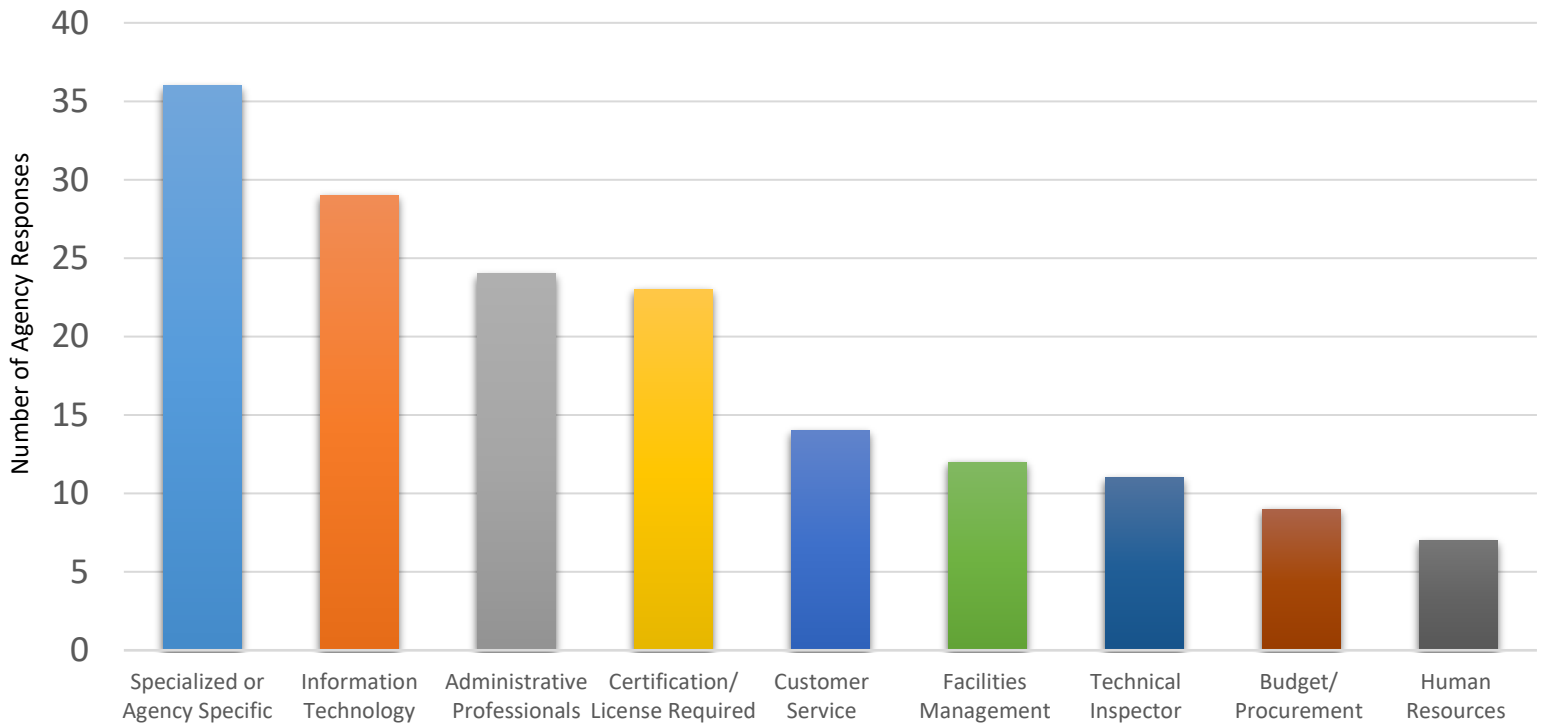
C. Human Capital Management Challenges

The questionnaire contained a series of questions regarding the factors contributing to the vacancies reported by the agencies and issues regarding staff retention. Specifically, the questions were:

- Which factor(s) contributes to your agency's vacancies?
- Can you please elaborate on the significance of the factors you selected above to recruitment and hiring?
- Which factor(s) contributes to your agency's inability to retain staff?
- Can you please elaborate on the significance of the factors you selected above to employee retention?

Nearly all of the agencies reported facing significant challenges to both recruitment and retention. For both recruitment and retention, the responding agencies overwhelmingly attributed the problems to low salaries, competition from other employers, and lack of remote work options. In addition, for recruitment in particular, agencies noted the length of the recruitment process and City requirements for the selection, approval, and funding of new hires. For retention in particular, agencies cited the lack of promotional opportunities, the inability to counteroffer when a current employee has a job opportunity outside City government, and insufficient funding for raises. Figures 5 and 6 below depict the number of agency responses for each factor contributing to the agencies' hiring challenges and the inability to retain staff, respectively.

