

**OFFICE OF INSPECTOR GENERAL
CITY OF ALBUQUERQUE**



**Investigative Report
Case # 12-215**



OFFICE OF INSPECTOR GENERAL
CITY OF ALBUQUERQUE

June 25, 2012

James Breen
Chief, Fire Department
City of Albuquerque

Dear Chief Breen,

Re: OIG-12-215: Alleged Misuse of Fuel Cards by AFD Mechanic

On May 4, 2012, the Office of Inspector General (OIG) was contacted by Tige Watson, Deputy Chief with the Albuquerque Fire Department (AFD), regarding the possible misuse of fuel cards by an AFD mechanic. On May 7, 2012, the OIG began an investigation which included conducting interviews with AFD personnel, reviewing documents and information provided, and gathering evidence.

Enclosed please find a copy of the OIG's investigative report regarding this matter.

Respectfully,

Neftali Carrasquillo, Jr.
Inspector General

cc: Richard J. Berry, Mayor
City Council
Robert J. Perry, CAO
John Soladay, COO
Lou Hoffman, Director DFAS

Executive Summary

On May 4, 2012, the Office of Inspector General (OIG) was contacted by Tige Watson, Deputy Chief with the Albuquerque Fire Department (AFD), regarding the possible misuse of fuel cards by an AFD mechanic. On May 7, 2012, the OIG began an investigation regarding the alleged misuse of the fuel cards.

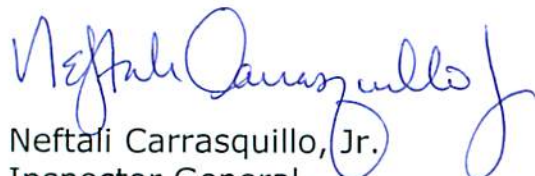
The OIG investigation included conducting interviews with AFD personnel, reviewing documents and information provided, and gathering evidence. Based on the investigation conducted, the OIG concludes the following:

1. That AFD1 has been employed as a mechanic with the Albuquerque Fire Department (AFD) since approximately February 14, 2009.
2. That AFD1 has a City issued take home vehicle, as well as three (3) different City issued cards that can be used to purchase fuel.
3. That from approximately July 2010 through March 2012 there have been some questionable fuel purchases on AFD1's cards, which include the following :
 - a) That a majority of transactions were made on the WEX card and component card, as opposed to the City fuel card.
 - b) That numerous transactions were in the town of Bernalillo, NM as opposed to Albuquerque where AFD1 works.
 - c) That there were numerous Saturday and Sunday transactions.
 - d) That there were transactions within a few days of each other and some transactions within a few minutes of each other.
4. That, according to the AFD2, there has not been a fuel usage review or reconciliation conducted that he could remember.
5. That a determination as to whether or not AFD1 may have embezzled fuel from the City could not be made due to the lack of documentation and consistent procedures regarding fuel purchases.
6. That there currently does not exist any documentation or accountability for the fuel contained in gas canisters carried by AFD mechanics

The OIG makes the following recommendations for consideration by the Albuquerque Fire Department:

1. **That the practice of sharing of fuel cards and swiping at multiple pumps at the same time be discontinued.**

2. That AFD consider assigning WEX cards to vehicles only and not personnel.
3. That policies and procedures be put into place for fuel card usage which stress the importance of fueling at city pumps as much as possible, when available and where operationally feasible.
4. That AFD put in place a monitoring/review process for the fuel usage cards, preferably on a monthly basis with mileage driven being a focus of the analysis.
5. That AFD require that dispensing of fuel from gas canisters into AFD's fleet vehicles be documented. Purchases of fuel for gas canisters should be clearly delineated so that they can be distinguished from fuel going directly into the tanks of vehicles. In addition, AFD should explore the use of cheap fuel additives so that fuel in canisters could be maintained safely for longer periods of time, if needed.
6. That AFD review the take home policy for its mechanics and consider allowing take-home authorization on a rotating/on-call basis. By doing this, AFD can realize cost savings in the areas of fuel purchase, repairs and maintenance, and increase the useful life of these vehicles.


