



Investigative Report

Why We Did This Investigation

On May 7, 2018, the City Council passed Resolution 18-R-3544 requesting that the Ethics Officer and City Auditor conduct an independent review of bonuses and gifts distributed during the previous mayoral term to determine whether any city or state laws were violated. The purpose of this report is to describe the results of the investigation conducted by the City Auditor's Office and the City Ethics Office.

Objective

Our objectives were to:

- Determine whether the City paid bonuses and awarded holiday cash prizes to employees in violation of local and state law;
- Identify the processes that were followed to make those payments; and
- Determine whether former Chief Financial Officer, Jim Beard, abused his position to authorize a bonus payment for himself.

Summary

We found evidence indicating the following:

- The bonuses and contest winnings awarded by former Mayor Kasim Reed were not allowed under existing city and state law;
- The bonuses and contest winnings awarded by former Human Resources Commissioner, Yvonne Cowser Yancy were not

Review of City Bonuses and Contest Winnings

Between November 2017 and February 2018, the City made 146 supplemental income payments classified as bonuses and performance awards to 131 employees totaling \$869,291, including \$58,008 in duplicate bonuses paid in error to four executive level employees in February 2018 (see Exhibit D for total paid per distribution type). These payments do not include payouts for sick leave, vacation accrual, and police retention. The payments can be classified into three different distribution types, including:

- Bonuses and contest winnings distributed by former Mayor Kasim Reed
- Bonuses and contest winnings distributed by former Department of Human Resources Commissioner Yvonne Yancy
- Bonuses distributed by City Council members

We found that the bonuses and contest winnings awarded by Mayor Reed and former Human Resources Commissioner Yvonne Yancy, as well as the bonuses paid by City Council members to their staff, were not allowed under state law and City Code. Also, the payments made to the contest winners at the Mayor's and Human Resources Commissioner's holiday parties were inappropriate and raise ethical concerns. In addition, the bonus payments distributed by the former Mayor and the former Human Resources Commissioner to employees did not follow what appeared to be the typical process. Compensation is typically processed through payroll; the bonuses were instead processed through accounts payable, without required supporting documentation. Four employees received duplicate bonus payments in error, which were all either returned or never cashed.

allowed under city and state law;

- The City Council bonuses and payments were not allowed under city and state law;
- The use of City funds for contest winnings was inappropriate;
- Former Chief Financial Officer, Jim Beard, abused his position to authorize a bonus payment for himself.

Next Steps

City Council should consider working with the Department of Law to determine the appropriate remedy moving forward and ensure that the City's policies and practices comply with state law. Consideration should be given to:

- Preparing legislation consistent with state law to prohibit the payment of bonuses that are not specifically provided for in City Code;
- Reviewing the Personnel Code to ensure repealed and expired provisions are removed and the Municode is updated accordingly;
- Codifying Department of Finance policies and procedures to ensure compliance with City Code; and
- Correcting taxes due on bonus payments, where applicable.

For more information regarding this report, please use the "contact" link on the City Auditor's Office website at www.atlaudit.org or on the City Ethics Office website at www.atlantaethics.org.

Taxes were incorrectly reported for bonus payments to five employees. Payroll taxes were underreported by \$32,284, however, corrections were prepared.

The Department of Finance processes payments through payroll or accounts payable, depending on the type of payment required. Payroll, supplemental wages, sick, vacation, and compensatory accruals, and tax withholdings are processed through payroll. Payments for goods and services and employee travel reimbursements are processed through accounts payable. To process payroll adjustments through the payroll system, a Human Resources turnaround document, Department of Finance payroll change form, or an email from the department's timekeeper or department head are required. To process a payment through the accounts payable system, an invoice associated with an open purchase order or a disbursement form signed by the department head with supporting documentation is required.

Per our review, typically, at year-end, City Council members approve one-time payments for their council assistants. Council assistants who work as part-time employees and do not accrue sick, vacation, and compensatory time are deemed eligible for bonuses. City Council members contact the council director and/or council legislative assistant and specify how much they would like to pay their council assistants. The council legislative assistant prepares a Department of Finance payroll change form with the employees and dollar amounts to be paid. The form is signed by the City Council staff director and provided to Finance for processing through the payroll system.

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I. Bonuses and contest winnings distributed by former Mayor Kasim Reed

In late 2017, former Mayor Reed distributed large monetary bonuses to 43 city employees in the form of “supplemental earnings.” These bonuses ranged in value from \$3,701 to \$21,261, with the majority being in the higher \$10,000 range. It also appears that some of the bonuses may have increased the employee’s yearly compensation to a level above the highest pay grade authorized for that position.

Further, during an office holiday party held in December 2017, Mayor Reed bestowed large monetary gifts using city funds to 34 city employees, ostensibly as prizes for various party contests.

These bonuses and contest winner payments were not part of any approved salary increase or approved modification to the classification and compensation system used by the City to set salaries for its employees but were instigated solely by former Mayor Reed without the permission or approval of the Atlanta City Council.

The investigation also included review of an email dated January 7, 2018, from Human Resources Commissioner Yvonne Cowser Yancy to Jim Beard discussing pay legislation¹ which references a memo dated January 25, 2012, from Yancy to City Council member Felicia Moore (the “pay memo”).² The pay memo appears to take the position that an absence of legislation prohibiting bonuses grants Human Resources and/or the Mayor the authority to grant bonuses and/or exceed the pay ranges established by the City’s pay plan.

A. Bonuses and contest winnings under city and state law

1. The bonus and contest winner payments distributed by Mayor Reed to city employees violated City Code.

The bonuses and contest winner payments can be characterized in one of two ways: (1) as one-time payments or gifts to employees independent of their formal salary or pay scale, or (2) as part of their salary.

Atlanta, like many municipalities, has a structured and formalized pay plan for all positions that contains rules for granting raises or other increases in salary.³ The authority for this pay plan is found in the Atlanta Code of Ordinances (“City Code”), which authorizes “the Mayor and City Council” to establish by ordinance a pay plan that sets forth minimum and maximum salaries for all city employees. These pay ranges may only be amended *by ordinance*, upon recommendation by the Commissioner of Human Resources.⁴

Regarding salary ranges, the City Code states:

*“All persons employed by the city shall be paid salaries or wages as established by the pay plan for the specific job classification to which the employee is assigned.”*⁵

The City Code further states:

*“All employees shall be paid by check or direct deposit on a regular pay period basis, as adopted by ordinance.”*⁶

Regarding the Mayor specifically, the City Code states:

*“the mayor shall have the authority to hire executive officers, department heads, deputies and equivalent up to the maximum of the assigned pay grade provided that prior budget funding is allocated...”*⁷

The City Code provides specific enumerated instances when employees may receive an increase in salary: These are:

- (1) *“Annual raises, pay increases after successful completion of probationary periods, and raises based on change in duties or responsibilities - if the annual operating budget, containing funds for such increases, is adopted by ordinance”;*⁸
- (2) *“Raises upon promotion and/or upward reclassification of the employee’s position, so long as these raises do not exceed the maximum salary of the pay grade of the new position”;*⁹

¹ Email from Yvonne Cowser Yancy, Human Resources Commissioner, to Jim Beard, Chief Financial Officer, Yvonne Cowser Yancy, Human Resources Commissioner, *Pay Summary* (January 7, 2018, 6:19 p.m. EST) (copy on file with the City of Atlanta).

