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**Report of Investigation**

**FILE NO:** 22-0116-C

**SUBJECT MATTER:** Transit Department’s misuse of budget, theft of parts and tools, changing labels on sanitizer, and retaliation.

**STATUS:** Final

**INVESTIGATOR:** M. Santistevan

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September 13,  
2022  
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9/16/2022 | 4:22 PM MDT  
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**Date of Approval**

**DISTRIBUTION:**

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## EXECUTIVE SUMMARY

According to City Ordinance 2-17-2, the Inspector General's goals are to (1) Conduct investigations in an efficient, impartial, equitable, and objective manner; (2) Prevent and detect fraud, waste, and abuse in city activities including all city contracts and partnerships; (3) Deter criminal activity through independence in fact and appearance, investigation and interdiction; and (4) Propose ways to increase the city's legal, fiscal and ethical accountability to insure that tax payers' dollars are spent in a manner consistent with the highest standards of local governments.

On June 14, 2022, the Office of Inspector General (OIG) received a referral from Central Human Resources (HR). The complaint was initiated in HR with the referring employee (R1). The complainant alleged to R1 that there is a misuse of budget, theft of tools and parts, and fraud through changing the labels on sanitizer to meet MSDS requirements and retaliation against the complainant at the Transit Department (TD). The OIG determined that the allegations contained elements of potential fraud, waste, or abuse and that it was appropriate for the OIG to conduct a fact-finding investigation. The purpose of the investigation was to determine if there is a misuse of the budget, theft of tools or parts, fraud through changing the labels on sanitizer to meet MSDS requirements, and retaliation against the complainant.

As a result of the investigation, the OIG was able to partially substantiate Allegation 1 regarding perceived retaliation. The OIG can substantiate Allegation 2, regarding misuse of the budget. The OIG was not able to substantiate Allegation 3 regarding the theft of tools. The OIG was able to substantiate Allegation 4 that an MSDS/SDS sheet was provided only after the pick-up and transport of an unknown chemical.

## ABBREVIATIONS

City: City of Albuquerque  
E1: Transit Employee  
E2: Transit Employee  
E3: Transit Employee  
E4: Transit Employee  
E5: Transit Employee  
E6: Finance employee  
FD1: Former Director  
FM1: Former Manager  
HR: Central Human Resources  
M1: Transit Manager  
OIG: Office of Inspector General  
R1: Referring Employee  
TD: Transit Department

## INTRODUCTION

The mission of the Office of Inspector General (OIG) is to provide independent and objective insight, oversight, and foresight in promoting integrity, efficiency, overall effectiveness, accountability, and transparency in government to safeguard and preserve public trust.

### Complaint

Allegation of misuse of budget, theft of tools and parts, and fraud through changing the labels on sanitizer to meet MSDS requirements and retaliation against the complainant at the Transit Department (TD).

### Background

The Transit Department strives to be the First Choice in Transportation Services for the Albuquerque Metropolitan Area by providing effective, affordable, and diverse intermodal transportation alternatives to the single occupant vehicle. The Transit department's goals are:

1. Provide visible and attractive alternatives to the use of the single-occupant vehicle.
2. Optimize the efficiency of all department operations to maximize the efficient use of taxpayer dollars.
3. Pursue an aggressive market development and education program to enhance public awareness of the availability and benefits of alternative transportation.

A subsequent meeting with the complainant revealed that the Transit Department lacks accountability and that similar matters have been investigated by the OIG previously. The OIG reviewed cases over the last six years and identified thirty-six (36) complaints where the Transit Department was the focus. A preliminary review of those complaints resulted in the OIG issuing five (5) investigative reports.

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Since July 2021, the Transit Department has experienced turnover in leadership and had encountered staffing issues. FD1 retired in January 2022 and FM1 terminated employment with the City in November 2021. The Transit Department has had two interim Directors since January 2022.

The OIG reached out to the former TD director (FD1), a retired employee, and provided the opportunity for an interview but FD1 declined. The OIG did not reach out to the former TD manager (FM1) as the reasons for termination of employment were unknown.

### **SCOPE AND METHODOLOGY**

Scope: Purchases, inventory logs, and service logs between December 1, 2021 and June 14, 2022.