Neftali Carrasquillo, Jr.
Inspector General

OIG INVESTIGATIVE REPORT

On May 4, 2012, the Office of Inspector General (OIG) was contacted by Deputy Chief, Tige Watson, with the Albuquerque Fire Department (AFD), regarding the possible misuse of fuel cards by an AFD mechanic. On May 7, 2012 the OIG began an investigation regarding the allegation of misuse of a fuel card.

I. On May 7, 2012, the OIG interviewed Deputy Chiefs Tige Watson and Nathaniel Muzik regarding the alleged misuse of the City issued fuel cards by AFD mechanic, AFD1.

Deputy Chiefs Watson and Muzik stated AFD mechanic AFD1 has been employed since approximately May 2009. There have been some recent concerns with AFD1 because of activity on his City issued fuel cards, going back to approximately July 2010. Watson and Muzik stated that AFD1 has a take home truck with a fuel tank capacity of thirty four (34) gallons. They added that AFD1 also has three (3) different cards which can be used to purchase fuel: there is the WEX card; activities or component card; and the vehicle card. Watson and Muzik stated there was a recent audit conducted related to the fuel cards and the activity for AFD1's purchases caused some concern.

The vehicle fuel card is the card which is assigned to an actual City vehicle. Each fuel card contains a unique number printed on the front of the card and corresponds to a City fleet vehicle. The vehicle fuel card can only be used at City fueling stations with an Island Control Unit (ICU). A pin number is then required to be entered to obtain fuel. The vehicle's mileage and the pump number must also be entered. AFD1's vehicle fuel card allows for seventy (70) gallons of bio-diesel; seventy (70) gallons of unleaded gasoline; and seventy (70) gallons of diesel fuel. In addition, AFD1 is allowed two (2) fuelling's per day with the vehicle fuel card.

The activities or component card is assigned to equipment and also assigned an identification number. The component card can only be used at City fueling stations with an ICU. A pin number and the pump number are required to be entered to obtain fuel. AFD1's component card allows for one hundred ten (110) gallons of bio-diesel; one hundred ten (110) gallons of unleaded gasoline; and one hundred ten (110) gallons of diesel fuel. In addition, AFD1 is allowed (3) filling's per day with the component card.

The Wright Express (WEX) card is not assigned to a vehicle nor is it assigned to equipment. The WEX card allows employees to obtain fuel 24 hours a day; seven days per week at any gas station that accepts the Wright Express (WEX) fuel credit cards. The WEX card can be utilized when employees driving City-owned vehicles are unable to use a City fleet fueling facility. The vehicle's mileage must be entered to obtain fuel and there is no limit to the amount of fuel that can be purchased with the WEX card.

Watson and Muzik provided a copy of a spread sheet reflecting transactions on the three different cards. The spreadsheet covered the timeframe of July 7, 2010, through

March 30, 2012. They stated that part of their concern about AFD1's card usage is that there are many purchases made with the WEX card in the town of Bernalillo, rather than purchases made in Albuquerque with the vehicle card. In addition, there are several purchases made on a Saturday or Sunday as opposed to the regular work week. AFD1 is usually off on the weekends, unless he is on call, so these purchases were problematic.

II. On May 14, 2012, the OIG interviewed AFD2 regarding the alleged misuse of the City issued fuel cards by AFD1. AFD2 was advised of his obligation to cooperate, that the interview was being taped and that an oath would be administered to which he acknowledged.

AFD2 stated that sometime around mid-January 2012, Deputy Chief Nathaniel Muzik questioned why AFD's fuel costs were approximately 30% - 50% higher than they were approximately one year prior. AFD2 stated that Deputy Chief Muzik then asked AFD2 to gather data to try and understand why this was the case. AFD2 indicated that FLT1, who is an assistant to FLT2, provided AFD2 with Fuel Usage Reports from fiscal year 2011 and fiscal year 2012, in which the figures were generated from the Fleet Focus system.