² Memo from Yvonne Yancy, Human Resources Commissioner, to Felicia Moore, City Council member and Finance/Executive Committee Chairperson, Kasim Reed, Mayor, Duriya Farooqui, Chief Operating Officer, Ceasar C. Mitchell, City Council President, and members of the Finance Executive Committee, *Concerns re Employee Salary Increase/Adjustments* (January 25, 2012) (copy on file with the City of Atlanta).

³ See generally Sections 114-101 through 114-142 of the City Code.

⁴ Section 114-123

⁵ Section 114-124

⁶ Section 114-135

⁷ Section 114-125(b)(3)

⁸ Section 114-126

⁹ Sections 114-127 and 114-29

- (3) *“One-time retention bonuses for sworn police officers who have attained five or more years of service with the city”;*¹⁰
- (4) *“Bilingual incentive pay for qualifying employees”;*¹¹
- (5) *“Three percent salary increases for sworn members of police or fire who obtain designated certifications (upon approval by the human resources commissioner)”;*¹² and
- (6) *“Specified longevity bonuses”.*¹³

This review did not find any ordinance or provision of the pay plan that authorizes the Mayor to grant bonuses to employees or to unilaterally increase the pay of city employees. To the contrary, the pay plan ordinance enumerates those specific instances when employee pay may be raised, and generally vests that authority in the Mayor and City Council via ordinance. And to the extent that these bonuses or gifts may have caused some employees to receive pay that exceeds that employee’s maximum pay range, such actions would appear to violate city law. Additionally, the manner in which the bonuses were paid appears to violate the code section that requires all employees to be paid on a regular pay basis, as adopted by ordinance.¹⁴

2. The Human Resources Commissioner’s pay memo did not grant the Mayor the authority to unilaterally grant bonuses to city employees, except in those instances specifically authorized by City Code.

It appears that the pay memo dated January 7, 2018, takes the flawed position that an absence of legislation limiting bonuses means that bonuses are allowed. Human Resources arrives at this conclusion by relying on the Department of Law’s informal opinion that the expiration of amendments to Section 114-125 (b) grants the Commissioner the broad authority to give bonuses and such. However, the expiration only applied to ***oversight by a compensation committee as relates to hiring persons above the minimum grade*** and not to the other portions of that section.¹⁵ Even if the compensation committee no longer exists, the former Human

¹⁰ Section 114-139

¹¹ Section 114-140

¹² Section 114-140

¹³ Section 114-142

¹⁴ Based on this review, it appears that the bonus and contest winner checks were not given out by payroll in the standard manner that the employees received their paychecks.

¹⁵ Email from Robert Godfrey, Chief Counsel, to Leslie Ward, City Auditor, Yvonne Cowser Yancy, Human Resources Commissioner, Y. Soo Jo, Assistant City Attorney, and Karen Thomas, Deputy City Attorney, *Compensation Audit* (September 14, 2015, 3:55 p.m. EST) (copy on file with the City of Atlanta).

Resources Commissioner is incorrect in concluding that "there are currently no restrictions on pay within the code."¹⁶

City Code states that *all employees* must be paid according to the pay plan adopted by the council via ordinance and that changes thereto also must be made via ordinance. Therefore, the City Code does not authorize Human Resources or the Mayor to give bonuses that are not specifically permitted by the Code.

Further, to the extent that these bonuses may have caused some employees to receive pay that exceeded that employee's maximum pay range, such actions would appear to violate Section 114-123 of the City Code, which states that pay ranges may only be amended by ordinance, upon recommendation by the Human Resources Commissioner. The Ethics Office is unaware of any ordinance amending the pay ranges that would have granted Mayor Reed the authority to grant bonuses that exceeded the pay ranges.

Moreover, and taken a step further, if there are no city ordinances governing pay limits, then the matter would seem to be governed by the state laws authorizing cities to pay employees. These laws state that municipal corporations shall have the power to establish "*municipal offices, agencies, and employments*"¹⁷ and that "[t]he governing authority of each municipal corporation is authorized to fix the salary, compensation, and expenses of its municipal employees and members of its municipal governing authority."¹⁸ Neither the Mayor acting alone nor the Human Resources Commissioner is the "governing authority" of the City.¹⁹

3. The bonus and contest winner payments distributed by Mayor Reed to city employees were gifts that violated the Gratuities Clause of the Georgia Constitution.

The Georgia Constitution provides that "[t]he governing authority of any... municipality... may expend public funds to perform any public service or public function."²⁰ It has long been recognized that compensating public employees is a permissible expenditure of public funds.²¹ However, such expenditures are not without limits, even in the employment context, if such expenditures violate the

¹⁶ See Email from Yvonne Cowser Yancy, Human Resources Commissioner, *supra* n. 1.

¹⁷ O.C.G.A. § 36-34-2

¹⁸ O.C.G.A. § 36-35-4 (emphasis added).

¹⁹ Section 1-103 of the City Charter defines the council as the "governing body" of the City. See also, *Flannigan v. Preferred Dev. Corp.*, 226 Ga. 267 (1970) (holding that the governing authority of the City of Atlanta consists of the Mayor and the City Council.

²⁰ GA. CONST. Art. IX, Sec. IV, Par. II

²¹ For example, the Georgia Code states that municipal corporations shall have the power to establish "municipal offices, agencies, and employments" (O.C.G.A. § 36-34-2) and that "[t]he governing authority of each municipal corporation is authorized to fix the salary, compensation, and expenses of its municipal employees and members of its municipal governing authority" (O.C.G.A § 36-35-4).

“Gratuities Clause” of the Georgia Constitution.

The Gratuities Clause states as follows:

*“Except as otherwise provided in the Constitution, (1) the General Assembly shall not have the power to grant any donation or gratuity or to forgive any debt or obligation owing to the public, and (2) the General Assembly shall not grant or authorize extra compensation to any public officer, agent, or contractor after the service has been rendered or the contract entered into.”*²²

While the Gratuities Clause specifically addresses gratuities conferred by the General Assembly, the Georgia Supreme Court has held that it applies equally to cities and counties.²³ The Supreme Court has defined gratuity as “something given freely or without recompense; a gift.”²⁴ Generally, the prohibition against a gratuity is satisfied if the governmental entity receives a substantial benefit as the result of the grant or use of its assets.²⁵

Consistent with the substantial benefits analysis, it is well established that benefits for public employees, if authorized by law, are a special instance of contractual consideration that provides a substantial benefit to the governmental entity.²⁶ In order to avoid the constitutional prohibition on gratuities and extra compensation for services rendered, the consideration must be *prospective*, i.e., the governmental entity must identify the substantial benefit and the consideration therefore *prior* to formation of the contract.²⁷ As a result, cities have the power and authority to set salaries and pay public employees for work performed in service to the City. However, cities may not give money away or expend money in ways that do not further a public service or provide a substantial future benefit to the City.

