



Timothy M. O'Brien, CPA
Auditor

FOR IMMEDIATE RELEASE – Jan. 18, 2022

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Denver Auditor: Completed Audits and Wage Enforcement Mean Community Impact

DENVER – In 2021, the Denver Auditor’s Office completed nearly 50 audit products and recovered nearly \$700,000 in unpaid wages for workers across the city according to the new 2021 Annual Report and Denver Labor Wages Report released by Denver Auditor Timothy M. O’Brien.

“Our work is resonating with members of our community more than ever,” Auditor O’Brien said. “I am exceptionally proud of my teams who have found ways to do meaningful, innovative, and impactful work even through the pandemic.”

In 2021, we were honored to receive the top auditing award for local governments of our size in the U.S. and Canada. The Association of Local Government Auditors recognized our team with an Exemplary Knighton Award.

Over the past year, audit teams examined some of the city’s most used, necessary, and beloved programs to see what was working and what could be improved.

We continued to see a trend of inadequate oversight of third-party contracts and some construction projects. However, the city did a good job of setting up safeguards and processes for spending the first round of federal coronavirus relief dollars.

We saw the impacts of the pandemic on city agencies in several audits. Staff turnover, challenges in workforce hiring, budget cuts, and changes in the workplace caused many concerns for city government.

However, we were disappointed to see some agencies’ lack of action taken after our audits. We completed 24 follow-ups of audit reports issued since 2018. Out of the 283 recommendations, only 41% or 117 recommendations were fully implemented. Agencies partially implemented 16% or 44 of our recommendations and did not implement 34% or 97 of our recommendations. Agencies previously disagreed with 9% or 25 of the recommendations from these reports.

41% | OF 283 RECOMMENDATIONS IN 24 FOLLOW-UP REPORTS WERE FULLY IMPLEMENTED

34% | OF OUR RECOMMENDATIONS WERE NOT IMPLEMENTED

Meanwhile, Denver Labor's goal to protect Denver's employers and employees and ensure everyone is paid according to the law is even more important this year as our economy continues to face the challenges of the pandemic and recovery.

"Denver's wage laws help protect some of the most vulnerable workers in the city," Auditor O'Brien said. "We're innovating every day to find new ways to not only get money to the people who earned it according to the law, but to also support local businesses through education and cooperation."

In the first two years of citywide minimum wage enforcement, we used a complaint-based system to recover unpaid wages and to track data about industry compliance and community needs. This helped prepare us for a data-driven, proactive enforcement method in 2022.

Our office believes education for both employers and the public is the key to a successful citywide minimum wage ordinance. This year, we held nearly 50 live training sessions on Facebook — called "Wages Wednesday" — related to all of Denver's wage laws, what the laws mean for employees and employers, and how they can stay in compliance.

Citywide minimum wage:

275 | LARGEST NUMBER OF EMPLOYEES IMPACTED BY SINGLE INVESTIGATION IN 2021

936 | TOTAL NUMBER OF EMPLOYEES WHO RECEIVED RESTITUTION IN 2021

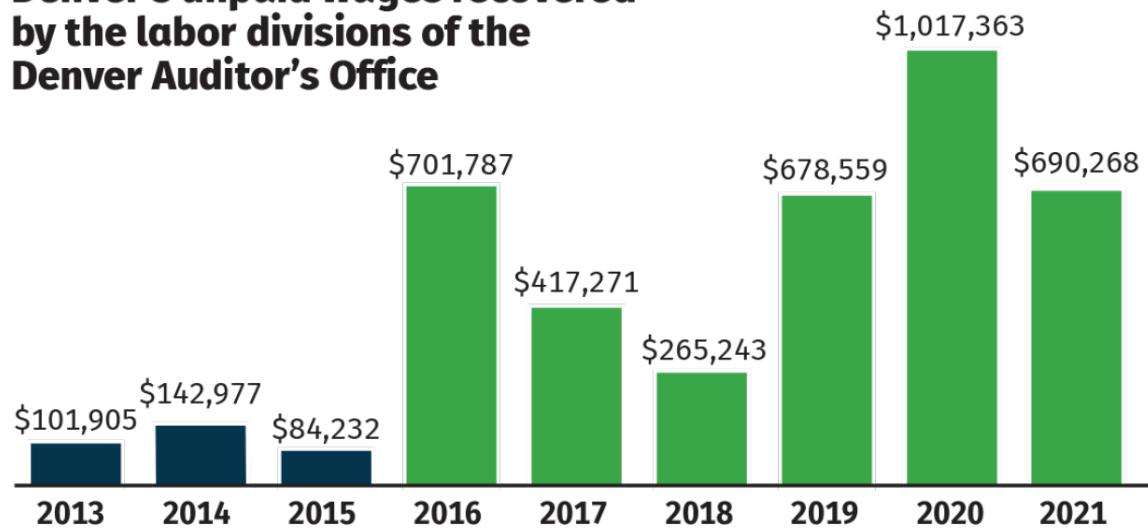
\$146,682.56 | TOTAL AMOUNT OF RESTITUTION RECOVERED UNDER THE MINIMUM WAGE ORDINANCE IN 2021