1. Recruitment and Hiring

For recruitment and hiring, responding agencies focused on the combination of low salaries, a lack of a flexible remote or hybrid schedule, and aspects of the City hiring process as significant factors in their inability to hire for vacant positions. The most common factor identified by agencies as contributing to difficulties in hiring was the inability to post positions at an industry standard salary, with 51 agencies, or 80 percent of respondents, listing that as a factor. Multiple agencies provided specific examples of how the low salaries inhibited their ability to hire. As an example, one agency reported 25 vacancies for a civil service title with a new hire salary of $36,390. Based on the civil service exam list, 900 candidates were invited to the hiring pool, fewer than 100 replied, and only six were ultimately hired. The agency reported that many of the candidates were already earning more than the salary offered for the new position.

Figure 5. Factors Contributing to Recruitment and Hiring Challenges
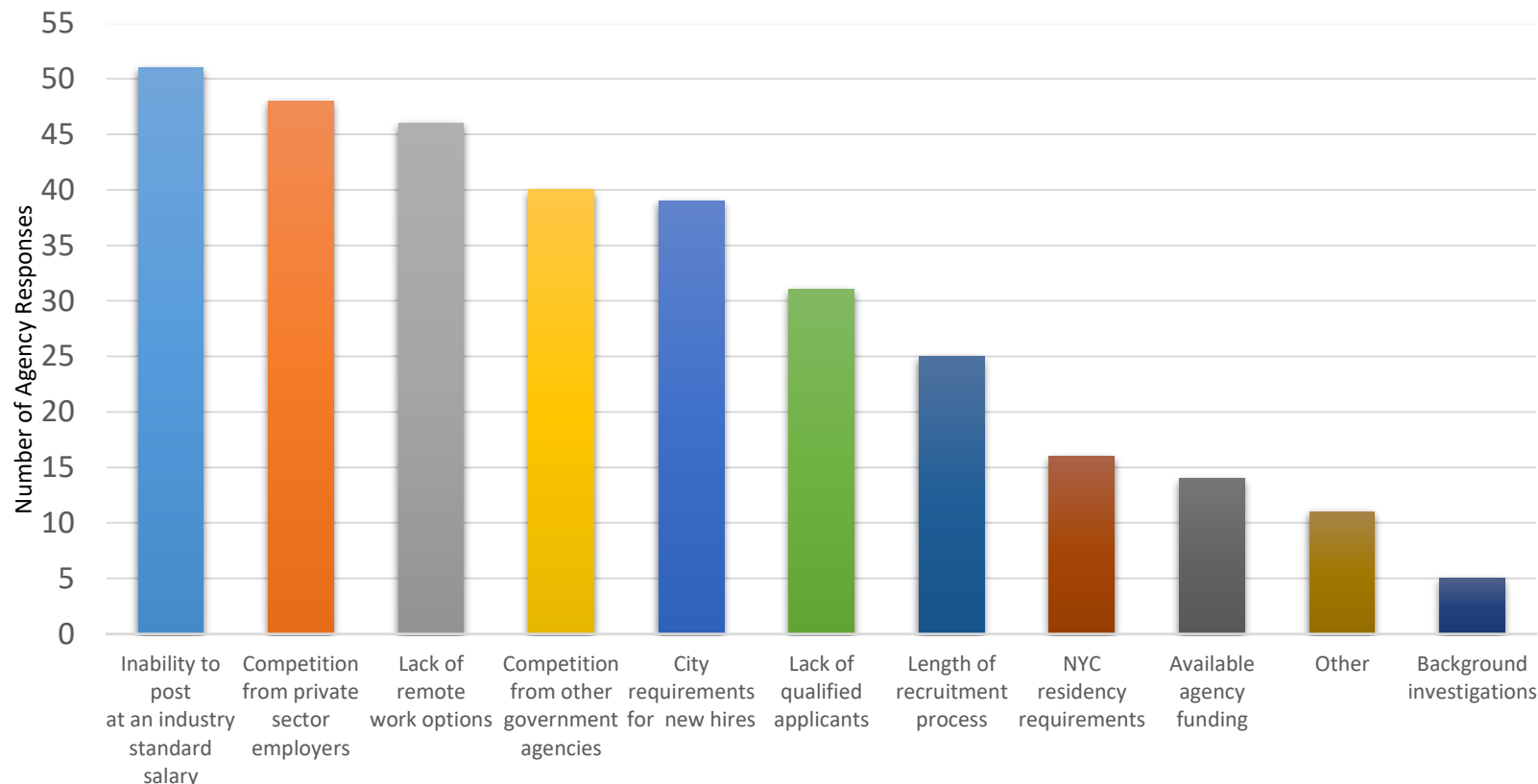
Several agencies listed the City salaries compared to industry salaries to demonstrate the disparity. Examples included:
- Attorney positions - $89,000 City salary v. $120,000 private sector salary
- LAN/WAN IT Administrator - $81,951 City salary v. $99,000 private sector salary
- Computer Programmer – $51,233 City salary v. $80,000 private sector salary
- Engineer – $53,702 City salary v. $89,000 private sector salary
- Estimator – $57,078 City salary v. $109,000 private sector salary[30]

According to one agency, New York City salaries are low even when compared to other municipalities. For example, New York City offers a salary of $55,000 for one title compared to $72,000 in Seattle, $61,000 in Phoenix, $70,000 in Denver, and $69,000 in Washington, D.C. for the same position.[31] Another agency stated that "[t]he minimum amount for the salary is so low that we repeatedly need to seek salary

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[30] These private sector salaries were self-reported by the responding agencies; DOI did not independently verify their accuracy.