The methodology consisted of:

- Assess complaint allegations
- Meet with the complainant to obtain more detailed information
- Prepare investigation work plan and have it approved
- Review Purchasing policy
- Review Code of conduct
- Review Ethical conduct for Purchasing
- Obtain and review purchases coded to Transit parts from December 2021 to June 14, 2022
- Review invoices for supplies and tools between December 2021 to June 14, 2022
- Obtain and analyze annual inventories for FY 2021 and FY 2022
- Obtain and analyze service logs from December 1, 2021 to June 14, 2022
- Send out Notice of Investigations
- Send out Notice of extensions for investigation
- Send out Notice of Interviews
- Develop interview questions
- Conduct interviews
- Contact Legal for any pending litigation that would prohibit OIG investigation.
- Contact Risk Management for any pending litigation that would prohibit OIG investigation
- Write report
- Send case file and report for review
- Obtain AGO approval
- Publish Report to OIG web

This report was developed based on information from interviews, inspections, observations, and the OIG's review of selected documentation and records.

## INVESTIGATION

**Allegation 1:** Retaliation by FD1, FM1, and M1 towards the complainant for initiating complaints regarding the TD operations. Retaliation was in the form of removal from the purchasing process, removal from the interview process, asking when the complainant was retiring, not considering the complainant for a temporary upgrade, and not allowing the complainant to work from home when other employees were able to.

**Authority:** Article 17 § 2-17-12 (D) No person shall retaliate against, punish or penalize any other person for complaining to, cooperating with, or assisting the Inspector General in the performance of his office.

### § 3-7-8 RETALIATION.

(A) *Retaliation prohibited.* Elected city officials and city employees are prohibited from taking retaliatory action against an employee because the employee participated in an action protected under this article.

**Evidence:** No direct evidence was provided by E3. Emails provided by M1 indicated that meetings and minutes outlined a lack of performance by E3 regarding inventory procedures.

**Interviews:** An interview with E1 revealed that the purchasing process begins when a quote is obtained and entered into PeopleSoft software where it is routed for approval. E1 stated there was a change in the purchasing process when the Transit Department switched to using the PeopleSoft software. E1 stated that before the conversion to PeopleSoft software, requisitions were utilized and required approvals by E1 and E5. E1 stated that E3 and E5 were removed from the approval process as requisitions were eliminated.

Concerning the interview process, E1 stated that E1 was aware that requests by E3 to be on interview panels were denied. E3 was removed from the interviews. E1 clarified by stating that E3 was not removed but was not permitted to participate in the interview process until the second interview.

E1 stated that recently everyone is asking when E3 is retiring. E1 has encountered mechanics who have asked E1 about the retirement of E3 or commented on E3's health. E1 stated that FM1 or M1 have never asked E1 about the retirement of E3. E1 stated that E3 indicated that employees are asking E3 about retirement. E1 stated that E3 stated E1 that FM1 and M1 asked E3 about when E3 was going to retire or make comments about E3's health but E1 stated E1 never witnessed any of those incidents. E1 indicated that E1 believes this talk amounts to office gossip or hearsay.

Regarding temporary upgrades in the Transit Department, E1 stated that E1 did not get a temporary upgrade but was required to perform duties outside E1's job description while E3 was temporarily out of work. E1 stated that E1 asked FM1 for a temporary upgrade but that FM1 stated that FM1 was doing some of the work, so no. E1 stated that to his knowledge, there was no upgrade for E5's absence. E1 stated that E1 is not familiar with the process for a temporary upgrade. E1 stated that the TD does not allow employees in E1's field to work from home because the position is more hands-on.

E1 stated that E1 is aware that some managers and finance personnel were permitted to work from home during the pandemic. E1 stated that an employee is currently working from home for unknown reasons but is not aware of who approved the work-from-home status or whether anyone was ever precluded from working from home.

An interview with E2 revealed that the purchasing process requires getting quotes, sending quotes for approval, and waiting on the purchase order. E2 stated that the employee initiates and sends the quote to E6 for approval but sometimes M1 approves.

E2 does not know of anyone being removed from the purchasing process. E2 stated that E2 is not sure of how an interview panel is selected. E2 does not know of anyone being removed from the interview process. E2 does not know of anyone being excluded from temporary upgrades in his department. E2 is not familiar with this process but is aware that temporary upgrades occur with the mechanics.

E2 stated that E3 told E2 that M1 had asked E3 when E3 was retiring. E2 stated that E2 had never directly heard these discussions.

E2 stated that the TD does allow employees to work from home. E2 stated that an employee in the Parts Department is currently working from home for unknown reasons. E2 stated that E2 guessed that someone from "downtown" or "a doctor" permitted the work-from-home status.