Wage Restitution Stories:

- **Nearly 200 Employees Compensated, Wages Permanently Raised**
Home improvement sales employees who were compensated by a mix of base pay and commission were not being paid Denver's citywide minimum wage when their sales goals were not met. Almost \$16,000 was recovered for 194 employees and all employees' base wage rates were raised to prevent future underpayments.
- **Cooperative Contractor Returns Nearly \$86,000 to Employees**
A contractor performing custodial work at the Denver Zoo significantly underpaid its employees, resulting in \$85,826.48 owed to 21 employees. The contractor started performing the custodial work at the Denver Zoo before the Auditor's Office discovered that neither the contract nor the contractor had been set up in our compliance software. The contractor had not submitted certified payroll records for our review, and the underpayments were the result of the contractor paying its employees less than the custodian prevailing wage. The contractor cooperated and issued restitution checks expeditiously.

In Denver's increasingly competitive job market, both employers and employees win when companies offer wages at least in line with the law. Employers ensure positive customer experiences, successful business models, and stability in their workplace by paying their workers according to the law. Read more restitution stories in [our Annual Report](#).

Denver's unpaid wages recovered by the labor divisions of the Denver Auditor's Office



Our work is performed on behalf of everyone who cares about the city, including its residents, workers, and decision-makers. Our mission is to deliver independent, transparent,

and professional oversight to safeguard the public's investment in the City and County of Denver.

Our office serves as a check and balance for Denver's government on behalf of the community we serve. Our work can help city leaders achieve efficiency, effectiveness, accountability, equity, and transparency. Our wage teams also help workers and employers build a stronger economy that includes everyone.

Our function as an independent agency serves as a tool for good government in the city.

[Read the Annual Report](#)

[Read the 2022 Audit Plan](#)

[Read the 2022 Action Card](#)

You can find more information about the Auditor and recent audits at [on our website](#).

About the Auditor's Office

Denver's Auditor is publicly elected and answers to the voters. The role of the Auditor is to help minimize risks, improve internal controls, maximize efficiencies and strengthen accountability.

About Auditor O'Brien

Denver Auditor Timothy M. O'Brien, CPA, has more than 40 years of auditing and accounting [experience](#). Auditor O'Brien strives to bring greater clarity, transparency and accountability to Denver's city government for its residents. Elected in 2015 and reelected in 2019, Timothy O'Brien is distinguished from his predecessors by being an actual professional auditor. Auditor O'Brien and his office won a Knighton Exemplary Award in 2021 for their [audit of Denver's Neighborhood Sidewalk Repair Program](#). It is their fourth award since 2015, including the Knighton Award for their 2019 [audit of the Denver Preschool Program](#), the [Knighton Distinguished Award](#) for the [first Affordable Housing Audit](#) from 2018, and a Knighton Exemplary Award for the 2015 [Rocky Mountain Human Services audit](#). Auditor O'Brien also received the [ADA Access Award](#) from the Colorado Cross-Disability Coalition in 2018 for his work on behalf of people with disabilities. Auditor O'Brien received the [2017 Outstanding CPA in Government Impact Award](#) from the [American Institute of CPAs](#). He was honored with the [2016 Jonathan Holtzinger Award of Excellence](#) by the Colorado Chartered Financial Analyst Society for demonstrating the highest standards as a financial and investment professional.

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