

Interim Whistleblower Report: Serious Wrongdoing in a City of Vancouver inspection function


Mike Macdonell, Auditor General

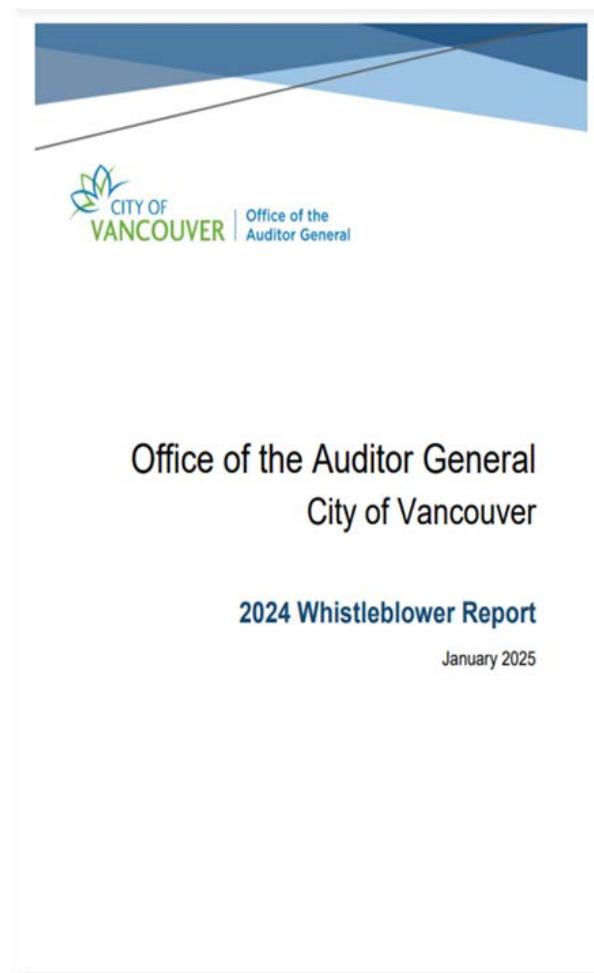
Hamish Flanagan, Audit Principal

July 3, 2025



- Allegations centred on an employee in a City function who conducts inspections
- Raised with the City first, to progressively higher levels of management
- Shared with the OAG by a General Manager aware of their obligations under the Whistleblower Policy
- Referred to as a “Significant Ongoing Investigation” in the OAG’s first annual Whistleblower Report published in early 2025

 CITY OF VANCOUVER	Corporate Policy
POLICY TITLE	Whistleblower Policy
CATEGORY	Council
POLICY NUMBER	COUN-010 (formerly ADMIN-002)
POLICY OWNER	Auditor General
ACCESS	Public

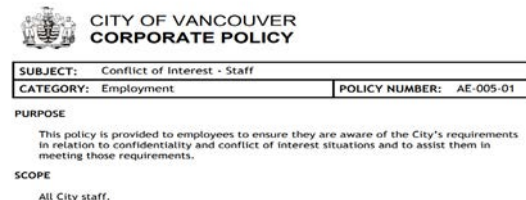


Allegation 1

An employee had a conflict of interest when conducting inspections for the City

Allegation 1: Conflict of Interest

An ongoing, undocumented and unmitigated conflict of interest



- Employee had a significant ownership interest in a private sector business which conducts work subject to inspections by the employee's work area
- The employee made inspection decisions about the business (all favourable)
- The employee did not comply with the City's Conflict of Interest Policy
- City management did not document the conflict or mitigate it when alerted to it

Allegation 2

The same employee gave private sector contractors preferential treatment in inspections

Allegation 2: Preferential treatment



Partially substantiated: Private sector contractors received preferential treatment, including favourable inspections

- The employee conducted a disproportionate number of inspections involving a contractor that the complainant had raised concerns about
- Second most frequent inspector of the contractor but never made an unfavourable decision
- Overall, serious concerns that preferential treatment occurred

Allegation 3

The employee accepted bribes from private sector contractors in exchange for favourable inspections

Allegation 3: Bribes



Offers common, acceptance not admitted

- Employees stated that bribes and hospitality are routinely offered to inspectors
- The employee confirmed the contractor that appeared to have received preferential treatment from that employee offered a bribe
- The employee stated they did not accept this or any bribe: said used as a teaching opportunity
- No admission that bribes accepted
- Information will be referred to VPD for consideration

Allegation 4

An employee wore City-branded attire implying public authority while acting in a private capacity

Allegation 4: Blurring private and public roles

Allegation accurate, context changed significance

- Basic facts of this allegation were accurate, the context was different and important
- Employee at a meeting in an official City capacity when the private sector contractor asserted that the employee worked for them rather than the City
- The employee stated they renounced this status, clarified presence in an official capacity
- While precise detail of events unclear, illustrates general lack of boundaries for appropriate conduct



Allegation 5

Employee failed to investigate alleged preferential treatment of contractors by other employees

No pattern of preferential treatment so no issues with inaction

- Couldn't address preferential treatment on the specific file raised due to lack of documentation of inspection and approval processes
- Lack of information reflects a lack of effective controls to prevent preferential treatment from occurring
- No pattern of preferential treatment in inspections by employee could be identified
- No pattern meant no issue with senior employee inaction

Recommendations to the City

Changes needed for confidence that inspectors independently conducting inspections consistently and free of bias

Sixteen recommendations include:

- Inspectors using decision checklists to ensure consistency and compliance with standards
- Improved documentation of inspections and other sign-offs
- Tighter controls over inspectors assigning themselves work

- Stronger conflict of interest processes including regular training
- Audit inspections and other measures like job shadowing for quality and consistency
- Mandatory reporting and recording of offers or approaches
- Clearer rules about outside work, including for new and temporary inspectors

Three recommendations for City management about:

- Considering if assigning work to allow employees to qualify for a vehicle allowance is an appropriate use of City funds
- Assessing whether inspectors are creating tasks to avoid being re-assigned inspections
- Consider whether guaranteed next-day inspections is an efficient and effective use of taxpayer resources

- THAT the Auditor General Committee endorse the nineteen recommendations in the “Interim Whistleblower Report – June 2025”

Questions?