An interview with E3 revealed that purchases go through a contract process. There is a request for bids. All purchases must have a purchase order. E3 stated that E1 and E2 enter the purchases and they would be sent to E3 and then to M1 for approval. E3 stated that the approval of large equipment is done upstairs but if it was over a certain amount, then the purchase request would be sent downtown for approval. E3 stated that TD employees would wait until E3 was not in the office to make purchases. E3 stated that E3 was not provided copies of the purchase order or any paperwork. E3 stated that E3 was never told what the budget for parts was. E3 was not aware of anyone being removed from the purchasing process.

E3 stated that no one has been removed from the interview process in the last eight (8) months. E3 stated that E3 was removed from the interview process three (3) years ago due to E3's

questioning of the process as it related to the fact that scores were high even when the interviewee did not qualify. The panel did not discuss the applicant or compare the scores.

E3 stated that approximately two to three months ago, M1 asked E3 when E3 was going to leave. M1 commented that E3 “was old and that other employees could not be upgraded as long as E3 was still there.” E3 stated that E3 and FM1 “buted heads”. FM1 often made comments about E3 retiring. According to E3, FM1 told E3 “it was time for the old guard to go.”

E3 stated that E3 was left out of a process for a temporary assignment and upgrade that had been initiated at least a month before E3 was notified. E3 stated that E3 met the requirements for the temporary upgrade. After E3 notified the Inspector General, E3 was given a term in August that E3 declined.

E3 stated that the Transit Department does allow employees to work from home. E3 stated that E3 had to make an ADA request to work from home through HR.

An interview with M1 revealed that M1 developed a share point database to be used to make requisitions for purchases. All employees were trained to make requisitions through share point. An exemption existed for the parts department. The Transit Department streamlined the e-pro purchasing process in PeopleSoft in 2018. The process includes approval by the department buyer, the grant analyst, and the finance staff. M1 is not aware of anyone being removed from the process after the conversion to PeopleSoft.

M1 stated that after April/May 2022, transit staff was removed from the interview panels based on a directive from Human Resources that the department could only have one (1) transit employee sit on the interview panels. M1 stated that FM1 decided who was going to be on the interview panels but generally it included the hiring supervisor. M1 stated that there was a silo culture and that FM1 did not communicate well.

M1 stated that M1 did ask E3 when E3 was retiring because E1 had requested a wage review and M1 thought E1’s current wage was low. M1 tried to create a new position to ensure advancement for the employees but was unable to secure a position because M1 was informed by Personnel that there was a “hold on M-series salaries” so M1 did ask E3 what E3’s retirement plans were. M1 stated that M1 did not say “E3, you need to retire.”

M1 stated that the TD was offering a temporary upgrade for the Vehicle Maintenance Manager Position. Initially, the offer was made to three (3) employees of the same wage classification despite there being four (4) employees in that wage classification. M1 stated that the exclusion of the fourth employee was due to that employee being out on leave without pay. M1 stated that in June 2022, M1 did offer the temporary upgrade position to E3 upon completion of an updated



resume. E3 told M1 that E3 would need to think about it. E3 never responded to M1 and E3 was not included so the rotation of the other three (3) employees already in progress continued.

M1 stated that E3 did not complete the ADA paperwork to work from home. M1 stated that another transit employee notified M1 that E3 was working from home on an ADA accommodation. M1 stated that transit management assisted another employee, E5, in acquiring an ADA accommodation because E5 expressed concerns over taking leave without pay. M1 stated that M1 took on the duties related to this position that could not be done remotely. M1 stated that the same assistance was not offered to E3 because E3 did not inquire or express any concern.

M1 stated that there was concern over the performance of E3, specifically, regarding obsolete inventory. M1 provided twelve (12) emails and notes reflecting the ongoing discussions regarding the obsolete inventory. The emails provided by M1 were from July 2018 through May 2021. M1 stated that M1 and others did exclude E3 at times.

**Finding regarding Allegation 1:** The OIG was able to substantiate that the perception of retaliation existed in the TD through the comment that M1 and others did exclude E3 at times. The OIG was able to substantiate perceived retaliation in the form of E3's removal from the interview process, asking E3 when they would be retiring, and not considering all employees in the same wage classification for the opportunity of a temporary upgrade. Additionally, the OIG can substantiate that management extended assistance to some employees and not to others. The OIG was not able to substantiate retaliation in the form of removal from the purchasing process or by not allowing E3 to work from home when other employees were able to do so.