[31] These other municipalities' salaries were self-reported by the responding agency; DOI did not independently verify their accuracy.

exemptions…and even when we finally receive[] approval to hire at a higher salary, it was still too low compared to what is offered in the private sector."

A related factor cited by agencies as a challenge for filling vacancies was competition from private sector employers (48 agencies, 75 percent of the respondents cited this as a factor) and competition from other government agencies (40 agencies, 63 percent of the respondents cited this as a factor).[32]

Forty-six agencies, or 72 percent of respondents, identified a lack of remote work opportunities as a factor contributing to vacancies. As stated by one agency, the lack of a remote work option "result[s] in otherwise qualified candidates declining approved positions…" As an illustration of this widely cited factor, one agency reported that in a recent hiring process, the first three candidates the agency considered for a senior legal role declined to even interview for the position once they learned there was no remote work permitted.

City agencies also attributed extended vacancies to the municipal process itself, including City requirements for new hires (39 agencies or 61 percent of respondents), the length of the recruitment process (25 agencies or 39 percent of respondents), residency requirements (16 agencies or 25 percent of respondents), and background investigations (five agencies or eight percent of respondents). Several agencies described a hiring and approval process that can take up to six months, with many candidates moving on to other accepted positions before the City completes the steps required to make an approved offer and onboard the new employee. One agency explained that "[t]he length of time taken in the hiring process also heavily contributes - and while some aspects of this have always been the case, new oversight processes (hiring freeze, OMB salary review, OMB review of promotional actions, OMB limitation of how frequently their review occurs, etc.) have lengthened an already long process."

2. Retention

Agencies found that the same factors that make hiring difficult also drive retention challenges. With respect to retention, the top reason identified by agencies for an inability to retain staff was competition from private sector employers, with 47 agencies, 73 percent of respondents, citing that as a factor. A lack of remote work options also topped this category, with 44 agencies, 69 percent of respondents, citing this factor. Forty-one agencies, 64 percent of respondents, found that competition from other governmental agencies contributed to retention challenges. The same

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[32] Competition from other employers may include a range of factors, including higher salaries, telework options, the City's ability to counteroffer in a timely manner, the speed at which the other employers complete the hiring process, or other attractive employment-related benefits.

number of respondents also cited the inability to counteroffer when an employee has another job offer. Agencies also struggled to provide raises or promotional opportunities to retain staff, making retention even more difficult. Thirty-two agencies, or half of all respondents, cited lack of promotional opportunities as a factor in retention challenges, and 30 agencies, or 47 percent of respondents, cited insufficient funds for raises.

Figure 6. Factors Contributing to Inability to Retain Staff
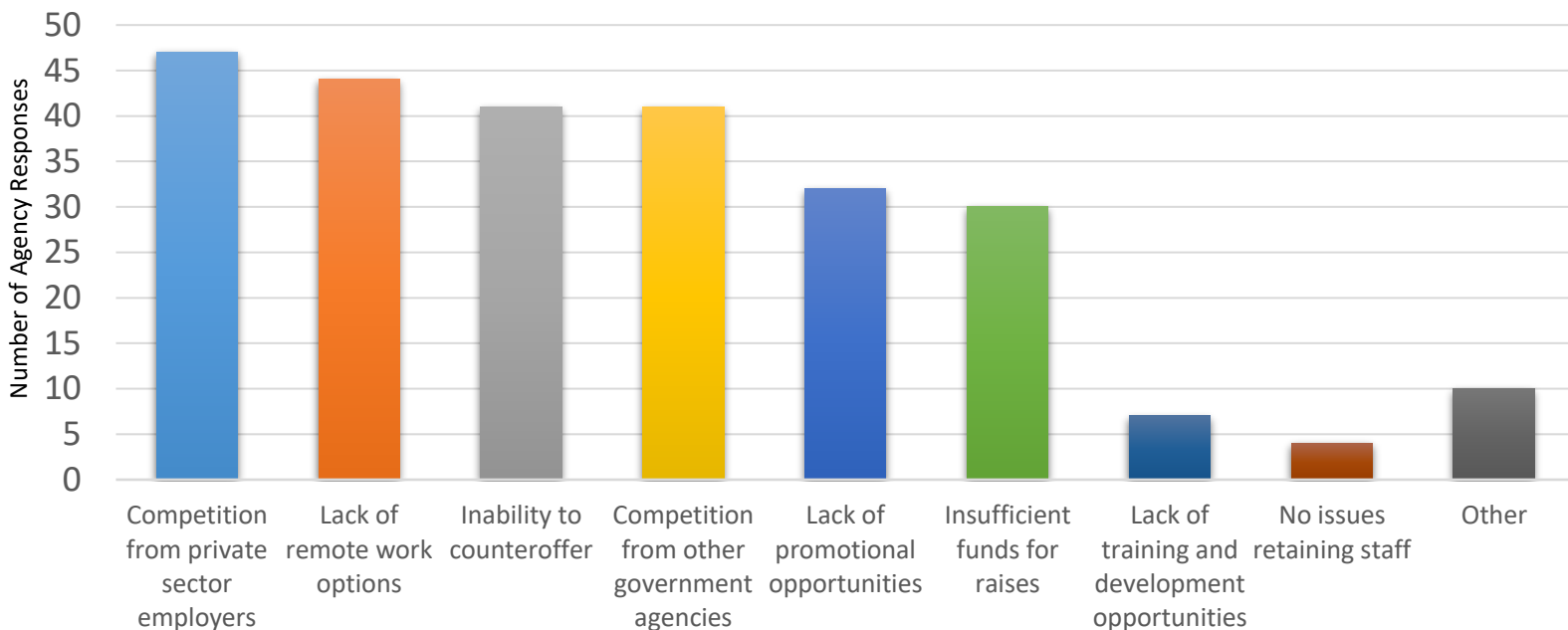
The questionnaire responses submitted by the agencies were replete with examples of staff leaving City service due to at least one or a combination of the factors outlined above. Agencies repeatedly described employees being offered private sector positions at higher salaries and/or with remote work opportunities. They also detailed how City salaries, policies, or practices hindered retention efforts by precluding or limiting their ability to, for example, offer a flexible schedule or make a reasonable counteroffer in a timely manner. For instance, according to one agency's report, the agency had one employee "who started in December 2021 [and] left in August 2022 due to getting an offer over $100k from a private sector firm, which was more than double his salary of $54k. Another employee was reluctant to leave [the agency], however, the private employer he received a job offer from provided him with the flexibility to work remotely; this allowed him to be closer to home to take care of his daughter. We also face significant OMB constraints in affording promotional opportunities for current staff as there are OMB-imposed limitations to upgrading current positions."