AFD2 indicated one of the things that caught his eye, with regard to AFD1's figures, was that many of the entries had no miles per gallon tied to them. He added that FLT2 explained to him that those purchases were tied to a component or activities card, rather than a fuel card for the vehicle. AFD2 stated that although that part was explained to him, he still wondered why there were only five (5) transactions for the entire year to date for the fuel card. AFD2 stated that when they looked a little closer, there were numerous transactions for the component card for amounts of fuel that were higher than the fuel tank capacity on AFD1's take home work vehicle. AFD2 stated that some of the transactions he could explain due to events such as Balloon Fiesta where they fill up five (5) gallon tanks to service the carts out at the Balloon Park. However, AFD2 stated that they noticed AFD1's volume of fuel increased significantly, while the department's volume was at a loss. He indicated that after noticing this, the following morning he put a stop to AFD1's activity card. He commented that the mechanics have their vehicle card and a WEX card, so there was no need for AFD1 to have the activities card. AFD2 added that he also wanted to be able to keep track of their mileage and what goes into their truck.

AFD2 explained that the WEX card is the state issued, red card which can be used at any gas station. He indicated that a WEX report was pulled for AFD1 after they noticed AFD1's vehicle fuel card had not really been used in a year. AFD2 stated numerous transactions were found for AFD1's WEX card; many of the transactions were within a few days of each other and approximately seventy five percent (75%) of the transactions were in the town of Bernalillo. AFD2 stated that AFD1 lives in Placitas, but still did not understand why AFD1 would not fuel his vehicle in Albuquerque. AFD2 commented that he, himself lives in Los Lunas, but he never fuels his vehicle in Los Lunas. AFD2 also could not understand why there were numerous purchases on a

Saturday or Sunday, and one Bernalillo purchase at around 10:00 am during the week, when AFD1 was on record as working. AFD2 also pointed out that AFD1 was called out on a few occasions, but did not actually begin doing standby time until approximately September 2011. It was then that AFD1 and the other mechanic would split "call outs" and rotate every other week. However, prior to late September, early October 2011, AFD2 indicated he took about ninety nine percent (99%) percent of the call outs because AFD1 did not want them and the other mechanic was on probation and did not have a vehicle.

In addition to the spreadsheet initially provided by Deputy Chiefs Watson and Muzik, AFD2 provided a copy of a spreadsheet which reflected all WEX card transactions for AFD1 from July 22, 2010, to March 16, 2012. AFD2 also provided copies of spreadsheets reflecting WEX card transactions for himself and the other mechanic for the same period of time, to help further show the differences. AFD2 mentioned that there have been numerous occasions in which he will pull the WEX card from AFD1 and allow another AFD employee to use the card should they need it. AFD2 also mentioned that for a period of time, they were having a lot of issues with the biofuel at the City pumps and there were often times, they would have to go to a fueling station, such as the Love's station on 6th St. in Albuquerque, to put clean fuel in the vehicles.

III. On May 21, 2012, AFD Mechanic AFD1 was interviewed regarding the alleged misuse of the City issued fuel cards. AFD1 was advised of his obligation to cooperate and that he was being taped. AFD1 also acknowledged that he had received and signed a letter of investigation provided to him by AFD. AFD1 was advised that he had the right to consult with a union or legal representative and he had union representation present for this interview.