**Recommendation:** The TD should require all supervisors to attend supervisor training. All TD staff should attend training on acceptable practices to ensure an understanding of what retaliation is, and to mitigate against practices that might be considered retaliation.

**Management's response:** The transit department will require all supervisors to attend supervisor training as outlined above as well as provide retaliation training to staff. This expectation will be communicated to the entire department along with deadlines to complete the required training.

**Allegation 2:** Misuse of the budget related to purchases for parts, for City buses, vehicles, and tools.

**Authority:** Article 5 Purchasing § 5-5-27 REQUEST FOR QUOTES.

Purchases of goods, services and construction may be made by the Central Purchasing Office by request for quotes in accordance with the following provisions:

(A) A single purchase involving the expenditure of more than the small purchase limit, but not more than \$100,000 may be made after requesting quotes. Such quotes shall be obtained first from local businesses as defined in this article.

(1) If fewer than three responsive quotes are obtainable from local businesses, additional quotes from nonlocal businesses shall be considered.

(2) If fewer than three responsive quotes are obtainable from any source, the purchase may be made at the best documented obtainable price and a memo shall be written to the Chief Procurement Officer for his approval describing the steps taken to obtain the quotes and determine the best price.

(B) Award may be made only to the responsible offeror(s) submitting the lowest responsive offer(s).

**Evidence:** The OIG reviewed all invoices coded to the tools/supplies line item between December 1, 2021 and June 30, 2022, noting purchases of tools, between January 2022 and June 2022, in quantities of five (5) or more, which may be indicative of the department spending down its budget to ensure little to no reversions to the General Fund are necessary at year-end.

The OIG reviewed the request for bid (RFB), noting that the brake lathes must be able to perform brake jobs on our New Flyer Xcelsior series busses without the brake rotors being removed from the axle. Specifications in the RFB required the machine must be capable of resurfacing rotors on vehicles as small as typical passenger cars all the way up to a 60' bus, the machine must have an automatic compensation feature, the machine must have the capability to upload and store before cut and after cut measurements electronically, the machine must operate on a 110v power source, must include all equipment such as adapters needed to resurface rotors for a small typical passenger car all the way up to a 60' bus, must include a twelve (12) month manufacturer warranty, Suggested model: Pro-Cut PCA10-8ADP on Car Brake Lathe or approved equal. A City paid invoice INV483182, dated May 24, 2019, for five (5) brake lathes totaling \$76,808.50 were reviewed as evidence of the purchase of the brake lathes. The OIG contacted Pro-Cut International on September 12, 2022, to inquire about the purchased brake lathes. The vendor stated that the brake lathes would work on buses with a Heavy-Duty Truck Adapter. The OIG did notice this adapter on the invoice.

The OIG reviewed O'Reilly's invoices coded to the Transit Department between 2017 and 2019, one year before the identified period. The OIG located invoice 3099-299763 for \$37.78 that showed the sale type as a cash sale and a notation of 2006 Chevrolet Impala. The City does not

make cash sales therefore this could be indicative that employees are purchasing parts for private use and obtaining preferred pricing and avoiding gross receipts taxes.

**Interviews:** An interview with E1 revealed that transit parts employees enter requisitions and include the appropriate line item as documented in the “purchasing book”. E1 was not aware of any specific incident of purchases coded to an incorrect budget line item. E1 stated that M1 used to review the coding but that now it is being done by E6.

E1 stated that M1 announced to managers that the Transit Department had additional monies in the budget and that now would be the time to request purchases. When asked who approves the requests for purchases, E1 stated that the requests followed the normal purchasing procedures. E1 stated the “normal” process of approval includes approval by the buyer, fiscal manager, and associate director.

E1 indicated that E1 has never seen an instance where transit employees are processing work orders for items that cannot be used on Transit equipment. E1 stated that E1 did identify “oddities” where it appeared that some purchases of items were for personal use and that E1 advised M1. E1 felt this met E1’s responsibility. E1 described these “oddities” as invoices from O’Reilly’s that were for purchases of parts for a vehicle not operated by the Transit Department and that was made by ex-employees under the City account. E1 suspected that this was done for the City privileges. When asked what that meant, E1 stated the vendor account offers the City a reduced price and no taxes. E1 stated that E1 believed the invoices were paid by the City. E1 did not know what, if any, consequence was imposed on those making the purchases.