A significant number of agencies specifically identified OMB's approval process for employee salary increases for individual employees as contributing to retention challenges.[33] Agencies reported that OMB approvals for salary increases or counteroffers could take months, and that employees may move on to other opportunities while approval is being sought. Alternatively, in cases of approved salary increases, the amount of such approved increases may be insufficient to induce the employee to stay. Many agencies pointed to the fact that salary increase requests can be submitted only once a month to OMB as causing delays in making effective counteroffers for retention purposes. One agency stated that it "cannot compete when candidates must wait 30-60 days for a counteroffer from us when they have a job offer from another entity in hand. As an example, [one] employee had a job offer with a 10% raise…and we could not counter within the 1 week time frame he was given."

In addition, the experiences of many agencies suggested that a lack of remote work options plays a significant role in staff leaving City employment. For example, a small agency stated that after Mayor de Blasio imposed the return-to-office mandate, 23 employees retired and 36 employees resigned. Another agency noted the outsized impact of the return-to-office mandate on its female employees — 20 percent of the agency's female staff departed between the imposition of the mandate and the first quarter of 2022.

Moreover, because there is not pay parity across City agencies within titles or for similar positions, several agencies reported losing staff to other City agencies because those other agencies offered higher salaries for a similar position.

D. Initiatives to Address Human Capital Management Challenges

Depending on the mission and size of the agency, the impact of staff shortages may vary and the steps taken to mitigate them will necessarily be different. Moreover, agencies have unique cultures and individualized needs, so different agencies may take distinct approaches to recruitment and retention challenges. To learn more about how agencies have tried to creatively address these issues, the questionnaire asked about the relevant initiatives implemented by the agencies to address human capital management challenges and whether they had been successful, including the following questions:

- What, if any, procedures/steps have you implemented in an attempt to address the recruitment and retention challenges outlined above?

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[33] Several months after DOI collected agency responses on which this Report is based, OMB announced changes to some of its practices in order to speed up the hiring process. For example, OMB lifted the two-for-one hiring requirement and allowed a one-to-one replacement, and announced that it will pay up to 15 percent more for hard-to-recruit positions and respond to all standard hiring requests from agencies within ten business days.

- What, if any, procedures/steps have you implemented in an attempt to address the impacts of the recruitment and retention challenges outlined above?
- Can you please explain whether your agency's efforts to address recruitment and retention challenges have been successful and, if so, how?

Two-thirds of the agencies stated that they have tried to increase recruitment by improving their hiring practices, such as blind resume reviews[34] and standardized interview questions (46 agencies or 72 percent of respondents). Nearly two-thirds also attempted to retain staff by focusing on their professional development needs (44 agencies or 69 percent of respondents) and well-being (40 agencies or 63 percent), in an effort to boost morale. Other strategies intended to boost morale included the use of award ceremonies, holiday parties, and employee appreciation days.

