

INVESTIGATIVE REPORT
OF
STOLEN VEHICLES
SOLID WASTE MANAGEMENT DEPARTMENT
REPORT NO. 07-204



City of Albuquerque
Office of Internal Audit and Investigations

Fraud Investigation – Stolen Vehicles
Report No. 07-204
Executive Summary

Background:

The Office of Internal Audit and Investigations (OIAI) conducted an investigation concerning possible employee involvement in the theft of two vehicles owned by the City of Albuquerque Solid Waste Management Department (SWMD). This investigation was predicated upon an anonymous call to the OIAI. The caller reported the Cerro Colorado Landfill (landfill) was missing two large trucks that are used to pull 50 foot trailers from SWMD convenience centers to the landfill.

On May 4, 2007, the landfill staff called the Albuquerque Police Department (APD) to report the missing vehicles and a police report was filed. Both tractor trailers were later recovered and used for spare parts. City personnel documented the recovery of one of the tractor trailers and the arrest of two suspects. There were no arrests in the theft or recovery documentation of the other truck. SWMD has not received any reports on the results of the arrests of the first stolen truck.

Based upon the results of our investigation, the possibility of employee involvement exists and if proven in a court of law, could constitute a violation of criminal and/or civil law. However, we were unable to determine which employee(s) may have been involved due to lack and/or inadequate enforcement of controls over assets and the length of time since the incident occurred because many of the employees identified in the report have since retired. This matter was referred to the Second Judicial District Attorney's Office. The report also includes findings pertaining to conditions contributing to the thefts.

Objective:

Is there evidence to support the allegation of employee involvement?

- The keys were left in the trucks at the time they were stolen.
- The trucks were not visible from outside the landfill premises.
- The paperwork for decommissioning the trucks and salvage determination was missing.

Recommendations: We make the following recommendations:

- We referred this matter to the proper prosecutorial authority.
- Establish a policy for key control that includes keys to vehicles and a procedure for preventing access by non-City employees.
- Ensure the department retains all paperwork belonging to it and enforce ownership rights when former employees remove it from SWMD property.

Objective:

Are there areas in which SWMD can reduce the risk of theft?

- Policies and procedures lacked specifics and were outdated.
- There was lack of proper documentation of processes.
- Salvage documentation was missing.

- Security at the landfill is minimal.
- Computer system is not secured.
- Information was not provided upon request.

Recommendations: We make the following recommendations:

- Implement policies and procedures to protect City assets.
- Follow ordinances and policies and procedures.
- Maintain proper and accurate documentation of processes and provide employee training.

Management responses are included in the report.



City of Albuquerque
Office of Internal Audit and Investigations
P.O. BOX 1293 ALBUQUERQUE, NEW MEXICO 87103

April 16, 2009

Accountability in Government Oversight Committee
City of Albuquerque
Albuquerque, New Mexico

Investigation: Stolen Vehicles
Solid Waste Management Department
07-204

FINAL

The Office of Internal Audit and Investigations (OIAI) conducted an investigation concerning possible employee involvement in the theft of two vehicles owned by the City of Albuquerque Solid Waste Management Department (SWMD). This investigation was predicated upon an anonymous call on May 14, 2007 from a person informing OIAI that SWMD was missing two large trucks at the Cerro Colorado Landfill (landfill). The caller reported the trucks were used to pull 50 foot trailers from SWMD convenience centers to the landfill. The SWMD director stated he also notified the OIAI; however, there is no written record of that notification.

SWMD landfill employees conduct daily parameter checks at the start and end of the work day. On May 4, 2007, the landfill staff called the Albuquerque Police Department (APD) to report the missing vehicles. An APD officer filed a police report on vehicle No. 915704. The police report narrative states on May 4, 2007 someone cut the lock on the gate and stole a 1992 GMC 18 wheeler tractor from the storage area and while SWMD personnel were investigating the scene, they discovered a 1991 GMC 18 wheeler tractor trailer was also stolen. The 1991 tractor trailer is the one identified as the stolen vehicle on the report. The narrative goes on to state there is no exact date as to when the 1991 tractor trailer was stolen. The vehicle was entered into the National Crime Information Center (NCIC) as a stolen vehicle. NCIC is a computerized index of criminal justice information (i.e. - criminal record history information, fugitives, stolen properties, missing persons). It is available to Federal, state, and local law enforcement and other criminal justice agencies.