E1 also stated that sometimes orders just “show up” at the back door of the warehouse and the parts department had no knowledge of the purchase. When asked if this was considered unusual, E1 stated that it was unusual but that FM1 had changed the process. E1 stated that a lot less “stuff” comes in the back door since FM1 left employment. One incident was the purchase of five (5) brake lathe machines. E1 stated that a friend of FM1 came to the TD asking for FM1. According to E1, the friend of FM1, identified as a sales representative from Snap-On Equipment Inc-Pro Cut International LLC, did three different demonstrations of the brake lathes and in each of the demonstrations, TD rotors were damaged by the brake lathe machine. E1 stated that FM1 purchased five (5) of the brake lathes despite the failed demonstrations. E1 stated that three (3) brake lathes were never opened, one (1) was opened but not used and one (1) was opened and used a few times. E1 stated that a new employee has some experience with the brake lathes and is starting to use the open lathe. E1 stated that the brake lathes were designed to be used on smaller vehicles than buses and transit vans. E1 stated that the purchase was unnecessary because there is a working brake lathe machine and the TD has one (1) employee, whose responsibility it is to operate the lathe daily to prepare an excess stock of rotors for the buses and vans.

E1 stated that the mechanics have a shelf in the bay where they will put excess parts not used. Some of the parts are still in the packaging.

An interview with E2 revealed that line item coding occurs at the point of entry into PeopleSoft. E2 enters requisitions and uses line items for supplies that E2 has memorized over time. According to E2, if the line item is incorrect, a notification is sent from the finance division for the requisition to be corrected. E2 did not know of any specific incidents of purchases coded to the incorrect budget.

After a management meeting, E1 and E3 advised E2 that the Transit Department had additional monies in the budget that needed to be spent and that employees could request items. E2 did not know who approved those purchases but guessed that it was someone in finance.

E2 stated that E2 has no knowledge of anyone purchasing items for personal use, nor has E2 ever seen a work order process for items that cannot be used on Transit equipment.

E3 was not aware of any specific incident of purchases coded to the incorrect budget.

E3 stated that questionable items were being ordered such as parts for a 1971 Dodge Charger. This was a vehicle that the TD did not have. E3 stated that there was a TD employee who did own this type of vehicle. E3 stated that O'Reilly's invoices were being processed for parts that could not be used on Transit vehicles. E3 stated that new parts were placed in the junk pile. Sometimes extra parts would be placed on a shelf in the maintenance area. E3 stated that FM1 was looking to circumvent the purchasing process and this happened with the brake lathe machines. These machines were made for light duty trucks or cars and not for buses or vans utilized by the Transit department. FM1 purchased the brake lathes although three (3) separate demonstrations resulted in damage to Transit Department rotors. E3 stated that objections to the purchase were raised by the mechanics, the Maintenance Manager, and the Materials Manager. E3 believes that it was feasible to purchase another brake lathe machine that could accommodate the Transit equipment but that it was not necessary. E3 stated that FM1 purchased five (5) brake lathes for approximately \$120,000. The actual invoice price was lower as reflected above.

An interview with M1 revealed that requisitions require a line item account for each item purchased. The employee entering the requisition will include a line item but sometimes during the review process, finance may send the requisition back to the employee because of an improper line item classification. M1 stated that there have been instances where M1 might not return a requisition for an improper line item classification. M1 stated that M1 will review the amount of the purchase and decide whether it can be processed as input despite being the incorrect line item classification.

M1 stated that M1 did not make a global announcement that there were additional monies in the budget and that employees should put in their requests but that M1 may have indicated this to specific people.

M1 stated that M1 did not know about processing an invoice for items that could not be used on Transit equipment. When asked about the purchase of five (5) brake lathes, M1 indicated no knowledge.

M1 followed up with the OIG by providing an email stating:

“I did some research on the 5 brake lathes.

This purchase did not go into the SharePoint purchase request process I explained earlier, but was tracked in another one of our SharePoint finance lists but the information is similar. The attached email shows the process.

As I mentioned, the procurement process was done correctly. It was a bid, federally funded, specs were written which I reviewed. Funding was identified. There was justification. It came from the vehicle maintenance manager so from a finance or purchasing standpoint there would be no reason on our part to question the items purchased as to whether or not they would actually work after being received. The justification makes sense. But, I have spoken to two people – E6 who recently did an audit of everything on the fixed asset listing and the employee stated the parts worker at Yale said it is not a brake lathe that works for our buses but can only work on our non-revenue vehicles. This was also confirmed by the Asst Transit Maintenance Manager.”