AFD1 stated he has been a mechanic for AFD since approximately February 2009. He stated his regular schedule is Monday through Friday from 7:30 am to 4:00 pm, but he is on call during the evenings, weekends and holidays. AFD1 stated that just recently he and the other two mechanics have been on call on a rotating basis, but prior to that AFD1 stated it was himself and the current shop supervisor who were regularly on call. AFD1 stated that part of his duties include taking fuel out to the fire trucks, whether it be during a fire or a regular event such as Balloon Fiesta. AFD1 explained that he carries up to six (6) five (5) gallon containers in his work truck and they are filled with fuel whenever needed. AFD1 further explained that whatever fuel is not used, it's dispensed among the City fleet, as any unused fuel will go bad. AFD1 estimated that he fills these containers approximately every week to week and a half.

AFD1 confirmed he has a take home vehicle -- a 2005 Dodge Ram three quarter ton pickup truck. AFD1 estimated that his truck has a fuel capacity of approximately thirty two (32) gallons and gets approximately eight (8) to ten (10) miles per gallon. AFD1 also confirmed that he has three (3) City issued fuel cards: the red WEX card, a vehicle card and a component card. AFD1 stated that it has been common practice, almost from the time he started, for his red WEX card to be pulled and given to someone else to use should they need it.

When asked why he was using the WEX card for a majority of purchases, AFD1 stated it was because the City was having a lot of issues with bad fuel at the City stations; therefore, he would go to regular gas stations for clean fuel. He commented that hundreds of thousands of dollars were spent repairing City vehicles that had broken down due to bad City fuel and fuel pumps going bad. AFD1 added that he would rather be a resource where his truck would not break down, and therefore, he uses the cleanest fuel that he knows of to help insure he does not have issues with his vehicle breaking down. AFD1 also provided a copy of a memo dated June 4, 2009, from his former supervisor, AFD3, regarding fueling procedures. AFD3 indicated in the memo that samples taken around that time show the fuel at the Fourth Street Yard was contaminated. Therefore, AFD3 indicated that until further directed, AFD1 should keep six (6) five (5) gallon gas cans on his service truck, and if AFD has no significant events during the week, then AFD1 was directed to dispense the fuel into AFD's fleet of vehicles out in the yard. AFD3 also referred to the red WEX card AFD1 holds, and that it should be working.

When asked why he would fill up his work truck on the weekend, AFD1 stated that there are times at the end of the work week when he just wants to get home and if he has enough fuel to get from work to home, then he will go straight home and worry about fueling up the truck the next day, even if that means he has to do it on a Saturday or a Sunday and even if it means the fuel tank is close to empty. AFD1 confirmed he lives in Placitas, NM and that there are no gas stations in town. Therefore, AFD1 will drive to the closest gas station, which is usually the one located right off the highway headed into the town of Bernalillo. AFD1 explained this station is pretty busy, and therefore he assumes that a busier station will have cleaner fuel. AFD1 then explained that if this particular gas station is too busy, there are times when he will drive into the town of Bernalillo and fuel up at the Giant Conoco gas stations in town, as he knows that Giant Conoco accepts the WEX card.

When asked why there are numerous fuel purchases within only a few days of each other, AFD1 stated it could depend on the type of day or type of week he was having. AFD1 explained that there could be days where he racks up 150 – 200 miles having to drive all around town. In addition, AFD1 commented that he estimates it is about forty (40) miles in between his home and where he works, so according to AFD1, approximately eighty (80) miles are driven each day just commuting to and from work. AFD1 indicated he cannot necessarily estimate how often he fuels his truck and commented that it is fueled as needed. AFD1 also indicated that often times he will drive from full to empty. Although there were transactions reflecting much smaller fuel purchases than approximately thirty-four (34) gallons, AFD1 stated, when asked, that he did not ever fuel up his own personal vehicle(s). If the estimates of AFD1's daily home-to-work mileage are accurate, based on his truck fuel capacity and miles per gallon, AFD1 would need to fill up his vehicle at least once a week just for his home-to-work drive.

The review of the spreadsheets provided did not have a mileage component attached to the usage of the cards. The mileage information would have been beneficial in determining the need for fuel for each card purchase. Not having this information or capability made it difficult to go back as far as 2010 to question or determine if the purchases on each card were legitimate.