Both tractor trailers were later recovered and used for spare parts. On June 4, 2007, a Department of Municipal Development security sergeant documented the recovery of tractor trailer No. 915704 and the arrest of two suspects. There were no arrests in the theft of the other tractor trailer, No. 925703 or documentation of its recovery. SWMD employees; however stated it had been recovered by APD officers who visited a location containing stolen equipment and found the City's truck there. SWMD has not received any reports on the results of the arrests of the first stolen truck.

Based upon the results of our investigation, the possibility of employee involvement exists and if proven in a court of law, could constitute a violation of criminal and/or civil law. However, we were unable to determine which employee(s) may have been involved due to lack of or inadequate enforcement of controls over assets and the length of time since the incident occurred. Many of the employees identified in the report have since retired. This matter was referred to the Second Judicial District Attorney's Office. The report also includes findings pertaining to conditions contributing to the thefts.

BACKGROUND AND EVENTS

SWMD, Disposal and Processing Division, operates the landfill, a processing facility, and three convenience centers. Its Vehicle Maintenance Division maintains department collection vehicles, including general repair and operates from the main office at 4600 Edith N.E. A superintendent is in charge of each division.

The department received a fleet of seven new tractors and removed the units that were in the worst condition from the fleet. The SWMD, Disposal Division, (DD) superintendent determines which vehicles to delete from the department's inventory. The former DD superintendent pulled the two trucks in question out of service. The acting DD superintendent did not agree because they were still functional. The trucks were considered old equipment, but were still operational. The acting DD superintendent was not aware the trucks were pulled out of service until he visited a section of the landfill known as the "bone yards" and he noticed the two trucks had been moved there. The two trucks were at the landfill "bone yards" for about two months before they were stolen. The "bone yards" area cannot be seen from outside the fence of the landfill nor the area of the landfill where trash is dumped.

The SWMD, Vehicle Maintenance Division, (VM) superintendent determines if equipment is salvage. Salvage equipment can be stored at the warehouse or landfill. The vehicle maintenance division changes an active vehicle to inactive and the change shows up in a data report. The lead mechanic met with the VM superintendent and VM supervisor to decide what to do with the old vehicles. The lead mechanic stated that the VM superintendent was eager to send them to the

landfill and the superintendent made the decision to send them there. The keys were left in the truck ignitions of the trucks that were stolen. The lead mechanic stated he conducted preventive maintenance on both trucks close to the time the trucks were salvaged and knows the trucks were in good condition.

OBJECTIVE

The objective of the investigation was to determine:

- Is there evidence to support employee involvement in the theft of the two vehicles?
- Are there areas in which SWMD can reduce the risk of theft?

SCOPE

The scope of the investigation was limited to:

- SWMD employees
- February 2007 through May 2007
- The two tractor trailers stolen

METHODOLOGY

The methodologies used during our investigation consisted of:

- Documentation review and verification.
- Interviews of City personnel deemed necessary to attain a conclusion regarding our objectives.

Our investigation was conducted in accordance with fraud investigation techniques, which include-but are not limited to-examination of records, documents, interviews with appropriate personnel, and other evidence-gathering procedures as necessary under the circumstances.

FINDINGS

We make recommendations, when appropriate, regarding areas noted during the investigation that we believe could improve the department's effectiveness, efficiency and compliance with administrative policies and applicable rules and regulations. These recommendations could prevent future theft and provide controls that would detect theft.

1. THE POSSIBILITY OF EMPLOYEE INVOLVEMENT EXISTS.

On April 30, 2007, the acting DD superintendent visited the landfill and noticed truck No. 915704 was missing. He assumed it had been pulled for service because two weeks prior he had asked the VM superintendent to pull the truck out of salvage and repair it for transporting material. After noticing the missing vehicle, the acting DD superintendent called the VM superintendent who told him he mentioned it to the vehicle maintenance supervisor but he wasn't sure if the truck had been picked up. The acting DD then called the vehicle maintenance supervisor who told him he wasn't sure, but he would look into it. On this same day, the DD superintendent noticed that truck No. 925703 was also in decent condition.

