



# CITY OF ORLANDO

---

## MEMORANDUM

To: David S. Sloan, Environmental Services Divisional Manager

From: Beryl H. Davis, CPA, CGFM, Audit and Evaluation Director

Date: July 25, 2003

Subject: Alleged Theft at Iron Bridge Wastewater Treatment Plant (Audit Report No. 03-15)

We have investigated an allegation presented by a former employee during an exit interview held with Personnel Management. At the time of the interview, we were informed that this employee was making several allegations, so an auditor was called into the meeting to hear these allegations directly from the former employee. The allegations concern 1) the theft of copper wire and heavy aluminum doors, and 2) racism and prejudice at the Iron Bridge Wastewater Treatment Plant. It is not in our purview to investigate allegations of racism or prejudice. We learned that the complaint on this subject was also reported to Labor Relations and were informed that an investigation was made by that section between May and September 2002. A letter was sent to the complainant on September 23, 2002 that concluded, "not enough evidence exists to support . . . allegations." We did not perform any further review into the allegation of racism and prejudice.

### BACKGROUND

The allegations concerning theft are similar to one made in June 2002 and summarized in Audit Report No. 02-26 – Audit Hotline Call Regarding ProCard Purchases. During this previous review, we concentrated on a complaint regarding the improper use of ProCards by some Wastewater staff assigned to Iron Bridge. We concluded that this claim was unsubstantiated. At this time, we were also told about an alleged theft of copper wire salvaged from a refurbishment project. At that time, we interviewed supervisory staff who informed us that all wire salvaged from job sites is collected and either added to the scrap bin (for eventual sale to the City's scrap dealer) or stored in the facility's warehouse. We observed heavy gauge copper wire on a pallet on a high shelf in the warehouse. We could not perform any additional testing as the refurbishment project was not documented in work order files and there is no accounting for the salvaged materials stored in the warehouse at Iron Bridge. Our report made several recommendations for improving internal controls over warehouse materials, which Wastewater management concurred with, and we plan to formally follow-up on these recommendations in the next few months.

### REVIEW STEPS PERFORMED

In order to substantiate the allegations made by the former employee, we conducted interviews of selected Wastewater management, supervisors and field workers. We

concentrated on the alleged theft of copper wire because we learned from our initial interview with management that the heavy aluminum doors had been removed many years ago. In order to get an idea of the magnitude of the alleged theft of copper wire, we contacted several scrap dealers to determine the price paid for scrap copper. This information gave us some idea of the size of a vehicle required to transport the amount of copper wire the former employee alleged was stolen. With this information we concluded it would have been possible for an individual with a large pickup truck and access to the facility after hours to remove the stated amount of scrap copper from the facility.

Our first interview was with the Iron Bridge Treatment Plant Manager, Charlie Thompson. Mr. Thompson stated he was not involved in any effort to clean and sell scrap copper wire salvaged from the Iron Bridge facility. We also interviewed Gil Vasquez, Iron Bridge Maintenance Supervisor, and learned that he had received a telephone call at his home in April or May 2001 from a woman who stated that copper wire had been stolen from Iron Bridge. The Maintenance Supervisor stated the woman did not give any names or details regarding her claim. He stated that after receiving the call, he visited the warehouse and verified that the copper wire he knew had been stored in the warehouse was still there. He stated the wire was on a pallet in the warehouse in the same location as where he had last seen it. The Maintenance Supervisor reported his findings to the Treatment Plant Manager and no other action was taken.

Finally, we conducted a structured interview with four employees the complainant stated would be able to corroborate the allegation that a theft occurred at Iron Bridge. The results of these interviews were inconclusive. Three of the four individuals answered "no" to a question regarding their knowledge of any theft of copper wire from the facility, while the fourth individual was very forthcoming with information related to the alleged theft. This information included the name of the individual responsible, an employee of Iron Bridge who was terminated in February of 2002. We inquired about the present whereabouts of the terminated employee and were informed that he has left the state.

We relayed all of this information to Wastewater management and inquired about the value of further investigating this allegation by requesting OPD to conduct polygraph examinations of the managers and supervisors at Iron Bridge. We concluded that polygraph tests would be time-consuming, costly and somewhat difficult to conduct since not many details are known about the alleged theft and much of the information gathered cannot be verified. Wastewater management stated they have reviewed the allegation with the Treatment Plant Manager and the manager is a trustworthy and dedicated long-time employee of the City, who should not be subjected to a polygraph examination based on an allegation made by, in their opinion, a disgruntled former employee.

## CONCLUSION

The lack of documentation that could corroborate the allegation, the inconclusiveness of the interviews conducted, and the length of time that has passed from the date of the alleged theft (May 2001) collectively have prevented the Office of Audit and Evaluation from identifying a factual basis to support the allegation of theft of copper wire at Iron Bridge. We believe that further review into this allegation would be costly and unlikely

to reveal any additional factual information. Therefore, we consider this matter closed and offer the following recommendations for further strengthening of internal controls at the Iron Bridge Wastewater Treatment Plant.

### **RECOMMENDATIONS**

1. We recommend that Wastewater management inform its employees of the existence of a “hotline” where employees and others can report suspected instances of fraud, waste and abuse for review and investigation and the importance of using this hotline in a timely manner when employees suspect such improprieties are occurring in the Wastewater Bureau.

Bureau Response: Concur. The Bureau will remind its employees of the existence of the “hotline” and the importance of reporting any concerns or suspicions in a timely manner.

2. We recommend that Wastewater management monitor maintenance activities where scrap materials are generated by requiring the employee designated as the warehouse manager to ensure that the scrap materials are either delivered to the warehouse or properly disposed through the City’s scrap dealer. The above process should be documented for those scrap items that may have significant resale values.

Bureau Response: Concur. The Bureau will assure salvaged material with a significant cash value will be monitored/tracked and properly stored or disposed of by the Warehouse Manager.

BHD/am

- c: Honorable Buddy Dyer, Mayor  
David K. Dix, Chief of Staff  
David L. Metzker, Public Works Director  
Thomas L. Lothrop, Wastewater Bureau Chief  
Leland W. Brown, Personnel Management Bureau Chief  
Charles E. Thompson, Treatment Plant Manager