**Finding regarding Allegation 2:** The OIG was able to substantiate the misuse of the budget through purchases of parts and equipment not viable for use by the Transit Department supported by invoices paid by the City. Additionally, it appears that Transit employees may be using the City accounts to obtain preferred pricing and avoid paying gross receipts tax on items purchased for personal use.

**Recommendation:** The Transit Department should require all employees in the purchasing process to receive training on proper purchasing procedures. The transit Department should review all purchases allocated to grants to ensure that purchases meet the grant requirements. City employees should be notified that the City’s accounts should not be used for personal benefit.

**Management’s response:** The transit department will ensure that employees involved in the purchasing process receive the required training on proper purchasing procedures. A deadline will be communicated to complete this training. The written expectation will be set and communicated to all staff that the City's accounts will not be used for personal benefit and exceptions to this rule that are found will be handled accordingly. The transit department will begin to regularly audit purchasing practices and address exceptions as noted above. The transit department will implement a checklist to ensure that purchases meet the grant requirements prior to approving for pay on the grant fund.

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**Allegation 3:** Employee's theft of tools from the Transit department.

**Authority:** Code of Conduct, sections 301.1, 301.2, 301.3, 301.9, 301.11, 301.12, 301.13, 301.17 and Article 5 Public Purchases.

**Evidence:** The OIG reviewed all invoices coded to the tools/supplies line item between December 1, 2021 and June 30, 2022. There were only three (3) vendors utilized, Grainger, Meyers Tire Supply, and Stewart Stephenson. The OIG did note the purchases of similar or exact items.

**Interviews:** E1 stated that the Transit Department has so many tools. E1 assumed the tools were being tracked on the accounting side. E1 stated that the Transit Parts Department did not track the tools purchased. E1 stated that there is a list for checked-out tools but that there is no follow-up on tools that are not returned. E1 noticed where tools checked out are never returned.

When asked how often hand tools need to be replaced, E1 stated that some tools break more often but that some tools have been used for the past seven (7) or eight (8) years. E1 stated that the tools are not respected by the employees.

E1 stated that E1 was aware of missing tools or parts but that E1 never reported this to management. In one instance, the parts department purchased between six (6) and eight (8) aluminum stools and after a year, all the stools were gone. The parts department then purchased eight (8) more and now they must be checked out from the parts department.

When asked whether E1 was aware of the unauthorized use of tools or parts from the Transit Department, E1 stated that E3 had told E1 of these types of incidents but E1 stated that E1 never saw this with their own eyes.

E2 stated that there is currently a sign-in/out sheet used that took effect August 22, 2022, all the tools are being distributed to the mechanics and the mechanic's shop is going to be responsible for them. When asked how often the hand tools need to be replaced, E2 stated that E3 "guessed when they break or go missing. Maybe every couple of months."

E2 stated that E2 was aware of missing tools or parts from the package, meaning that the manufacturer failed to include all the parts. E2 stated that about five (5) to six (6) months ago, a citizen stole a Transit maintenance truck, while the employee was at a bus stop, performing work duties. The vehicle was subsequently located and the locks had been busted open and all the tools had been taken. E2 stated that the value of the tools was in the thousands of dollars. E2 stated that E2 was unaware if police reports were filed. When asked whether these incidents were reported to management, E2 stated that managers are aware. E2 stated that employees do not take care of equipment. E2 stated that it feels like there is no accountability for the tools.

E2 stated that maintenance orders a bunch of tools and it is always the same employees. E2 indicated that E2 never asked why there were so many tools purchased often.

E2 does not know of any specific instances of unauthorized use of tools or parts from the Transit department.

E3 stated that the Transit Department does not track tools or parts used in operations.

E3 stated that Transit employees were ordering things that would “walk” the moment they came in. E3 spoke of twelve (12) stepladders, costing \$400 a piece, that had disappeared within a year. The department ordered eight (8) more that are being kept in the parts department. E3 stated that this had been reported to the Assistant Parts Manager and the Building Maintenance Manager at the time. When asked if E3 had ever noticed anyone taking tools and not returning them, E3 stated yes. E3 indicated that in 2010, E3 witnessed someone throwing brand new tires over a fence and into the field behind the Yale Transit facility. Additionally, last winter, E3 saw an employee carrying a duffle bag out of the Yale Transit facility and bottles of oil dropped out of the duffle bag.