Applying the above rules, the bonuses and contest winner payments were gifts in violation of the Gratuities Clause unless (1) Mayor Reed had the authority to grant the bonuses, and (2) these bonuses provided the City with a substantial *prospective* benefit.

²² GA. CONST. Art. III, Sec. VI, Par. VI(a)

²³ *Rabun County v. Mountain Creek Estates, LLC*, 280 Ga. 855 (2006); *Grand Lodge of Ga., I.O.O.F. v. City of Thomasville*, 226 Ga. 4, 8 (1970).

²⁴ *Rabun County v. Mountain Creek Estates, LLC*, 280 Ga. 855 (2006); *Garden Club of Ga. v. Shackelford*, 266 Ga. 24 (1995).

²⁵ *Garden Club of Georgia, Inc. v. Shackelford*, 274 Ga. 653, 654 (2002); *Smith v. Board of Comm’rs*, 244 Ga. 133, 140 (1979); see also 1998 Op. Att’y Gen. 98-16 and citations therein.

²⁶ See *Swann v. Board of Trustees*, 257 Ga. 450 (1987).

²⁷ See, e.g., 1998 Op. Att’y Gen. U98-14 (employee suggestion programs do not violate gratuities clause).

Because the payments by Mayor Reed do not represent legitimate compensation or salary authorized by City Code, they are properly characterized as gifts. This conclusion applies equally for both the bonus and holiday contest winner payments.

The holiday party contest winner payments appear to be straightforward gifts of taxpayer funds with no corresponding benefit to the City. Likewise, the bonus payments given to city employees selected by Mayor Reed do not appear to have provided any significant prospective benefit to the City.²⁸ The bonuses in this case are also not analogous with prior Georgia Attorney General guidance regarding bonus payments using public funds. In the referenced unofficial opinion, a substantial prospective benefit was provided to the hospital authority and therefore the nurses in that case were authorized to receive signing bonuses.²⁹ Under the current facts, the city employees who received bonuses were already employed, at a specified salary, and were not promised bonuses as a condition of their employment. As a result, the bonuses were *after-the-fact* gifts for which the City received no tangible prospective benefit or bargained for consideration.³⁰

The Georgia Supreme Court has held that government expenditures are not legal just because they further a worthy cause or may otherwise benefit the public if constitutional authorization for such expenditure is lacking.³¹ More importantly, because there was no advance agreement to pay bonuses, the bonuses at issue would seem to directly violate the prohibition contained in the Gratuities Clause that governments “*shall not grant or authorize extra compensation to any public officer, agent, or contract after the service has been rendered or the contract entered into.*”³²

Therefore, and for the reasons set forth above, it is the opinion of the Ethics Office that Mayor Reed did not have the legal authority under City Code to give the bonuses and contest winner payments referenced above and by doing so violated the Gratuities Clause of the Georgia Constitution.

²⁸ GA. CONST. Art. III, Sec. VI, Par. VI(a) (“[governmental entities] shall not grant or authorize extra compensation to any public officer, agent, or contractor after the service has been rendered or the contract entered into”).

²⁹ 2002 Op. Att’y Gen. U2002-8 (hospital authorities may pay nurses signing bonuses if authority receives a substantial benefit). This opinion is attached to this memorandum for reference.

³⁰ See also Building Auth. of Fulton County, 253 Ga. 242, 249 (1984) (holding that the Gratuities Clause is not violated when “the payments are to be made pursuant to binding agreements and in return for bargained-for consideration”).

³¹ *Atlanta Chamber of Commerce v. McRae*, 174 Ga. 590 (1932). In this case the Supreme Court held that payments to the chamber of commerce and convention bureau were illegal, despite the argument that these entities render valuable services to the community as a whole by bringing conventions and new industries to the city and county, therefore raising property values and generating more tax revenue.

³² GA. CONST. Art. III, Sec. VI, Par. VI(a).

4. *The payments made to the winners of employee contests at the Mayor's Holiday Party were inappropriate and raise ethical concerns.*

In addition to violating the applicable provisions of the Georgia Constitution and the City Code, the monetary gifts provided to the holiday party contest winners raise ethical concerns under the City's Standards of Conduct ("Code of Ethics"). Specifically, because city funds were used for the gifts, Section 2-811 of the Code of Ethics is implicated. Section 2-811 states that "no official or employee shall request, use or permit the use of any publicly owned or publicly supported property, vehicle, equipment, labor or service for the private advantage of such official or employee or any other person or private entity. However, no official or employee is prohibited from requesting, using or permitting the use of any city-owned or city-supported property, vehicle, equipment, material, labor or service which as a matter of city policy is made available to the public at large or which is provided as a matter of stated public policy for the use of officials and employees in the conduct of official city business."

In *Formal Advisory Opinion 2017-1*, the Board of Ethics found that "although the Code of Ethics does not specifically regulate the "appearance of impropriety," it is important for city officials and employees to carefully evaluate whether the role, action, conduct or activity in question creates the appearance of a conflict or impropriety or whether such activity may cause the public to question whether the official or employee is acting in his or her own interests or in the best interest of the City."

In the past, the Ethics Office has provided advice and guidance on the appropriateness of city-hosted gatherings and other team building events involving city officials and employees, including those events where city funds will be used to buy food and incentivize employees to attend. Many city departments routinely host gatherings on city property to celebrate the holidays and other special occasions, such as employee retirements and co-worker birthdays. These gatherings serve the purpose of improving employee morale and help to promote a positive work environment which can in turn lead to a more productive workforce. That said, where city funds will be used to purchase meals or incentives/giveaways for such gatherings, the meals and any other items purchased should be of a reasonable value and should not be so excessive as to raise any appearance of impropriety on the part of the city officials and employees hosting and/or attending the event.

Therefore, while a department or office holiday party where city funds are used to purchase food and where gifts or awards of modest or nominal value are distributed as part of team building activities does not violate Section 2-811 of the Code of Ethics on use of city property or funds, the value of the contest winnings

awarded to employees in this instance was not reasonable and raised the appearance of impropriety.

B. Process for paying

1. Bonuses

The City paid bonuses to 43 employees, including the former Mayor's cabinet members and security detail, as well as former commissioners, totaling \$573,121, to include \$180,621 in taxes the City paid on behalf of the recipients (see Exhibit A for a complete listing of employees who received bonuses). Bonuses ranged from \$3,701 to \$21,261. On December 29, 2017, 33 payments were distributed, and an additional 10 payments were distributed on January 2, 2018, via physical check. As of June 22, 2018, five employees have returned their bonus payments to the City, totaling \$51,000.

On December 29, 2017, Jim Beard, Chief Financial Officer at that time, instructed the Finance accounting manager to process 33 payments supported by an unsigned spreadsheet he hand-delivered. The spreadsheet listed 33 employee names, positions, annual salaries, and the bonus amounts to be paid, including a \$15,000 bonus grossed up to \$21,261 for Beard. On January 2, 2018, Beard instructed the Finance senior accounting technical specialist to process 10 payments supported by an unsigned spreadsheet that he hand-delivered. The spreadsheet listed 10 employee names and the bonus amounts to be paid.