Figure 7. Procedures/Steps Implemented to Address Recruitment and Retention Challenges

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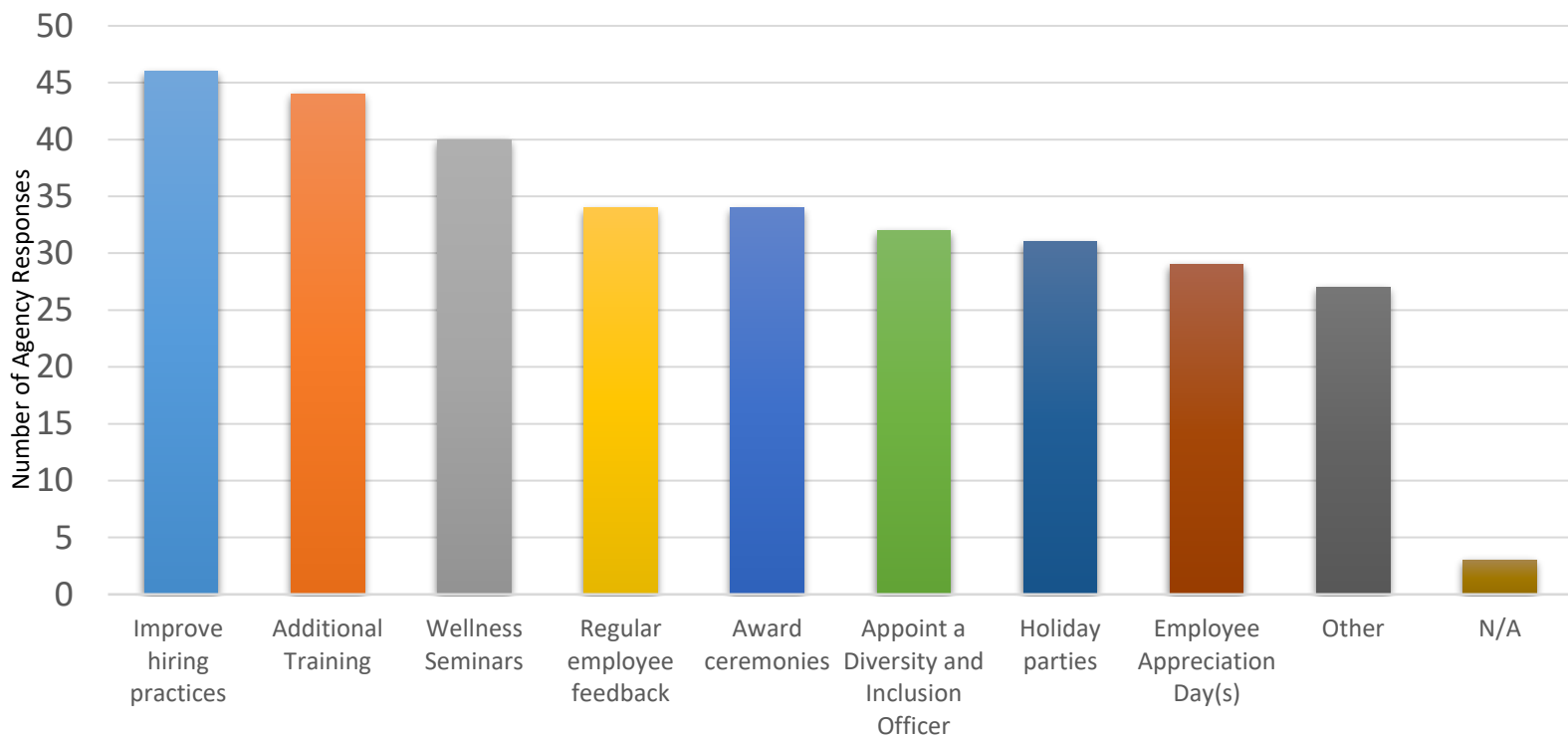
[34] A blind resume review removes identifying details (such as age, name, or name of educational institutions attended) from application paperwork in order to reduce the likelihood of biased decision making.

Strategies to address the operational impacts of the recruitment and retention challenges varied across agencies, but most agencies have found it necessary to assign additional duties to existing staff, with 54 agencies, 84 percent of respondents, reporting having done so. There has also been the need to reallocate or restructure resources. Thirty-four agencies, or 53 percent of respondents, said that they have had to focus resources on more significant risks and 26 agencies, or 41 percent of respondents, said that they have consolidated staff and programs. However, only six agencies, nine percent of respondents, reported needing to eliminate or reduce oversight, enforcement, or compliance activities as a result of staffing shortages.