E3 stated that E3 found a bag of tools in the shop and sent out a message about where to claim the bag. No one ever claimed the bag, leaving E3 to suspect that the equipment was being removed from the Transit department by employees. E3 stated that these incidents were reported to the former assistant parts manager.

E3 stated that hand tools can last quite a while as long as they’re taken care of.

An interview with M1 revealed that there is no tracking of tools in the Transit Department. M1 acknowledged that theft could be occurring. M1 stated that the Transit department started working on a process to identify the age of tools and when each may need to be replaced. M1 stated that M1 was advised of missing tools by E3. M1 stated that pre-Covid, around 2018-2019, M1 heard an accusation that something had been done improperly regarding O’Reilly’s invoices but M1 does not remembers the details. M1 stated that any allegations must include, who, when, and what so M1 has the information to begin an investigation due to Union timeline requirements. M1 stated that E3 never provided any information.

**Finding regarding Allegation 3:** The allegation of theft of tools could not be substantiated as the events occurred over many years and these events were not investigated at the time of reporting. Additionally, the Transit Department does not maintain a supplies/tools inventory. The OIG did note the purchases of similar or exact items which does not by itself indicate theft occurred but without an inventory does create concern about the safeguarding of assets.

**Recommendation:** The OIG recommends that an audit be completed to address the lack of efficiency and effectiveness of Transit's procedures to safeguard the City's assets. The Transit Department should implement an inventory procedure for tools and parts to ensure the safeguarding of City assets. TD should create a form listing the tools assigned to each mechanic stating they are responsible for the loss of any tools assigned to them and if any tool breaks, that it must be returned in order to get a replacement. This form should be signed by the mechanic and supervisor. Any specialty tools that are needed from the parts counter should have a sign-out sheet with the same requirements if not returned.

**Management's response:** The Transit Department will complete an audit on procedures currently in place to safeguard City assets. Items identified as lacking a tracking process will be rectified by implementing proper procedures and practices to ensure that inventory is tracked and documented appropriately. Inventory will be taken on all tools and parts. All items will be identified and assigned to the proper individual and documented accordingly. Each mechanic will be provided a listing of the tools assigned as well as instructions in regard to responsibility should a loss occur. Tool lockup procedures will be implemented to prevent theft. A return process will be established for tools that need to be replaced to the inventory team. Parts will have a separate protocol in which mechanics will be required to check out parts. The checkout process will include a description of an item that they will be used to repair along with asset number (ie bus number) as well as mechanic name and ID, and signature.

**Allegation 4:** FM1 directed E1 to pick up sanitizer, a chemical material, from a personal residence where a Safety Data Sheet (SDS) was not provided before the pick-up and handling of the material.

**Authority:** The Hazard Communication Standard (HCS) (29 CFR 1910.1200(g)), revised in 2012, requires that the chemical manufacturer, distributor, or importer provide Safety Data Sheets (SDSs) (formerly MSDSs or Material Safety Data Sheets) for each hazardous chemical to downstream users to communicate information on these hazards.

**Evidence:** The OIG was able to obtain emails from March 17, 2020, between FD1, FM1, E1, and E3 that provide a timeline for the events.

***From: FM1***

***Sent: Tuesday, March 17, 2020 10:57 AM***

***To: E1 and E3***

***Subject: Bleach Solution***

*As we discussed please go to the address I sent you with 2ea 55 gallon drums in the truck with lift gate.*

*Let me know if you have any questions.*

***From: E1***

***Sent: 3/17/20 11:03 (GMT-07:00)***

***To: FM1 and E3***

***Subject: RE: Bleach Solution***

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*Does this product have a MSDS that I need to pick up along with it. So I can put this into our MSDS book if we are indeed going to test or put into use in our facility.*

**From:** E3

**Sent:** Tuesday, March 17, 2020 11:10 AM

**To:** E1 and FM1

**Subject:** RE: Bleach Solution

*Good catch E1. Otherwise it would be ill advised to use without knowing what affects it may have on the user.*

**From:** E1

**Sent:** 3/17/20 11:55 (GMT-07:00)

**To:** E3 and FM1

**Subject:** RE: Bleach Solution

E3,

*I was told to leave and pick it up and FD1 would be contacting you.*

**From:** E3

**Sent:** Tuesday, March 17, 2020 12:20 PM

**To:** E1, FM1, and E3

**Cc:** FD1 and FM1

**Subject:** RE: Bleach Solution

*Ok*

*Spoke with FM1 1155 hrs he and assured me a MSDS or MSS sheet would be forthcoming and he would have FD1 call me directly if need be. So having said that you are on the way to pick up this product by now. Call me when you read this  
We will still need complete instruction on ppe needs.*

