

SACRAMENTO METRO FIRE DISTRICT PERMIT INSPECTIONS: TRUST BUT VERIFY

SUMMARY

Inspection of business structures for compliance with fire codes is essential for the safety of business owners, employees, customers, and the public. The trust put into the fire officials who inspect these premises is central to the confidence that buildings meet the fire code.

The Grand Jury investigated the fire permit process used by Sacramento Metropolitan Fire District (District), Northern Division, for inspecting buildings undergoing original construction or tenant improvements.

Currently, Fire Inspectors (inspectors) are not required to document or report any attempted bribery or conflicts of interest. The risks of fraud, bribery, and conflicts of interest can be mitigated through tighter internal controls of fire permit cards (cards), training and supervision of inspectors, ethics training, periodic rotation of inspectors, and coordination of the final fire inspection with the building department.

BACKGROUND

The Grand Jury's investigation was initiated by a complaint that alleged that inspections by the District's Community Risk Reduction Division permit inspection program were not being performed properly or adequately. It also alleged that cards were being fraudulently produced. These cards record fire inspections performed and must be completed and initialed by the inspector to approve occupancy.

When a property owner wants to construct a new building, or make improvements to an existing structure, a building permit is required. If the construction requires fire district approval, the permittee, or their representative, is required to obtain a card. Once this card is issued, the permittee, or their representative, schedules the necessary inspections.

During inspections, information is recorded by the inspector on the card, and stored electronically. This information is not shared outside the District. When the inspection has been completed and all items have passed, the inspector initials the bottom of the card in the *Final Approval* box. The inspector does not sign the card.

It is up to the applicant to notify the appropriate building department that all the required fire inspections have been completed, the premises has passed the fire department inspections, and the District has approved the premises location for occupancy.

Once notified, the building inspector views the property and checks the card for the District's approval. The only way for the building inspector to verify the property passed inspection is by recognizing the initials of the inspector or confirming with the District.

METHODOLOGY

During the course of the investigation the Grand Jury interviewed inspectors, their supervisors, senior management, and office personnel. We also obtained the following documents:

- Current Memorandum of Understanding (MOU), collective bargaining agreement
- Job descriptions for Fire Inspector and Supervising Fire Inspector
- Policy and procedures for inspections
- Training materials
- Permit issuance reports
- Inspection Fee Reports
- Blank fire permit card

We also conducted a site visit at the District office where cards are issued. The process for issuing the cards was reviewed and explained in detail by staff.

Throughout the investigation, District personnel were responsive, cooperative, knowledgeable and professional. Documents were provided as requested.

DISCUSSION

Issuance of Fire Permit Cards (cards) and Conduct of Field Inspections

The complaint alleged that cards were being fraudulently produced and sold. Although the evidence did not support the allegation, the investigation discovered inadequate written procedures for inspections.

Vulnerabilities of the Fire Permit System

The District does not track issued cards. These cards are neither accounted for nor controlled by sequential preprinted numbers. The lack of a tracking system allows for potential misuse of the cards.

Another vulnerability in the system is the potential for bribery. For example, we learned that one inspector received and rejected an offer of a bribe but did not report it. There is no expectation or requirement to report any attempted bribery. None of the District Management interviewed had considered the possibility of fraud or bribery until it was discussed in the interviews with the Grand Jury. They believed their hiring practices and the culture of professionalism precluded this from happening.

Limited Oversight of Inspections

Inspectors have limited discretion in code interpretation and enforcement when they conduct field inspections. Any deviation from the applicable fire code must be approved by a Supervising Fire Inspector. The only time a field inspection is reviewed by a supervisor is when an inspector has a specific question, or there is a complaint by the permittee or their representative.

The lack of oversight may lead to inappropriate behavior by inspectors. This behavior could include misapplication of the fire code, failure to conduct inspections or acceptance of a bribe.

Ethics Training and Conflicts of Interest

Inspectors receive ethics training during their initial training to become a Fire Inspector. After probation, an inspector has no additional ethics training. Periodic ethics training would keep employees up to date on the latest ethical standards and reinforces the District's commitment to ethical behavior.

There is no requirement, policy, or procedure for inspectors or Supervising Fire Inspectors to identify and report potential conflicts of interest. One potential way to identify conflicts of interest is the expansion of who completes the Fair Political Practice Commission (FPPC) Form 700. This form is a Statement of Economic Interest, and requires reporting of gifts, real property ownership, ownership of business entities, and other sources of income. Currently, this form is not completed by inspectors or Supervising Fire Inspectors. This lack of a requirement to complete a Form 700, and a process to check that document against assigned inspections, allows an inspector to inspect a building where he or she may have a financial interest. This could be a conflict of interest.

Assignment of Inspectors by Geographic Location

Each inspector is assigned a geographic area of responsibility. As stated in the MOU, the inspectors bid for their geographic areas by seniority. Due to this procedure, inspectors are not periodically rotated to different geographic areas.

Continuous assignment to the same geographic area may lead to inspection irregularities such as a loss of impartiality, or a permittee pressuring an inspector to perform a less than thorough inspection or no inspection at all. Periodic rotation of inspectors by geographic area may assist in minimizing this potential.

FINDINGS

- F1. There is little accountability or administrative control of fire permit cards.
- F2. There is no written procedure for communication or coordination between the building departments and the Fire Inspectors about a passing fire inspection.
- F3. Supervising Fire Inspectors do not make scheduled or unannounced field reviews of inspectors' work after the initial probation period unless there is a question by the inspector or a complaint is filed.
- F4. There is no formal written procedure for Fire Inspectors to report any offer of gratuities or bribes by property owners or contractors.
- F5. There is no ongoing periodic or refresher ethics training for Fire Inspectors.
- F6. Fire Inspectors and Supervising Fire Inspectors are not required to complete FPPC Form 700 (Statement of Economic Interest) to identify and report potential conflicts of interest.
- F7. A Fire Inspector's continuous assignment to the same geographic area may lead to inspection irregularities.

RECOMMENDATIONS

- R1. The District should develop written policies and procedures for issuing, completing and tracking fire permit cards, including sequential numbers printed on the cards.
- R2. The District should develop a written procedure to notify the appropriate building department of the final fire inspection approval.
- R3. Supervising Fire Inspectors should conduct regularly scheduled and unannounced field inspections and evaluations of the Fire Inspectors.
- R4. The District should develop a written policy and procedure to identify and report conflicts of interest and potential bribery situations.
- R5. The District should implement periodic ethics training for all Fire Inspectors and Supervising Fire Inspectors.
- R6. Fire Inspectors and Supervising Fire Inspectors should complete the FPPC Form 700 (Statement of Economic Interest).
- R7. The District should consider negotiating a geographic assignment rotation program for Fire Inspectors.

REQUEST FOR RESPONSES

Penal Code sections 933 and 933.05 require that the following officials submit specific responses to the findings and recommendations in this report to the Presiding Judge of the Sacramento County Superior Court by September 29, 2016:

Sacramento Metropolitan Fire District
All Findings and Recommendations

Mail or hand-deliver a hard copy of the response to:

Kevin R. Culhane, Presiding Judge
Sacramento County Superior Court
720 9th Street, Department 47
Sacramento, California 95814

In addition, email the response to:

Becky Castaneda, Grand Jury Coordinator at castanb@saccourt.com