The vehicle maintenance supervisor stated the acting DD superintendent called him to pull the truck back into service and he recalls the trucks were still active in the computer system. Sometime later, the acting DD superintendent called him to check if one of the trucks had been pulled back into service because it was no longer at the "bone yards". The vehicle maintenance supervisor told the acting DD superintendent he had not pulled the truck for maintenance and did not know where the truck was located.

On May 4, 2007, the acting DD received a call that someone broke through the Southeast corner of the landfill. An employee of the landfill made a parameter check and found the broken fence. Upon further inspection, employees found truck No. 925703 missing. At this point, they determined that truck No. 915704 was stolen as well and not at the Edith property as previously thought. They assumed the thief took the first truck through the front gate because there was no forced entry prior to the second truck being stolen.

The following are statements made by SWMD employees:

- According to the acting DD superintendent, the landfill did not have any visitors immediately prior to the thefts and assumes the first truck was stolen between 6:00 p.m. and 8:00 p.m. because this would be the time when only one to two employees

remain at the landfill because they are waiting for the final truck disposals return to the landfill. The acting DD superintendent believes there was employee involvement because the individuals stealing the trucks had to know the trucks were functional and that the keys were in the trucks.

- The VM superintendent stated he was not involved in decommissioning the trucks. He stated he told the lead mechanic to take the batteries out of the trucks once the trucks arrived at the landfill. He stated he could not remember where he left the paperwork since he was no longer working for SWMD. The City moved him to another department and he stated he was just waiting to retire. He called later to state he found the paperwork and had provided it to SWMD. (This employee has since retired from the City) His replacement stated the former VM superintendent cleaned out everything in the office and left nothing behind. He stated the former VM superintendent did not provide him with any paperwork for the trucks or anything else. He also stated trucks do not have keys in them when stored at the landfill, but the former VM superintendent ordered the keys be put in the trucks.
- The maintenance supervisor stated the VM superintendent told him to decommission the trucks and to leave the keys in the trucks so that when the trucks were sold the keys would already be in them. According to the maintenance supervisor, these two trucks were the only trucks at the “bone yards” with keys in them. He stated he does not know which employees knew the trucks had keys. On March 20, 2008, OIAI staff visited the landfill and “bone yards”, and were escorted by a landfill employee. The “bone yards” area had various decommissioned trucks. The OIAI staff checked a decommissioned truck and did not find any keys in the truck. The maintenance supervisor stated because the trucks are not visible to the eye from the outside or inside the landfill, unless actually driving to the “bone yards”, someone would have to know the trucks are there.
- The lead mechanic also stated it was the VM superintendent’s idea to leave the keys in the trucks. He also stated the VM superintendent directed him to take the trucks to the landfill even though he opposed because the trucks should have been left at the Edith location and used for spare parts for other trucks needing repair. He wanted to use the tires for other trucks because they were in good condition. He stated the VM superintendent, VM supervisor and himself knew about the keys being left in the vehicles. The VM superintendent instructed him to leave the keys in the vehicles because if anyone wanted to buy them the keys would already be in the vehicles. The lead mechanic stated the VM superintendent did not instruct him to disable the

trucks. The lead mechanic stated the trucks were placed in an area of the landfill where you cannot see them from the outside looking in. You would have to know that the trucks were there.

- Other SWMD employees believe there was employee involvement because someone had to know the trucks were at the landfill in order to steal them.
- The department director stated there is no policy to leave keys in the trucks. The policies and procedures manual addresses key control for offices and buildings and areas secured for personal property but is silent on vehicles.

After various attempts to find the outcome of the arrests made pertaining to the thefts, we made contact with the detective of the Bernalillo County Sheriff's office who made the arrests. According to the detective he could not find any record of the cases being filed but he knows he did. When asked if he had information on whether there was any City employee involvement in this matter, the detective stated he did not believe there was any. When asked if he had been to the landfill where the trucks were parked or interviewed any City employees he stated he had not.