Disbursement forms were not provided and Human Resources turnaround documents were not prepared for the bonuses. The Finance senior accounting technical specialist prepared disbursement forms for the bonuses, but was unable to obtain a signature as approval.

Finance processed the bonuses through the accounts payable system rather than the payroll system because when the request for payment was made, payroll was closed. After payment was made, Finance processed the payments through payroll via balance adjustments to ensure the income was included on employee W-2s. Finance processed bonuses for five employees who each received \$15,000 bonuses through payroll at \$10,000 in error, and taxes reported to the Internal Revenue Service (IRS) were inaccurate. City taxes were underreported by \$32,284 to the IRS.

Additionally, Finance made an error while processing the payments through payroll causing four employees to receive duplicate bonus payments in February 2018, totaling \$58,008. All employees have returned the duplicate payments. One employee never cashed the original bonus check and the remaining three employees returned the duplicate payments in May 2018.

2. Contest Winnings

The City paid cash contest winnings to 34 executive office employees at the office's holiday luncheon totaling \$36,000. Employees appeared to have paid the respective taxes (see Exhibit A for a complete listing of employees who received cash prizes). The payments were distributed on December 22, 2017, via a physical check.

On December 21, 2017, the Executive Office's special projects coordinator emailed Jim Beard a list of employee names and dollar amounts. The subject of the email was "Exec Office Holiday Luncheon." Beard forwarded the email to Finance's shared services director on the same day and stated, "Process please." Disbursement forms were not provided and Human Resources turnaround documents were not prepared for the contest winnings.

3. Findings

We found evidence indicating that Jim Beard abused his position by authorizing a bonus payment for himself. In an interview with us, Beard admitted that on December 19, 2017, he instructed his Accounts Payable staff to process the bonus payments, which included a \$15,000 bonus grossed up to \$21,261 for himself. Jim Beard stated that on that same day, or the day before, he discussed the availability of funds from departmental payroll budgets and the General Fund Reserve for the bonus payments in former Mayor Reed's office with Reed and former Human Resources Commissioner, Yvonne Yancy. Beard also stated that following his conversation in Reed's office, Yancy hand-delivered an unsigned spreadsheet that included a list of employee names, positions, annual salaries, and the bonus amounts to be paid, and instructed him to process the payments on behalf of Reed. The spreadsheet included a \$15,000 bonus grossed up to \$21,261 for Yancy. Beard followed the directive and instructed his Accounts Payable staff to make the payments. Yancy did not respond to our requests for an interview.

II. Bonuses and contest winnings distributed by former Department of Human Resources Commissioner Yvonne Yancy

In late 2017, Yvonne Yancy, Human Resources Commissioner at that time, gave large monetary bonuses to 11 Human Resources employees. The payments were paid via physical check as a separate transaction from regular payroll. Further, during an office holiday party, Yancy bestowed large monetary gifts to 30 Human Resources employees, ostensibly as prizes, for various party contests.

When undertaking this matter, the Ethics Office requested from Human Resources any policies or legislation that Human Resources relied upon as granting the authority to issue these bonuses. Accordingly, the Ethics Office and City Auditor's Office reviewed all *available* policies and procedures for Human Resources (which appear to

contain no such authority), as well as the January 7, 2018, pay memo, (previously discussed in Section I of this document) from former Commissioner Yancy, to former Chief Financial Officer, Jim Beard, discussing pay legislation and which appears to take the position that an absence of legislation prohibiting bonuses gives Human Resources the authority to grant bonuses.

A. Bonuses and contest winnings under city and state law

1. The bonus and contest winner payments distributed by Commissioner Yancy to Human Resources employees violated City Code.

As previously stated in Section (I)(A)(1) above, the City of Atlanta has a structured and formalized pay plan for all positions that contains rules for granting raises or other increases in salary.³³

Regarding salary ranges, the City Code states:

“All persons employed by the city shall be paid the salaries or wages as established by the pay plan for the specific job classifications to which the employee is assigned.”³⁴

The City Code also states:

“All employees of the city shall be paid by check or direct deposit on a regular pay period basis, as adopted by ordinance.”³⁵

City Code also provides specific enumerated instances when employees may receive an increase in salary (See enumerated list in Section (I)(A)(1) above).³⁶

As with the analysis above regarding the Mayor’s authority under the City Code to grant bonuses to employees or to unilaterally increase the pay range of city employees, the Ethics Office is unaware of any ordinance or provision that authorizes the Human Resources Commissioner to do the same. To the contrary, the pay plan ordinance enumerates those specific instances when employee pay may be raised, and generally vests that authority in the Mayor and City Council via ordinance.

³³ See Sections 114-120 through 114-142 of the City Code

³⁴ Section 114-124

³⁵ Section 114-135

³⁶ See Sections 114-126, 127, 129, 139, 140, 142

It appears that the January 7, 2018, memorandum from Commissioner Yancy takes the position that an absence of legislation limiting bonuses means that bonuses are allowed.³⁷ The Ethics Office believes that this reasoning is flawed. The City Code states that all employees must be paid according to the pay plan adopted by the council via ordinance and that changes thereto also must be made via ordinance. Therefore, the City Code does not authorize Human Resources to give bonuses that are not specifically permitted by the City Code.

Further, to the extent that these bonuses may have caused some employees to receive pay that exceeded that employee's maximum pay range, such actions would appear to violate Section 114-123, which states that pay ranges may only be amended by ordinance, upon recommendation from the Human Resources Commissioner.

As a result, it seems likely that the Human Resources Commissioner acted outside of her authority when she granted the bonuses at issue and that such payments do not represent legitimate salary or compensation as authorized by City Code.

2. The bonus and contest winner payments distributed by Commissioner Yancy to Human Resources employees were gifts which violated the Gratuities Clause of the Georgia Constitution.

Applying the same rules as in Section (I)(A)(2) above, the legality of the bonuses given by Human Resources turns on whether the bonuses earlier were promised to the employees as a part of their compensation package (thus representing bargained for consideration), and whether the amount of the bonuses can be shown to provide a substantial prospective benefit to the City.

If the bonuses do not represent bargained for consideration between the City and the employee, the bonuses would properly be characterized as gifts given to the employees, which would violate the provisions of the Gratuities Clause of the Georgia Constitution prohibiting both donations or gratuities and after-the-fact increases in compensation.³⁸

Furthermore, even if bonuses represented legitimate bargained for consideration, it would still need to be shown that the City received substantial benefit for its money. The Ethics Office is unaware of any position taken by Human Resources on

³⁷ Human Resources arrives at this conclusion by arguing that because the compensation committee no longer exists, she is authorized to act. However, even if the amendments to 114-125(b) have expired, which only applied to approval by the compensation committee of hiring persons above the minimum grade, the Human Resources Commissioner is incorrect in concluding that "there are currently no restrictions on pay within the code."

³⁸ GA. CONST. Art. III, Sec. VI, Par. VI(a)

why the bonuses were justified and therefore cannot conclude that such condition was met.

Therefore, and for the reasons set forth above, it is the opinion of the Ethics Office that the City Code does not authorize the Human Resources Commissioner to give incentive bonuses to city employees. To the extent that there may be other legislation that grants this authority, then the legality of the bonuses would turn on whether the bonuses represent bargained for consideration and provide a substantial benefit to the City, as required by the Gratuities Clause of the Georgia Constitution.