Figure 8. Procedures/Steps Implemented to Address the Impacts of Recruitment and Retention Challenges
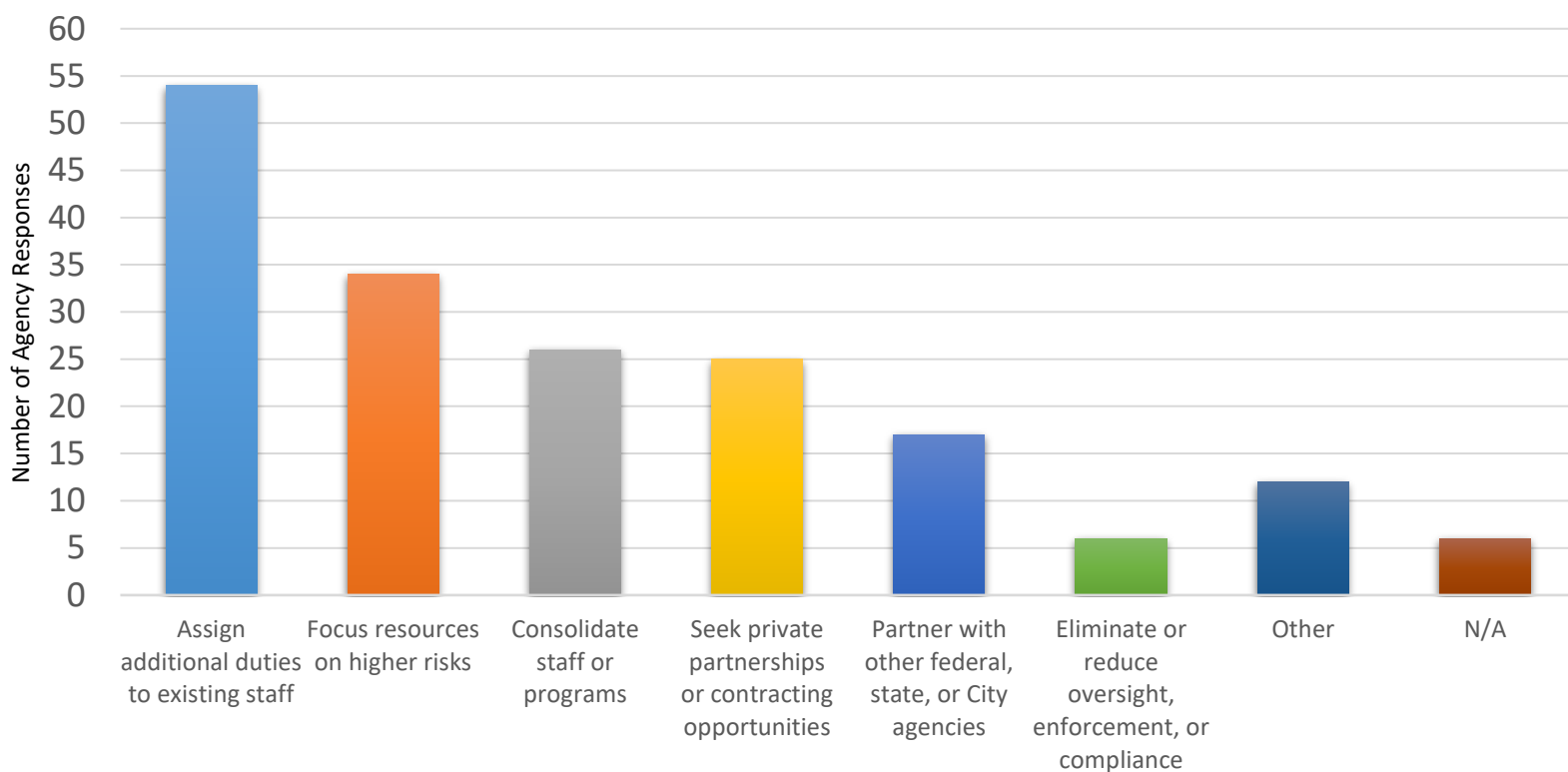
Agencies largely reported that their efforts had little to no effect at improving the recruitment and retention challenges and their impacts. According to many agencies, this was primarily because their ability to address systemic issues and factors at the root of these challenges is limited. Agencies indicated that efforts such as award ceremonies, training, and an emphasis on diversity and inclusion do not directly address, and therefore are limited in their impact on, the deeper problems of low pay, low morale, and lack of flexibility.

E. Impact of Human Capital Management Challenges on Anti-Corruption Efforts

The questionnaire included two questions addressing the impact of human capital management challenges on the agencies' anti-corruption efforts and agencies' steps to address that impact. Specifically, agencies were asked:

- What is the current impact of recruitment and retention challenges (vacancies, turnover, less experienced personnel, etc.) on your agency's efforts to address the risks of corruption, fraud, waste, conflicts of interest, or gross mismanagement?
- Can you please explain whether your agency's efforts to address any impact on agency anti-corruption efforts have been successful and, if so, how?

Only one agency linked staffing shortages to an identifiable instance of suspected theft (valued at an amount of $5,000 or less) which in management's view might have been prevented with sufficient staffing, among other integrity control reforms. Twenty-one agencies, 33 percent of respondents, reported that recruitment and retention challenges have had no impact on the agency's efforts to address the risks of corruption, fraud, waste, conflicts of interest, or gross mismanagement. However, approximately two-thirds of the responding agencies reported that understaffing had either some adverse impact on anti-corruption activities, such as reductions in oversight, auditing, and internal control functions, or presented risks to anti-corruption efforts as a result of delays, lowered capacity, inexperienced staff, and burnout.