It is a crime to help, encourage or cause the attempt to commit a crime. (*Accessory, Section 30-1-13, NMSA 1978; 14-2820, Aiding or abetting; accessory to a crime of attempt*)

No employee shall willfully make any false statement or commit fraud, conceal any wrongdoing in connection with employment with the City. (*Personnel Rules and Regulations, §301.9 False Statements/Fraud*)

RECOMMENDATIONS

SWMD should establish a policy for key control that includes keys to vehicles and a procedure for preventing access by non-City employees.

SWMD should ensure the department retains all paperwork belonging to it and that it enforces its right to ownership when former employees remove it from SWMD property.

RESPONSE FROM SWMD

“A procedure was established on March 9, 2009, which requires the collection of keys for all vehicles and equipment and that the keys be kept in a lock box located in the supervisor’s office. Employees are trained to the March 9, 2009 SOP addressing the removal of the keys from equipment and vehicles to disable them. As part of training, each employee is informed of their responsibilities and the SOPs pertaining to their division/section.

“The Cerro Colorado Landfill (CCL) is a public facility with open access to all customers, vendors and visitors during regular operating hours. Customers are received at the “scale-house,” where they are required to weigh in and weigh out their vehicles for charges. The majority of CCL customers already have account information on file. During operating hours, the entire site is patrolled by landfill personnel. Roads not intended for public access have been signed as, “Private- Do Not Enter.”

“The CCL Administrative Office has a requirement that visitors sign in. There is signage at the entrance of the CCL informing visitors of the requirement. If a visitor neglects to check in at the proper location, the “scale house” staff will redirect the visitor to the CCL Administrative Office to sign in. A log of all visitors is maintained. The entire CCL site is secured with a perimeter fence allowing access through only one gate which is locked after hours. Closure procedures are included in the March 9, 2009 procedure noted above.

“The Department will adhere to the City policies regarding Electronic File and Document Storage, and Information Technology Protection Policies and Procedures. These policies require all City electronic documents to be stored on the department’s main storage server. The Department will adhere to Personal Rules and Regulations (PRR) 301.12 (City Property) and PRR 301.13 (City Records and Accounting). If it is determined that an employee has violated any of these policies the department will follow the normal disciplinary process and/or pursue legal actions as required.”

2. POLICIES AND PROCEDURES LACK SPECIFICS AND ARE OUTDATED AND PROCESSES LACK PROPER DOCUMENTATION.

At the time of the fieldwork for this investigation, SWMD was in the process of updating its policies and procedures manual. SWMD was using a manual dated September 1989 when the thefts occurred.

- The acting DD superintendent stated that he inventoried all assets once they determined the two trucks were missing but did not document the process. The department director stated the department conducts a full inventory once a year. But there is no written policy for inventorying an area when a theft has occurred.
- During this investigation the OIAI had difficulty finding documentation on when and who determined the vehicles were salvage property. We were unable to find when the vehicles were transported to the landfill. It took a great deal of questioning before we could determine who drove the trucks from the Edith property to the landfill “bone yards”. Current policies do not address who decommissions the vehicles. Each time we asked for this documentation, the interviewee referred us to another employee.

The lead mechanic stated four trucks were taken to the landfill, including the two stolen trucks. All four were drivable. The VM superintendent, vehicle supervisor, property disposal officer and the lead mechanic drove the vehicles to the landfill. According to the lead mechanic, there is no documentation of this process and the department could not provide any documentation. He cannot remember the date and there would be no record of the trucks entering the landfill because they used an entrance alongside the administration building and didn’t have to stop to report to anyone.

The department’s policies and procedures manual require that authorization be obtained prior to the removal of City-owned property from the premises of the department. Required forms as well as proper authorization to remove City property may be obtained from the division superintendents. Employees do not believe this applies when moving equipment from one department facility to another.

