

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Natwar M. Gandhi
Chief Financial Officer

September 14, 2012

Dear Editor:

The Washington Post, September 13 articles, “City’s chief tax appraiser embroiled in controversy,” and “Natwar Gandhi’s Office prompted to conduct more thorough background checks, “ are continuations of a series of Post articles based on erroneous reporting, unproven allegations, and supposition. At the very least, it is irresponsible reporting particularly in light of the information that has been provided to the Post by my office.

In the article regarding the chief appraiser, the reporters state that this year’s settlements were “eight times as much as the total reduction from 2011.” That is factually incorrect because the Post, despite having full knowledge of the facts, refuses to include the settlements reported as “recommendations” in tax year 2011. More importantly, as the table below indicates, on average, BRPAA reductions, whether resulting from settlements or decisions, have not increased over the last six years, and District real property tax revenues are in fact, increasing.

BRPAA Adjustments and Total Real Property Tax Revenues (\$ in Millions)					
Tax Year	CLASS 1		CLASS 2		Total Revenues
	Total BRPAA Changes to Assessed Value	Revenue	Total BRPAA Changes to Assessed Value	Revenue	
2012	(184.7)		(2,766.8)		1,838.0
2011	(237.2)	557.1	(1,022.4)	1,045.4	1,602.5
2010	(432.5)	542.5	(2,613.8)	1,197.4	1,739.9
2009	(249.1)	517.1	(2,820.5)	1,196.2	1,713.3
2008	(197.7)	485.5	(2,641.7)	1,090.6	1,576.1
2007	(202.6)	430.6	(2,359.1)	989.2	1,419.8
Totals	(1,503.9)	2,532.8	(14,224.2)	5,518.8	9,889.6
Averages	(250.6)		(2,370.7)		

*FY2012 is an estimate

The average change in the assessed value for the periods 2007-2012 (excluding tax year 2011) is \$2.64 billion. As the chart above indicates, there is nothing unusual about the amount of total

commercial reductions by BRPAA for 2012. It is comparable to all years since 2007, other than tax year 2011. Whether the reductions came from settlements or contested cases, the results for the District were essentially the same. The total BRPAA reduction for 2011 is the only outlier. The decrease in 2011 was the result of the substantial drop in initial commercial assessments from approximately \$68 billion to approximately \$59 billion. Lower initial assessments, in the face of a sharply falling market, predictably resulted in lower reductions at BRPAA. There was no similar decrease in any other year. The chart also confirms that higher settlement amounts in 2012 did not result in a loss of tax revenue to the District over what one would have expected on the basis of BRPAA reductions in other up-market years.

As it relates to the background investigations conducted by my office, the Post also incorrectly assumes that the Office of the Chief Financial Officer does not conduct a thorough pre-employment background investigation. Nothing could be further from the truth. The criticisms of OCFO background process cited in the article are from 2001, 2006, and 2008. Much has been done since those years to strengthen our background investigations process. The OCFO thoroughly vets all employees by conducting both pre and post employment screenings which include:

Pre-Employment

- Review and analysis of an applicant's DC2000 and supporting documentation to ensure that he/she has the requisite knowledge, skills, and ability to perform the duties of the position.
- Rigorous interview process that assesses candidates based on their responses to questions on the relevant subject matter for the position.
- Verification of degree or other certifications as required for the position
- "Clean Hands" Verification for District of Columbia tax compliance
- Verification of current or relevant salary
- Review of prior OCFO and/or District Government employment history
- Internet Searches

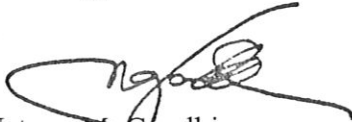
Post Employment

- Verification of highest education completed or last attended above high school. Verification of degree claimed and dates of attendance.
- Verification of employment during the past five years.
- Verification of periods of unemployment in excess of six months
- Interview of Personal References and a developed reference
- Review of Local/State and Federal Criminal Records for all areas of the individual's residence, employment and education in the U.S. for the last 7 years and any arrests or convictions disclosed by the applicant.
- Tax checks with the Internal Revenue Service to verify filing and payment as required and any other tax checks considered necessary based on the circumstances of the case.
- Review of Credit Report

- Miscellaneous Reviews (such as professional standing, if necessary, and any other investigation considered necessary in view of the position of the employee).
- Official Personnel File review when necessary
- Media Search—a comprehensive name search conducted by the background investigation contractor of various proprietary databases to access news sources, including newspapers, trade magazines, professional journals, articles, transcripts from television and radio interviews, and many other print media sources. The results of this search can include publication of awards and other achievements by the subject, or references to criminal activity, business disputes, or other potentially derogatory information relevant to the suitability of the subject for employment with the OCFO.

As it relates to the position of Chief Appraiser and the hiring of Tony George, additional steps were taken in that an outside firm was used to conduct the search and preliminary pre-employment screening for the position. The firm provided no derogatory information about Mr. George's previous employment history. In addition, the OCFO's Office of Integrity & Oversight also conducted due diligence by conducting a background investigation which included both pre and post employment screening of Mr. George.

Sincerely,

A handwritten signature in black ink, appearing to read 'Natwar M. Gandhi', with a large, stylized flourish extending to the right.

Natwar M. Gandhi