3. *The payments made to the winners of employee contests at the Human Resources Holiday Party were inappropriate and raise ethical concerns.*

As with the former Mayor's holiday party, the excessiveness of the monetary payments to winners of employee contests at the Human Resources holiday party also raises ethical concerns. While a department or office holiday party where city funds are used to purchase food and where gifts or awards of modest or nominal value are distributed as part of team building activities does not violate Section 2-811 of the Code of Ethics on use of city property, the value of the contest winnings awarded to employees in this instance was not reasonable and raised the appearance of impropriety.

B. *Process for paying*

1. *Bonuses*

The City paid bonuses to 11 Human Resources employees totaling \$83,967, which included \$26,467 in taxes paid on behalf of the recipients (see Exhibit B for a complete listing of employees who received bonuses). The payments were distributed on January 3, 2018, via physical check. A staff member of former Human Resources Commissioner, Yvonne Yancy, hand-delivered a spreadsheet signed by Yancy to Finance's shared services director with a list of 11 employee names, positions, and bonus amounts to be paid. The staff member instructed the Finance shared services director to process the payments. Disbursement forms were not provided and Human Resources turnaround documents were not prepared for the bonuses. The Finance senior accounting technical specialist prepared disbursement forms for the bonuses and attached the signed spreadsheet as approval.

2. *Contest Winnings*

The City paid cash to 30 Human Resources employees who were winners of a lip sync and ugly sweater contest at the department's holiday party totaling \$31,195, which included \$9,494 in taxes the City paid on behalf of the recipients (see

Exhibit B for a complete listing of employees who received cash prizes). The payments were distributed on December 21, 2017, via a physical check.

On December 14, 2017, the Human Resources senior HRIS specialist emailed the Finance payroll manager with a list of employee names identified as winners of a lip sync contest and an ugly sweater contest and the bonus amounts to be paid. The subject of the email was "Human Resources Holiday Party - Winners 2017" and stated, "please process for check date 12/21. The award payment needs to be grossed up so the check equals the amount on the attached." Disbursement forms were not provided and Human Resources turnaround documents were not prepared for the contest winnings.

III. Bonuses distributed by City Council members

In late 2017, 24 bonuses were given by City Council members to 22 City Council employees, including staffers working on a full and part-time basis. Based on our review, it appears that the funding for the bonuses was derived from the City Council members' individual office budgets.

A. Bonuses under city and state law

The Atlanta City Code (the "City Code") expressly grants to its City Council members the authority to pay their assistants out of their individual councilmember expense accounts. However, as shall be shown below, such expenditures are limited by both the City Code and by the "Gratuities Clause" of the Georgia Constitution.

1. The bonus payments distributed by City Council members to council assistants violated City Code.

In Atlanta, City Council members are given a yearly budget to run their offices.³⁹ Council members generally have control and discretion over these funds and how they are expended. However, the City Code expressly limits how council members can expend funds for staff members.

Section 2-39(b) of the City Code states:

"During any fiscal year appropriations for salaries permanent part-time and benefits shall only be expended as compensation and benefits for council assistants and are restricted from transfer to any other account."

³⁹ See Sections 2-39(a)-(f) of the City Code.

This code section further states:

*“The chief financial officer is authorized to ensure that funds required for salary and benefit costs shall be encumbered in such accounts and that no encumbered funds so required shall be spent for any other purpose, except that at the end of the fiscal year at which time any salary and benefit surplus or any other unexpended budget category shall be transferred to the councilmember’s budget carry-forward account.”*⁴⁰

As a result, based on the City Code, council members are prohibited from giving excess funds to their assistants as year-end bonuses because salary funds are segregated and any left-over funds are required to be applied to the council member’s carry-over budget.⁴¹

2. *The bonus payments distributed by City Council members to City Council assistants were gifts which violated the Gratuities Clause of the Georgia Constitution.*

Applying the same rules as in Section (1)(A)(2) above, the legality of the bonuses given by City Council members turns on whether these bonuses were promised to the council employees (hereafter referred to as “assistants”) as a part of their compensation package (thus representing bargained for consideration), and whether the amounts of the bonuses can be shown to provide a substantial prospective benefit to the City. If the council members did not promise their assistants bonuses as a **condition** of their compensation package, but merely decided **arbitrarily** at the end of the year to grant bonuses based on their budgets, then the bonuses would properly be categorized as gifts to the assistants, which would potentially violate the provisions of the Gratuities Clause prohibiting both donations or gratuities and after-the-fact increases in compensation.⁴²

If the assistants were promised bonuses as part of their compensation package, then it must be determined whether the amounts of the bonuses were specified up front and/or whether the assistants legally could be promised bonuses of unknown or excessive amounts.

Applying the authority referenced above, even if the bonuses were promised as an up-front fixed amount, the council member would still need to show that the amount of the bonus does not exceed that which is necessary to hire and/or retain qualified assistants. Stated another way, the Gratuities Clause *de facto* places a

⁴⁰ Section 2-39(c)

⁴¹ Section 2-152(b) of the City Code, which addresses council assistants, also states that the assistants “shall be paid on an hourly or salary basis, as determined by each such councilmember,” which seems to contemplate that the assistants will be paid some fixed amount, either hourly or as a salary, and does not address giving bonuses at the end of the year.

⁴² GA. CONST. Art. III, Sec. VI, Par. VI(a)

limit on the amount of the bonuses because the City must receive a *substantial benefit* for its money. If the bonuses are excessive, or the amount is determined arbitrarily, dependent upon excess money in the council member's budget, then it appears that the bonus is not necessary to hire or retain qualified assistants as there is no expectation by the assistant of a specific amount, or whether a bonus will be given. As a result, if the amount of the bonus is more than that necessary to hire or retain assistants, then the City receives no substantial benefit for the excessive portion of the bonus.

Therefore, and for the reasons set forth above, it is the opinion of the Ethics Office that the bonuses given by City Council members are not authorized by City Code and were gifts in violation of the Gratuities Clause unless (1) they were bargained for consideration as part of the assistant's pay package; (2) the amounts of the bonuses are not determined arbitrarily; and (3) the bonuses are not in amounts higher than that necessary to retain and hire qualified applicants, or in other ways necessary to provide a substantial benefit to the City.

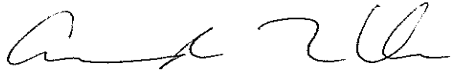
B. Process for paying the bonuses

The City paid 24 bonuses to 22 City Council employees totaling \$87,000. Employees appeared to have paid the respective taxes (see Exhibit C for a complete listing of employees who received bonuses). On December 21, 2017, six of those payments were distributed and the remaining 18 payments were distributed on December 8, 2017, via automated clearing house (ACH) transactions with the exception of one employee who received a physical check. Two employees received bonuses on both December 21, 2017, and December 8, 2017.