Some agencies reported disruptions to their agencies' anti-corruption efforts. For example, one agency stated that many of its fraud investigators and quality assurance staff were redeployed to other areas of the agency because of understaffing. As a result, the agency explained that it had a large backlog of cases and had to suspend its proactive review activities. This agency also detailed that recruitment and retention difficulties in its legal department have caused delays in review of conflict of interest inquiries and investigations, in addition to delays in contract matters.

A second agency stated that due to understaffing, it had to briefly pause its work that is intended to ensure that only eligible individuals were receiving City benefits. A third agency responded that their independent assessments of cybersecurity controls and management were put "on hold" due to challenges in recruiting auditors and further noted that certain compliance work has been challenging due to vacancies.

While only a few agencies had to reduce or suspend oversight activities, based on the narrative responses submitted by the agencies, most agencies recognized that human capital management challenges increase the risk of possible fraud or corruption. The

most common problem identified by agencies was a delay in performing anti-corruption functions. For example, one agency wrote that "[n]o audit or monitoring programs have been eliminated, however, staffing challenges have resulted in delays in some agency processes . . . increased desk audits rather than field audits, or delays in vendor payments which may impact relationships with vendors."

Some agencies also reported in their narrative responses that the high levels of attrition and turnover resulted in a more inexperienced workforce. According to the agencies, inexperienced staff members may lack the same ability to identify instances of fraud, waste, abuse, or corruption as their more experienced predecessors. One agency cited staff shortages in the areas of candidate assessment and background investigation as contributing to a greater risk of vetting challenges for appointments.

Some agencies stated that understaffing has led to reduced oversight capacity in the field. For example, one agency stated that it requires a supervisor to observe staff in the field in certain situations in order to prevent the opportunity for breach of protocol or theft of property. However, the agency has fewer supervisors than it has in the past, resulting in significant field work delays while field staff wait for a supervisor to arrive. Alternatively, this circumstance creates a concern that field work staff may not call a supervisor as required in order to avoid such delays, thereby circumventing the agency's fraud prevention and quality control measure.

Other agencies indicated that insufficient staff prevented them from being able to take proactive steps to prevent corruption, fraud, waste, or abuse, and that staffing shortages allowed them to address only the most pressing needs. For example, according to one agency, it "would certainly be able to undertake more robust program monitoring, contract oversight and other compliance-related work were it not for the…recruitment and retention challenges."

Low salaries may also pose a corruption risk. One agency expressed concern that inspectors who are not compensated properly would be at a higher risk of accepting bribes, while other agencies were concerned that employees could feel compelled to take on second jobs, thereby creating an increased risk of potential conflicts of interest.

Moreover, the need to frequently onboard and train new staff to replace experienced staff that are leaving the agencies in and of itself could constitute waste. As one agency stated, "there is more risk of waste or increased resources expended, in terms of the expense of learning and development resources (personnel hours and funds spent onboarding and training staff who leave within one to two years) and we are forced to resume the onboarding cycle all over again within less than two years for the same areas…There is also the increased expense of consultant costs to perform the tasks outstanding due to vacancies."

Many agencies reported having existing staff take on additional responsibilities or redeploying existing staff to cover critical areas outside of their typical job responsibilities. Other reported strategies to combat risks of corruption included partnering with other agencies to provide relevant training, streamlining work, and using paid overtime for existing staff to complete their increased workloads. However, these measures are not without their own risks. According to the agency responses, existing staff become overburdened with additional work, which may impact the quality of work product, thereby diminishing the effectiveness of anti-corruption efforts. This could occur because staff may take shortcuts to manage their increased workload, or may to some extent disengage due to burnout.

F. Citywide Strategies to Improve Employee Recruitment and Retention and to Bolster Anti-Corruption Efforts

As noted above, in light of the issues identified in this Report, City Hall provided DOI with information concerning Mayor Adams' efforts to address employee recruitment and retention challenges. Some of these strategies were implemented after September 30, 2022, the close of the reporting period covered by this Report. For example, in early 2023, the Mayor reached an agreement with District Council 37 (DC37), a union that covers approximately a quarter of the City's unionized workforce, that impacts salaries and benefits paid to City employees and will address workplace schedules. The agreement includes:

- An increase in City wages for DC 37 titles by 16.21 percent by May 2025;
- A $3,000 ratification bonus paid to each DC 37 member;
- A $70 million equity fund established to make salary adjustments to positions with particularly severe recruitment and retention issues; and
- The creation of a flexible work committee to discuss options to provide greater flexibility to employees and to enhance employee morale, including remote work, compressed and flexible work schedules, and improved transit benefits, with a goal of beginning a remote work pilot program by July 1, 2023.[35]

City Hall also identified several citywide recruitment efforts that are reducing vacancies citywide, including but not limited to:

- A "Vacancy Reduction Sprint" through the end of the fiscal year, involving the identification of an Agency Recruitment Czar for each agency, responsible for

