

National recognition for our audit work  
and Denver Labor's new subpoena  
power.

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MAY 2024

## News from Denver Auditor Timothy M. O'Brien, CPA



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*From  
the Desk  
of Auditor  
O'Brien*

This month was an exciting one for both Denver Labor and Audit Services.

I want to [\*\*thank the Denver City council and all of our community partners\*\*](#) for helping to get a bill passed on April 29 giving subpoena power to our Denver Labor investigations.

We couldn't have gotten here without the tireless advocacy from Councilwoman Sarah Parady and Councilwoman Amanda Sawyer, community members, local leaders, many labor unions, and groups like Coloradans for the Common Good, Centro de los Trabajadores, the Colorado Cross-Disability Coalition, and so many more. Thank you to the many individuals from the labor, faith, nonprofit, and advocacy communities who helped us get this far. More on what subpoena power is and what comes next below.

At Audit Committee this month, we also heard an [\*\*educational and enlightening presentation\*\*](#) on the history, risks, and possible uses of different forms of artificial intelligence. Key takeaways from the briefing included the constantly changing AI environment, the importance of strong governance and regulation, and the need for adaptability paired with thoughtful strategy when it comes to new technology. I continue to prioritize cybersecurity for Denver through our audit work and our own internal policies and protections.

Finally, Denver Labor Executive Director Matt Fritz-Mauer presented our [\*\*2023 Annual Wage Theft Report\*\*](#) to the Finance and Governance Committee last week. He highlighted the successes of our work from last year, where we're going in 2024, and how wage theft impacts the whole community. You can watch a replay of the discussion on [\*\*Denver8 TV\*\*](#).

Auditor Timothy O'Brien, CPA



## National judges call audit work “thorough and impactful”

Earlier this year, our office was proud to accept another national Knighton Distinguished Award for our 2023 “Homeless Encampments” audit. This was the seventh Knighton award for Auditor O’Brien’s administration since 2015.

New this month, we got to hear what the judges had to say about the report and receive the award in the company of our peers at the annual Association of Local Government Auditors conference.

Judges said, “The audit scope was responsive to the needs and concerns of decision-makers and the public. The auditors took a complex and sensitive topic and presented 36 recommendations that were useful and addressed the efficiency and effectiveness of the city’s response program.”

The association says the purpose of these awards is “to improve government services by encouraging and increasing levels of excellence among local government auditors.”

The audit team that worked on this award-winning report comprised Audit Manager Kharis Eppstein, Audit Manager Shaun Wysong, Lead Auditor Isabelle Puppa, Senior Auditor Dan O’Conor, Senior Auditor Danielle Edwards, and Associate Auditor Christopher Torrance. The audit analytics team supported the audit’s data methodology — including work from Audit Analytics Manager Chris Wilson, Data Analytics Specialist Nicholas Hermon, and Audit

Analytics Manager Chris Wilson, Data Analytics Specialist Nicholas Henrion, and Audit Analytics Senior Heather Burger. Dawn Wiseman was the audit director for the project.

[READ MORE](#)



## Help us create our 2025 Audit Plan

We need your help! Every October, the Auditor's Office presents its Annual Audit Plan. To decide what audits our office will perform during the next year we do what is called a risk assessment process.

To ensure the city is operating efficiently and effectively, we use a risk-based approach to identify and prioritize potential audits. We consider factors like: changes in the city, time since last audit, size of the program or budget, complexity, short- and long-term strategic risks, equity, possible reputational harm, and public interest.

Denver residents interact with the city's public services and infrastructure every day. Sometimes, these interactions may raise questions about whether agencies and programs are meeting their intended purpose, or whether their taxes are being used effectively. Nobody knows better Denver than you!

Although the number of new audits we can add each year depend on available resources, the

more we hear from our constituents about areas of concern, the more likely the topic will rise to the top of our list for inclusion on the audit plan.

We've already started hearing from residents, and these are the areas they've asked us to consider:

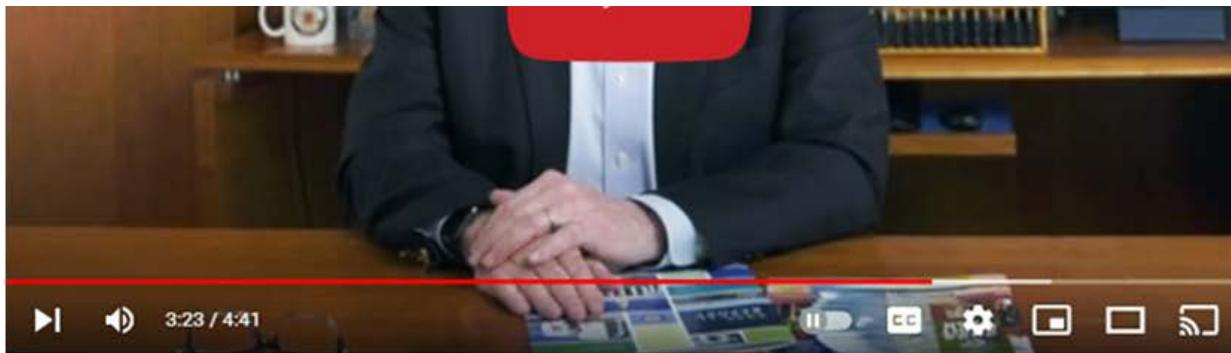


Do you agree? Or is there something you think is missing? Let us know.

Please send us your audit ideas to [Auditor@DenverGov.org](mailto:Auditor@DenverGov.org) (or reply to this email).