**From:** FM1

**Sent:** Tuesday, March 17, 2020 7:33 PM

**To:** E3 and E1

**Cc:** FD1

**Subject:** SDS Final.pdf

*Hello All.*

*The SDS for the cleaner obtained today is attached.*

*Thanks!*

**Interviews:** During our interview with E1, E1 stated that in spring 2020, FM1 directed E1, when E3 was not in the office, to go to a personal residence, located past Paseo and Wyoming, and take two (2) 55-gallon drums and pick up disinfectant. E1 emailed E3 to advise E3 that FM1 was going to contact E3 about the material. E1 stated that E3 was not happy about the situation. E1 asked for the SDS but it was not provided at that time. FM1 stated that this was a directive from FD1 because this was a family friend of someone high up in the City. E1 stated that E1 felt that it was weird/strange to go to a personal residence for materials and not be provided an SDS sheet for chemicals. E1 stated that the individual provided E1 with a 55-gallon drum that was about half

full. E1 stated that there was no paperwork provided with the material, which was also unusual. E1 picked up the material and transported it back to the Transit Yale facility. E1 stated that there was no placard indicating whether the materials were hazardous during transport to the facility. E1 stated that FM1 provided an SDS after the material was brought to the Transit Yale facility. E1 stated that the SDS label looked like it was printed off the internet.

E1 stated that while at the private residence, the private citizen said he made a machine that could make a bleach mixture, using salt, water, and electrodes. E1 stated that the individual was very smart. E1 stated that without the SDS sheet or a specification sheet, E1 did not know what the material was. When asked if the material smelled like bleach, E1 said E1 didn't know what bleach smelled like.

About two weeks later, E1 was asked by FM1 to take two (2) 55-gallon drums to the same address. E1 followed the directive by FM1. E1 was asked a third time to pick up the 55-gallon drums for the police department. E1 did not feel comfortable with this situation from the beginning but only now refused to go. E1 believes that FM1 found another employee to go pick up the drums. E1 stated that E1 did not know who picked up the materials.

E2 stated that E2 was aware that a co-worker was asked to pick up bleach from somebody's house. E2 does not know if the employee expressed discomfort with management. E2 does not know of anyone changing the SDS label on the sanitizer. E2 stated that labels were put on spray bottles of chemicals from a drum. E2 stated that E2 put the labels that were provided on the bottles.

E3 stated that he was told by FM1 to go pick up some sanitizer. E3 asked for the SDS sheet but was told that they did not have one. E3 refused to pick up the sanitizer without an SDS sheet. E3 contends that FM1 waited until E3 was not at the facility and then directed E1 to go pick up the sanitizer. FM1 stated that this was a directive by FD1 because the person providing the sanitizer was a relative of a high-ranking City official. E3 and E1 had email correspondence regarding the matter and FM1 and FD1 stated they would get the SDS. E3 stated that there were two (2) 55-gallon drums located in the Transit Parts facility that had no markings. E3 asked E1 where the SDS was for the material and E1 stated that FM1 directed E1 to pick up the materials and that no SDS or specification sheet was provided. E3 stated that E1 was not provided a hazardous material placard required to transport such materials. E3 inquired about the SDS or specification sheet with FM1 and FM1 left and returned with a printed SDS for Johnson and Johnson sanitizer. E3 stated that the item was not a Johnson and Johnson product.

The interview with M1 revealed that M1 did not know about sanitizer being purchased without an SDS sheet being provided. M1 stated that M1 maintained a spreadsheet of items purchased using Covid funding. M1 is not aware of donations of disinfectant, "Bleach", during the pandemic. M1 stated that accepting donations for operational use is not normal practice.

**Finding regarding Allegation 4:** The OIG can substantiate the allegation that an SDS sheet was provided only after the pick-up and transport of an unknown chemical. The OIG finds that the allegations are corroborated by three separate Transit employees and email evidence exists that creates a timeline of events.

**Recommendation:** The OIG recommends that OSHA requirements under (HCS) (29 CFR 1910.1200 (g)) be followed and strictly adhered to, without deviation.

**Management's response:** The Transit Department will provide training regarding the OSHA requirements to transit staff as well as establish a process to document that proper SDS sheets are provided to employees prior to picking up and transporting any chemical. Department staff will be briefed on the expectations for retrieving these documents prior to moving these materials.