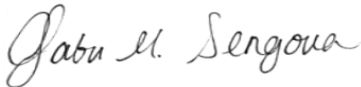
We identified one City Council employee who was classified as full-time and accrued sick and vacation hours as well as received health and pension benefits in 2017. We identified two employees who were classified as Affordable Care Act full-time and were eligible for benefits. The remaining City Council employees were classified as part-time employees. In total, 16 of the City Council employees who received bonuses also received pension benefits and 17 employees received health benefits in 2017.

The City Council legislative assistant emailed a Department of Finance payroll change form to the payroll specialist for payroll periods ending November 29, 2017, and December 13, 2017. The change form included 18 employees on the payroll period ending November 29, 2017, and six employees on the payroll period ending December 13, 2017, and stated, "Please pay the employee an additional" sum of money. The change forms were signed by the City Council deputy staff director as approval. Adjustments were made to amounts in the change form via email. Disbursement forms were not provided and Human Resources turnaround documents were not prepared for the bonuses.

We appreciate the cooperation and assistance we received from personnel in the Department of Finance, Human Resources, and City Council during this investigation. We also acknowledge the legal review and analysis provided by Howard “Tres” Indermark, Attorney-at-Law.



Amanda Noble, City Auditor



Jabu M. Sengova, City Ethics Officer

Exhibit A: Bonuses and Contest Winnings Distributed by former Mayor Kasim Reed

BONUSES DISTRIBUTED BY FORMER MAYOR						
#	Employee Name	Organization	Classification	Balance Name	Amount Paid	Check Date
1	Aiken, Ria C	EXE Chief Operating Officer	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
2	Atkins, Rocky B.	EXE ATL311 Customer Service Center	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
3	Baker, Joel G	AFR Chief of Fire and Rescue	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
4	Bartleet, Matthew T	EXE Innovative Delivery Team	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
5	Beard, Jimmie A (Jim) *	DOF Chief Financial Officer	Supplemental Earnings	Bonus	\$ 21,261	12/31/2017
6	Bell, David S	APD Executive Protection	Supplemental Earnings	Bonus	\$ 7,402	12/31/2017
7	Benfield, Ethel Stephanie	EXE Sustainability	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
8	Berry, Jeremy Todd *	LAW City Attorney	Supplemental Earnings	Bonus	\$ 21,261	12/31/2017
9	Brooks, Royce G	EXE Chief Operating Officer	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
10	Byrd, Candace L *	EXE Innovative Delivery Team	Supplemental Earnings	Bonus	\$ 21,261	12/31/2017
11	Chua, Cheryl	EXE Mayor's Office	Supplemental Earnings	Bonus	\$ 7,402	12/31/2017
12	Cooper, Craig E	APD Executive Protection	Supplemental Earnings	Bonus	\$ 7,402	12/31/2017
13	Council, Roosevelt	DOA Aviation General Manager	Supplemental Earnings	Bonus	\$ 14,805	12/31/2017
14	Cunningham, Lillie	EXE Mayor's Office	Supplemental Earnings	Bonus	\$ 7,403	12/31/2017
15	DiMassimo, Faye Q.	EXE Chief Operating Officer	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
16	Flisser, Michael K	APD Criminal Investigations	Supplemental Earnings	Bonus	\$ 7,402	12/31/2017
17	Garland, Jenna	EXE Director of Communications	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
18	Garrett, Susan M.	DOP Chief Procurement Officer	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
19	Gordon, Daniel L *	EXE Chief Operating Officer	Supplemental Earnings	Bonus	\$ 21,261	12/31/2017
20	Hemphill, Jonathan R	APD Executive Protection	Supplemental Earnings	Bonus	\$ 3,701	12/31/2017
21	Henderson, Mark A	EXE Constituent Services	Supplemental Earnings	Bonus	\$ 13,596	12/31/2017
22	Hicks, Christopher E	EXE Entertainment and Film	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
23	Johnson, Karla	EXE Mayor's Office	Supplemental Earnings	Bonus	\$ 7,402	12/31/2017
24	Johnson, William M	DPW Commissioner of Public Works	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
25	Jones, David	APD Uniform Patrol	Supplemental Earnings	Bonus	\$ 7,402	12/31/2017
26	Keane, Timothy Joseph	DCP Commissioner of DPCD	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
27	Labat, Patrick L	COR Pretrial Detention Center	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
28	Mullinax, Melissa J	EXE Chief of Staff	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
29	Nichols, Steven H	APD Executive Protection	Supplemental Earnings	Bonus	\$ 7,402	12/31/2017
30	Peters, Jannquell	EXE Chief of Staff	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
31	Phuong, Amy H	PRC Commissioner of DPRCA	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
32	Powell, Kishia L	DWM Commissioner of Watershed Management	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
33	Rivers, Ramon	APD Executive Protection	Supplemental Earnings	Bonus	\$ 5,402	12/31/2017
34	Sabulis, Thomas M	EXE Director of Communications	Supplemental Earnings	Bonus	\$ 7,402	12/31/2017
35	Saini, Samir	AIM Chief Information Officer	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
36	Shields, Erika	APD Chief of Police	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
37	Slade, Jalal	EXE General Buildings and Plants	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
38	Smith, Theia J	EXE Chief of Staff	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
39	Taylor-Parks, Evelyn K	EXE Chief of Staff	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
40	Torres, Anne	EXE Director of Communications	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
41	Weaver, Tanisha S	EXE Mayor's Office	Supplemental Earnings	Bonus	\$ 7,402	12/31/2017
42	Wilson, Kristin C	EXE Chief Operating Officer	Supplemental Earnings	Bonus	\$ 14,804	12/31/2017
43	Yancy, Yvonne C *	DHR Commissioner of Human Resources	Supplemental Earnings	Bonus	\$ 21,261	12/31/2017
TOTAL					\$ 573,121	

Source: Balance classification report of supplemental earnings for all employees run against the payroll system in Oracle for the period of 11/1/2017 through 2/7/2018 and provided by the Department of Finance Senior Business System Analyst on 4/25/2018.

NOTE: We filtered the report by Balance Name, for "Bonus" and "Performance Award" to identify all employees who were paid bonuses that were not attributable to sick leave, vacation accrual payout, or police retention bonuses.

* We edited the report to reflect the accurate amount paid to each of the 5 employees who were approved for \$15,000 bonuses by the former mayor.