[READ THIS YEAR'S AUDIT PLAN](#)





## Ask the Auditor: Mental Health in Jails

We see our recommendations as a roadmap to make the city better. When we see implementation or progress in the right direction, we know our audit work is having a positive impact. A good example of this is the recent follow-up on Mental Health Services in Denver's Jail Systems, where we found notable improvements made by the Denver Sheriff's Department. Thanks to these improvements, individuals are now more likely to successfully reintegrate into the community instead of repeatedly returning to jail. To learn more about these improvements, check out our latest Ask the Auditor episode.

[WATCH THE EPISODE](#)

## Denver Labor NEWS





## City Council approves subpoena power for Denver Labor

On April 20, 2024, the Denver City Council entrusted the Denver Auditor's Office with subpoena power for wage investigations. This bill gives us the tools we need to get information from private employers who do not voluntarily cooperate during wage theft investigations. By having a collaborative tool like this, we can seek faster resolution and payment on behalf of workers, while limiting the burden for businesses.

A subpoena is a formal written order from a government agency requiring someone to produce specific records or evidence. For Denver Labor, that means it's a tool to require employers to send information for a wage theft investigation. This information could be useful to prove underpayments or other violations of Denver's wage laws.

Before Denver Labor had subpoena power, the only option to get employers to share information was a single \$1,000 fine. This was not a strong enough incentive to encourage cooperation. The goal was to create incentives to share information, not to financially penalize businesses.

Delays in producing information or refusal to produce documents can keep workers from getting paid the wages they earned in a timely manner. Every day without money matters to the hardworking people in our community who are supporting their families, neighborhoods, and our economy. They struggle to pay rent, utilities, and all the other costs of living in an expensive metro area.

Denver Labor's subpoena power includes the opportunity for businesses to appeal the subpoena before a hearing officer. That hearing officer could add extra protections for sensitive information, limit the request for information, or stop the subpoena entirely. Our subpoena power has city-leading guarantees for ethical, independent hearing officers.

Subpoena power encourages the production of records — instead of just levying fines and penalties with no guarantee of the outcome workers need. It encourages cooperation and permits the Auditor and the subpoenaed party to mutually agree to a time and scope for producing the requested records.

We are working with City Council co-sponsors Sarah Parady and Amanda Sawyer on a second bill supporting this common-sense tool for the Audit Services Division. Using a similar neutral, and moderate framework, we will ensure community partners and city contractors are held equally accountable for how they use taxpayer dollars.

"We heard from members of the community in meetings and in public comment that subpoena power is an appropriate and necessary tool for both our wage and audit work," Auditor O'Brien said. "We hear them and are committed to continuing our efforts to guarantee uniform subpoena power for the whole Denver Auditor's Office."

[READ MORE](#)



## Paying correct wages earned matters

Our office closed cases this month adding up to thousands of dollars recovered for workers in Denver. Here are some recent examples:

We received multiple complaints from workers who did not receive overtime pay while completing work for Comatta Construction LLC on the skyline project located on 26th and Alcott Street. We contacted a higher-level contractor, RSL Contractors Ltd, and educated them about the Civil Wage Theft Ordinance and the up-the-chain accountability approach, which may require any employer who ultimately benefits from a worker's labor to pay their wages. RSL Contractors returned \$61,283.25 to 33 employees.

A former employee of Clean Your Dirty Face, a beauty salon in Denver, contacted us because they had been misclassified as exempt and had not been paid for overtime work. We initiated an investigation and the salon worked with us to provide their payroll information.

We found the salon had been paying several employees below Denver's minimum wage and was not complying with overtime pay. We recovered \$5,439.24 in restitution for seven employees for 824 hours worked.

A security guard working for Inner Parish Security Corporation submitted a wage theft complaint to Denver Labor, alleging his supervisor failed to report his work hours to payroll. In response, we examined the necessary records and found \$2,459.67 was owed for 26 hours of work. The wages were recovered.

[READ MORE RESTITUTION STORIES](#)



## Wages Wednesday

City contractors and subcontractors doing public construction work on behalf of the City and County of Denver must pay their workers prevailing wage and submit their certified payroll to us. In our next Wages Wednesday training, we will review helpful resources available on our website to help them comply with the ordinance and work more effectively with our Prevailing Wage team. If you are a city contractor and need more resources to navigate the law, save the date in your calendar and attend our next [Facebook Live](#).

### Calendar

*Prevailing Wage resources for city contractors*

Wednesday, June 12, at noon.

*Recursos sobre el salario prevaleciente para contratistas de la ciudad*

Miércoles, 19 de junio a las 12 p.m.

## In the Community





## Celebrating the Hispanic heritage at the Cinco de Mayo Festival

Did you know Cinco de Mayo remembers Mexico's victory over the French military at the Battle of Puebla in 1862? Over the years, it has become a celebration of Mexican culture and heritage in the U.S. and an excellent opportunity to bring our diverse communities together. This month, our team joined the Cinco de Mayo Festival at the Civic Center Park in Denver to engage with the attendees, educate them about their wage rights, and explain how our office works on their behalf.

On June 22 and 23, you will also find us at the Denver [PrideFest](#). Don't forget to stop at our booth, grab some swag, and say hi to our fantastic team!





## STAY IN TOUCH

While we all do our part during this challenging time, the work of our office continues every day. You can stay in touch with us and what we are doing through the following:

[Website](#)

[Facebook - Auditor's Office](#)

[Facebook - Denver Labor](#)

[Twitter - Auditor's Office](#)

[Twitter - Denver Labor](#)

[Instagram](#)

[LinkedIn](#)

As always, you are welcome to contact us at [auditor@denvergov.org](mailto:auditor@denvergov.org) with any comments, questions, concerns, etc.

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## RESOURCES

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