The department does not have a process for tracking the movement of vehicles. The department enters new equipment into the computer system, but the movement is not tracked. Therefore, there is no way to tell where a particular vehicle is located at any

given time. A person would have to physically go to each site until the vehicle is found. The department director believes it would be a good idea to start tracking the movement of equipment. It could be months before the department is aware that inventory is missing as was the case with the first stolen truck.

- Current policies do not address who decommissions the vehicles. According to the lead mechanic, the DD superintendent, DD supervisor who was the acting DD superintendent at the time of the thefts and two convenience centers supervisors met and made the determination. The lead mechanic stated there is no documentation of the meeting or determination. The OIAI could not find any documentation to show that the trucks were determined as salvage equipment. There is also no written policy on disabling the trucks once placed at the landfill “bone yards”.
- According to the acting superintendent, SWMD requires visitors to the landfill get prior approval. Visitors are escorted when they are on the premises. Landfill personnel do not log in names of visitors. The 1989 manual requires visitors to provide name, company and type and color of vehicle, but does not state the information must be documented and retained.

Employees are responsible for preventing loss, damage, abuse, misuse or theft of City property, including vehicles. (*Personnel Rules and Regulations, §301.12 City Property*)

All City records must be prepared factually and accurately. (*Personnel Rules and Regulations, §301.13 City Records and Accounting*)

No department can dispose of any tangible personal property of any City asset until it has been determined to be surplus property, salvage property or scrap property. (*Disposition of City-Owned Surplus, Salvage and Scrap Property §5-5-16 ROA 1994*)

RECOMMENDATIONS

SWMD should establish policies and procedures for:

- documenting the inventorying of assets when theft has occurred,
- tracking the movement of equipment,
- authorizing the decommissioning of vehicles,
- completing documentation on salvage equipment, and
- documenting visitors on the premises.

SWMD should disable trucks once they arrive at the landfill as a safety precaution and ensure employees know whose responsibility it is to disable them.

SWMD should train employees on policies and procedures so that each employee understands their responsibility.

RESPONSE FROM SWMD

“SWMD will follow the Accounting Control and Procedures for Capital Assets for unaccountable items. This includes procedures pertaining to theft and the annual inventory of all fixed assets, including reconciling to the database.

“The SWMD has a fleet of over 100 vehicles that are mobile during normal operations. Vehicles will be home based at the Edith Facility, Pino Yards, and the CCL. Convenience Center (CC) vehicles will be based at any of the three CCs as needed. Work orders are generated when equipment is received by SWMD Vehicle Maintenance (VM) for repairs. VM tracks all vehicles and equipment that is sent off site for repairs. A policy is being developed to reflect these procedures.

“The SWMD revised its policy and procedure for the disposition of surplus property on May 31, 2007. SWMD is currently revising the SOP entitled, “Handling of Surplus Vehicles,” to address disabling of vehicles, authorization, salvaged inventory location and completion of proper documentation. We have an assigned Property Disposal Officer who is trained by DFA and given the sole responsibility of accounting for the disposition of salvaged property.

“The CCL Administrative Office has a requirement that visitors sign in. There is signage at the entrance of the CCL informing visitors of the requirement. If a visitor neglects to check in at the proper location, the “scale house” staff will redirect the visitor to the CCL Administrative Office to sign in. A log of all visitors is maintained. The entire CCL site is secured with a perimeter fence allowing access through only one gate which is locked after hours. Closure procedures are included in the March 9, 2009 procedure noted above.”

3. DISPOSAL DETERMINATION DOCUMENTS WERE MISSING.

The acting DD superintendent provided a convenience center tractor inventory dated February 8, 2007 which shows the two trucks were located at the landfill “bone yards” and were considered salvage property. This list is his informal inventory list so that he knows the working condition of trucks.

The materials manager provided an equipment salvaged list which also shows the two trucks as salvage equipment and a Surplus/Salvage Property Form that shows a list of salvaged equipment. The form has various approval lines but all the approval lines were blank. The two stolen vehicles were not included on this form.

SWMD did not turn in the salvage form to the Department of Finance and Administrative Services Purchasing Division. According to the Purchasing Division personnel, if SWMD was disposing of the trucks, the paperwork needed to be completed because the equipment was still worth something.