Exhibit A: Bonuses and Contest Winnings Distributed by former Mayor Kasim Reed

DUPLICATE BONUSES PAID IN ERROR						
#	Employee Name	Organization	Classification	Balance Name	Amount Paid	Check Date
1	Henderson, Mark A	EXE Constituent Services	Supplemental Earnings	Bonus	\$ 13,596	2/2/2018
2	Johnson, William M	DPW Commissioner of Public Works	Supplemental Earnings	Bonus	\$ 14,804	2/2/2018
3	Keane, Timothy Joseph	DCP Commissioner of DPCD	Supplemental Earnings	Bonus	\$ 14,804	2/2/2018
4	Labat, Patrick L	COR Pretrial Detention Center	Supplemental Earnings	Bonus	\$ 14,804	2/2/2018
					TOTAL \$	58,008
					TOTAL BONUSES \$	631,129

CONTEST WINNINGS DISTRIBUTED BY FORMER MAYOR						
#	Employee Name	Organization	Classification	Balance Name	Amount Paid	Check Date
1	Barley, Ebony O	EXE Civic Events Management	Supplemental Earnings	Performance Award	\$ 1,000	12/22/2017
2	Benfield, Ethel Stephanie	EXE Sustainability	Supplemental Earnings	Performance Award	\$ 1,500	12/22/2017
3	Brewster, Brittany C	EXE Civic Events Management	Supplemental Earnings	Performance Award	\$ 1,000	12/22/2017
4	Brooks, Ebony N	EXE Cultural Affairs Administration	Supplemental Earnings	Performance Award	\$ 1,500	12/22/2017
5	Cardona Contreras, Luisa F	EXE Chief of Staff	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
6	Case, Richard D	EXE Contract Compliance	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
7	Chin, Shikara	EXE Entertainment and Film	Supplemental Earnings	Performance Award	\$ 1,000	12/22/2017
8	Garrett, Cicely	EXE Sustainability	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
9	Garriss, Morgan	EXE Cultural Affairs Administration	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
10	Guzman, Paulina	EXE International Affairs	Supplemental Earnings	Performance Award	\$ 1,000	12/22/2017
11	Hagos-Fewell, Dahab	EXE Chief of Staff	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
12	Holmes, Dominique A	EXE Constituent Services	Supplemental Earnings	Performance Award	\$ 1,500	12/22/2017
13	Johnson, Camille J	EXE Chief Operating Officer	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
14	Lathon-Kimbrough, Ashley	EXE Director of Communications	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
15	Lowe, Karen	EXE Cultural Affairs Administration	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
16	McCray, Demetrius	EXE Constituent Services	Supplemental Earnings	Performance Award	\$ 1,500	12/22/2017
17	Miller, Shannan S	EXE Sustainability	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
18	Mullinax, Melissa J	EXE Chief of Staff	Supplemental Earnings	Performance Award	\$ 2,000	12/22/2017
19	O'Neil, Megan	EXE Sustainability	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
20	Peters, Jannquell	EXE Chief of Staff	Supplemental Earnings	Performance Award	\$ 2,000	12/22/2017
21	Roberts, Simone	EXE Civic Events Management	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
22	Roney, Lynn	EXE Innovative Delivery Team	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
23	Sabulis, Thomas M	EXE Director of Communications	Supplemental Earnings	Performance Award	\$ 1,000	12/22/2017
24	Shackleford, Ashley	EXE Director of Communications	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
25	Sipp, Kevin	EXE Cultural Affairs Administration	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
26	Smith, Yhana	EXE Civic Events Management	Supplemental Earnings	Performance Award	\$ 2,000	12/22/2017
27	Taylor, Ruthie	EXE Sustainability	Supplemental Earnings	Performance Award	\$ 2,000	12/22/2017
28	Taylor-Parks, Evelyn K	EXE Chief of Staff	Supplemental Earnings	Performance Award	\$ 1,000	12/22/2017
29	Terrell, Shanquanta K	EXE Director of Communications	Supplemental Earnings	Performance Award	\$ 500	12/22/2017
30	Torres, Anne	EXE Director of Communications	Supplemental Earnings	Performance Award	\$ 1,000	12/22/2017
31	Watson, Tiphonie P	EXE Entertainment and Film	Supplemental Earnings	Performance Award	\$ 3,000	12/22/2017
32	Weaver, Tanisha S	EXE Mayor's Office	Supplemental Earnings	Performance Award	\$ 2,000	12/22/2017
33	Wiseman, Michelle L	EXE Sustainability	Supplemental Earnings	Performance Award	\$ 1,500	12/22/2017
34	Woodruff, Taylor A	EXE International Affairs	Supplemental Earnings	Performance Award	\$ 1,000	12/22/2017
					TOTAL \$	36,000

Source: Balance classification report of supplemental earnings for all employees run against the payroll system in Oracle for the period of 11/1/2017 through 2/7/2018 and provided by the Department of Finance Senior Business System Analyst on 4/25/2018.

NOTE: We filtered the report by Balance Name, for "Bonus" and "Performance Award" to identify all employees who were paid bonuses that were not attributable to sick leave, vacation accrual payout, or police retention bonuses.

Exhibit B: Bonuses and Contest Winnings Distributed by former Human Resources Commissioner

BONUSES DISTRIBUTED BY FORMER HUMAN RESOURCES COMMISSIONER						
#	Employee Name	Organization	Classification	Balance Name	Amount Paid	Check Date
1	Addison, Angela M	DHR Commissioner of Human Resources	Supplemental Earnings	Bonus	\$ 11,103	12/31/2017
2	Amis, Louis	DHR Insurance Administration	Supplemental Earnings	Bonus	\$ 11,103	12/31/2017
3	Beam, James A	DHR Human Resources Management	Supplemental Earnings	Bonus	\$ 11,103	12/31/2017
4	Bethune, Elizabeth Victoria	DHR Human Resources Management	Supplemental Earnings	Bonus	\$ 3,707	12/31/2017
5	Bradford, Adrienne C	DHR Insurance Administration	Supplemental Earnings	Bonus	\$ 11,103	12/31/2017
6	Brown, Jamar A	DHR Human Resources Management	Supplemental Earnings	Bonus	\$ 2,537	12/31/2017
7	Davis, Anthony Carlos	DHR Human Resources Management	Supplemental Earnings	Bonus	\$ 11,103	12/31/2017
8	Gay, Tashonda M	DHR Human Resources Management	Supplemental Earnings	Bonus	\$ 3,701	12/31/2017
9	Gooden, Elaine	DHR Human Resources Management	Supplemental Earnings	Bonus	\$ 11,104	12/31/2017
10	Matthews, Deborah Ann	DHR Commissioner of Human Resources	Supplemental Earnings	Bonus	\$ 3,701	12/31/2017
11	Powell, Sarina	DHR Insurance Administration	Supplemental Earnings	Bonus	\$ 3,701	12/31/2017
TOTAL					\$ 83,967	