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[35] *See* Press Release, "Mayor Adams and DC 37 Announce Tentative Contract Agreement, Providing Fair Wage Increases and Other Benefits to Nearly 90,000 Employees and Securing Fair Deal for NYC Taxpayers," February 17, 2023, *available at*: https://www.nyc.gov/office-of-the-mayor/news/120-23/mayor-adams-dc-37-tentative-contract-agreement-providing-fair-wage-increases-and#/0.

developing agency-specific recruitment and retention plans and reviewing policies and procedures to improve the City's hiring process;

- NYC government hiring halls co-sponsored by the City Council and DC37 and organized by the Department of Citywide Administrative Services (DCAS) which will include "on the spot" interviews for City jobs to bring these opportunities directly to the communities served by those agencies;
- DCAS-organized, citywide hiring pool events for positions that require a civil service exam that provide a space for agencies and eligible candidates to meet and allow agencies to make offers to candidates during the event; and
- Discussions within the City of longer-term actions to streamline City hiring policies and reduce barriers for candidates interested in City jobs.

City Hall reports that these efforts have led to significant progress in hiring and retaining City workers, including the making of 746 conditional job offers at DCAS-organized hiring events and that this Administration is fully committed to championing and supporting the City's workforce.

City Hall also provided information about a number of steps taken by Mayor Adams to bolster anti-corruption efforts citywide, including by reducing redundancies and providing streamlined oversight and resources for agencies. These efforts have included the creation of the Mayor's Office of Risk Management and Compliance (MoRMC) to assess and mitigate risk, and to strengthen internal controls and audit functions across the City and the Municipal Services Agency to monitor, assess, and improve the delivery of services to the public. City Hall reports that these new offices already have led to the implementation of key reforms to benefit all City agencies and the communities they serve, such as:

- The creation of a framework for a Vendor Integrity Unit by the Nonprofit Reform Task Force Working Group, under the leadership of MoRMC, which is designed to ensure vendor integrity by coordinating and centralizing the process for identifying and reviewing problematic vendors;
- MoRMC's establishment of an Internal Audit Steering Committee, consisting of internal audit leaders from diverse sectors of City Government (human services, public health, information technology, capital construction, education, procurement and public stagey), which will create a structure to support and enhance the City's internal audit function and develop guidance on best practices, training, and coordination among agency auditors;
- The Mayor's Office for Contract Services (MOCS) and MoRMC's convening a Vendor Compliance Cabinet which will coordinate integrity and compliance-related activities among human services agencies, intended to address vendor integrity issues and related matters, such as interpretation and application of City fiscal policies and contract provisions regarding specific vendors, through regular meetings of agency fiscal oversight staff;

- MoRMC's assisting MOCS in designing and implementing a shared services contract for audit services that will make auditors available to human services agencies and, in connection with these engagements, will assist in developing a Standard Audit Process Guide to standardize audit procedures, in order to enhance agencies' audit capacity; and
- Designing innovative systems to reduce waste and fraud with respect to time-keeping, inventory, and City-owned vehicle usage, using various tools such as video-monitoring of agencies to ensure employees are on post, conducting spot checks on city-owned inventory; and placing Geotabs on City-owned vehicles to monitor vehicle location.

City Hall reports that one concrete example of the impact of these efforts involves MoRMC's review of security guard services used in connection with a multimillion-dollar COVID emergency contract for the provision of hotel rooms and serves for people released from incarceration, a review that resulted in $5 million in savings to the City.

V.   Conclusion

As the citywide vacancy rate has increased over the past several years, City agencies have struggled to retain staff and fill positions. By and large, agencies attribute the challenges surrounding recruitment, hiring, and retention to a combination of low salaries, competition from the private sector and other government agencies, a lack of a remote or hybrid work option, and lengthy municipal processes that create delays. Agencies have attempted with mixed success to mitigate these issues utilizing several strategies, including improving the hiring process, focusing on professional development needs and employee well-being, and implementing employee appreciation measures. With respect to anti-corruption efforts, only one agency linked staffing issues to an identifiable instance of suspected fraud, and approximately one-third of agencies stated there was no impact on anti-corruption efforts. However, approximately two-thirds did report that understaffing had an adverse impact on anti-corruption activities, ranging from reductions in oversight, auditing, and internal control functions to emerging corruption and fraud risks as a result of delays, lowered capacity, inexperienced staff, and burnout. Many agencies described efforts to mitigate these impacts or risks, such as rearranging staff responsibilities to cover critical functions, extending the time allotted to complete certain processes or tasks, and forgoing new anti-corruption monitoring and prevention programs. DOI's review of the agencies' survey responses suggests that a continued staffing shortage could diminish anti-corruption efforts and may increase risks of fraud, waste, or abuse.

This Report provides important data and information about City agencies' experience with human capital management challenges and identification of its causes. As City

agencies are responsible for delivery of City services and central to the protection of public integrity, their observations offer valuable guidance for City leadership seeking to address human capital management challenges and promote good government.