CONTEST WINNINGS DISTRIBUTED BY FORMER HUMAN RESOURCES COMMISSIONER						
#	Employee Name	Organization	Classification	Balance Name	Amount Paid	Check Date
1	Asare-Bediako, Osafo	DHR Insurance Administration	Supplemental Earnings	Performance Award	\$ 1,480	12/21/2017
2	Bradford, Adrienne C	DHR Insurance Administration	Supplemental Earnings	Performance Award	\$ 1,480	12/21/2017
3	Brown, Jamar A	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 254	12/21/2017
4	Brown, Schyuler L	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 740	12/21/2017
5	Collins, Tameka Richardson	DHR Insurance Administration	Supplemental Earnings	Performance Award	\$ 1,480	12/21/2017
6	Culberson, Tiffany Elaine	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 1,184	12/21/2017
7	Dosier, Yolanda Cherisse	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 740	12/21/2017
8	Elder, Tannel Fern	DHR Commissioner of Human Resources	Supplemental Earnings	Performance Award	\$ 1,184	12/21/2017
9	Finley, Kimberly	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 740	12/21/2017
10	Graves, Samantha D	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 740	12/21/2017
11	Hall, Joi A	DHR Training and Instruction	Supplemental Earnings	Performance Award	\$ 864	12/21/2017
12	Harmon, Kandice K	DHR Commissioner of Human Resources	Supplemental Earnings	Performance Award	\$ 740	12/21/2017
13	Hawkins, Carla Denise	DHR Commissioner of Human Resources	Supplemental Earnings	Performance Award	\$ 1,480	12/21/2017
14	Holloway, Angela R	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 1,184	12/21/2017
15	King, Omari G	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 812	12/21/2017
16	Lilly, Katherine Marie	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 680	12/21/2017
17	Logan, Ashli Jessica	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 740	12/21/2017
18	Mitchell, Derris K	DHR Insurance Administration	Supplemental Earnings	Performance Award	\$ 1,480	12/21/2017
19	Moore, Carla S	DHR Insurance Administration	Supplemental Earnings	Performance Award	\$ 1,480	12/21/2017
20	Morning, Michael J	DCP Director of Buildings	Supplemental Earnings	Performance Award	\$ 740	12/21/2017
21	Morrow, Traci Scott	DHR Commissioner of Human Resources	Supplemental Earnings	Performance Award	\$ 1,480	12/21/2017
22	Robins, Marsha	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 1,184	12/21/2017
23	Robinson, Thomasenia P	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 1,184	12/21/2017
24	Simmons, Requish L	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 1,110	12/21/2017
25	Stimphil, Cedric Thomas	DHR Commissioner of Human Resources	Supplemental Earnings	Performance Award	\$ 1,184	12/21/2017
26	Torrence, Nicholas L	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 740	12/21/2017
27	Werther, Eckart	DHR Insurance Administration	Supplemental Earnings	Performance Award	\$ 1,480	12/21/2017
28	Williams, Janine Kelly	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 740	12/21/2017
29	Young, Shanea Danielle	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 680	12/21/2017
30	Zeigler, Tonya D	DHR Human Resources Management	Supplemental Earnings	Performance Award	\$ 1,184	12/21/2017
TOTAL					\$ 31,195	

Source: Balance classification report of supplemental earnings for all employees run against the payroll system in Oracle for the period of 11/1/2017 through 2/7/2018 and provided by the Department of Finance Senior Business System Analyst on 4/25/2018.

NOTE: We filtered the report by Balance Name, for "Bonus" and "Performance Award" to identify all employees who were paid bonuses that were not attributable to sick leave, vacation accrual payout, or police retention bonuses.

Exhibit C: Bonuses Distributed by City Council Members

BONUSES DISTRIBUTED BY CITY COUNCIL MEMBERS						
#	Employee Name	Organization	Classification	Balance Name	Amount Paid	Check Date
1	Bailey, Curtis K	CCN Council District 11	Supplemental Earnings	Bonus	\$ 7,401	12/8/2017
2	Battle-Williams, Leslie N	CCN Council District 03	Supplemental Earnings	Bonus	\$ 2,220	12/8/2017
3	Bennett, Sheryl	CCN Council District 01	Supplemental Earnings	Bonus	\$ 1,292	12/8/2017
4	Carter, Ali A	CCN Council Post 3 At-Large	Supplemental Earnings	Bonus	\$ 2,220	12/8/2017
5	Craft, Denise	CCN Council District 09	Supplemental Earnings	Bonus	\$ 1,480	12/8/2017
6	Elgar, James	CCN City Council President	Supplemental Earnings	Bonus	\$ 2,961	12/21/2017
7	Fenn, Lauren Paige	CCN Council Post 3 At-Large	Supplemental Earnings	Bonus	\$ 2,220	12/8/2017
8	Grover, Preya	CCN Council District 01	Supplemental Earnings	Bonus	\$ 1,900	12/8/2017
9	Hampton, Brenda O	CCN Council District 01	Supplemental Earnings	Bonus	\$ 1,186	12/8/2017
10	Hardy, Stephanie R	CCN City Council President	Supplemental Earnings	Bonus	\$ 2,691	12/21/2017
11	Henderson, Mi-Lan	CCN Council District 03	Supplemental Earnings	Bonus	\$ 2,220	12/8/2017
12	Horton, Corona W	CCN Council District 07	Supplemental Earnings	Bonus	\$ 1,480	12/8/2017
13	Hudson, Valencia	CCN Council District 05	Supplemental Earnings	Bonus	\$ 7,301	12/21/2017
14	Jung, Thomas	CCN Council District 06	Supplemental Earnings	Bonus	\$ 740	12/8/2017
15	Jung, Thomas	CCN Council District 06	Supplemental Earnings	Bonus	\$ 6,265	12/21/2017
16	Kingsbury, Kathleen H	CCN Council District 09	Supplemental Earnings	Bonus	\$ 1,480	12/8/2017
17	LaRue, LaTacia Antoinette	CCN Council District 12	Supplemental Earnings	Bonus	\$ 740	12/8/2017
18	Murray, Cathy A	CCN City Council President	Supplemental Earnings	Bonus	\$ 2,961	12/21/2017
19	Parrott, Sheila E	CCN Council District 06	Supplemental Earnings	Bonus	\$ 3,701	12/8/2017
20	Parrott, Sheila E	CCN Council District 06	Supplemental Earnings	Bonus	\$ 30,839	12/21/2017
21	Silver, Sally L	CCN Council District 07	Supplemental Earnings	Bonus	\$ 740	12/8/2017
22	Stewart, Larry Eugene Jr	CCN Council Post 3 At-Large	Supplemental Earnings	Bonus	\$ 1,110	12/8/2017
23	Stringer, Kelci A	CCN Council Post 3 At-Large	Supplemental Earnings	Bonus	\$ 370	12/8/2017
24	Taylor, Denis	CCN Council District 07	Supplemental Earnings	Bonus	\$ 1,480	12/8/2017
TOTAL					\$ 87,000	

Source: Balance classification report of supplemental earnings for all employees run against the payroll system in Oracle for the period of 11/1/2017 through 2/7/2018 and provided by the Department of Finance Senior Business System Analyst on 4/25/2018.

NOTE: We filtered the report by Balance Name, for "Bonus" and "Performance Award" to identify all employees who were paid bonuses that were not attributable to sick leave, vacation accrual payout, or police retention bonuses.

Exhibit D: Bonuses and Contest Winnings in Total

Distribution Type:	Amount Paid
Bonuses distributed by former Mayor	\$ 573,121
Duplicate bonuses paid in error	\$ 58,008
Contest winnings distributed by former Mayor	\$ 36,000
Bonuses distributed by former Human Resources Commissioner	\$ 83,967
Contest winnings distributed by former Human Resources Commissioner	\$ 31,195
Bonuses distributed by City Council members	\$ 87,000
TOTAL \$ 869,291	

Source: Balance classification report of supplemental earnings for all employees run against the payroll system in Oracle for the period of 11/1/2017 through 2/7/2018 and provided by the Department of Finance Senior Business System Analyst on 4/25/2018.

NOTE: We filtered the report by Balance Name, for "Bonus" and "Performance Award" to identify all employees who were paid bonuses that were not attributable to sick leave, vacation accrual payout, or police retention bonuses.