Salvage property is defined as tangible personal property of the City of any value which has been determined to no longer be functional in the state of it original intent, but retains a value in the market place in its marginal use, by repair, resale, scrap value in recyclable materials or other reasons that make it of value in the proper market setting. (*Disposition of City-Owned Surplus, Salvage and Scrap Property §5-5-16 ROA 1994*)

Salvage property shall be disposed of in a manner consistent with procedures established by the City Purchasing Officer. (*Disposition of City-Owned Surplus, Salvage and Scrap Property §5-5-16 ROA 1994*)

No department can dispose of any tangible personal property of any City asset until it has been determined to be surplus property, salvage property or scrap property. (*Disposition of City-Owned Surplus, Salvage and Scrap Property §5-5-16 ROA 1994*)

Each department director shall designate a property disposal officer to make determination and to recommend and oversee the disposition of surplus, salvage and scrap property. The property disposal officer shall maintain written records of his determination for public review and for audit purposes. Before disposition of an item of tangible personal property of the City, the property disposal officer’s recommendation must be approved as follows:

- (a) By the department director if the item has an estimated fair market value of less than \$3,500;
- (b) By the City Purchasing Officer if the item has an estimated fair market value of \$3,500 or more, but less than \$10,000; or
- (c) By the Chief Administrative Officer if the item has an estimated fair market value of \$10,000 or more. (*Disposition of City-Owned Surplus, Salvage and Scrap Property §5-5-16 ROA 1994*)

RECOMMENDATION

SWMD should ensure that salvage property determination rules are followed and the salvage is properly documented.

RESPONSE FROM SWMD

“A new disposal superintendent and a new vehicle maintenance superintendent have been hired to remedy past performance issues. Due to a dispute on the condition of the two tractors they were never formally salvaged. SWMD is revising the SOP entitled, “Handling of Surplus Vehicles,” to address disabling of vehicles, authorization, salvaged inventory location and completion of proper documentation.”

4. SECURITY AT THE LANDFILL IS MINIMAL.

The landfill’s only security is the fence around the premises and locked gates. The Department of Municipal Development, Security Services Division, no longer patrols the premises due to budget cuts. There are no cameras at the location.

Employees are responsible for preventing loss, damage, abuse, misuse or theft of City property, including vehicles. (*Personnel Rules and Regulations, §301.12 City Property*)

RECOMMENDATION

SWMD should request security patrol the area and/or install cameras at all locations where valuable equipment is located or stored, especially where premises are isolated.

RESPONSE FROM SWMD

“CCL encompasses 960 remote acres, virtually all undeveloped without power and utilities with a limited number of valuable assets. The primary commodity handled at the CCL is trash. SWMD has requested security services from the Department of Municipal Development as this falls under that Department’s responsibility; however we must consider the cost/benefit analysis of providing security to a landfill or dump site. SWMD is in the process of installing / upgrading cameras in specific areas of CCL and possibly other isolated SWMD sites. The areas that contain valuable assets will be prioritized. During normal operations, supervisory staff monitors the CCL as part of their assigned duties.”

5. INTERNAL COMPUTER SYSTEM “FLEET ANYWHERE” IS NOT SECURED.

SWMD uses the computer program FLEET ANYWHERE to track fleet inventory and vehicle repair history. Various SWMD employees have access, to FLEET ANYWHERE, including the vehicle maintenance superintendent, parts room supervisor, vehicle maintenance foremen, service writers and others. These employees can make changes, delete and purge files and create files. The materials manager who was previously with the Vehicle Maintenance Division in 2004 still has access because his prior position allowed the access. The system administrator left City employment and has not been replaced. Any one of these employees could eliminate and/or change inventory and no one would notice or could tell who did it. According to the materials manager, he could not locate tractor trailer No. 925703 in FLEET ANYWHERE when it should have been there. Someone inadvertently or intentionally deleted the vehicle from the system.

All automated systems must be protected from misappropriation, abuse, misuse, theft, fraud, loss and unauthorized use or disposal. (*Personnel Rules and Regulations, §301.15 Automated Systems*)

Information Technology Policies and Standards require information be protected to its sensitivity, criticality and value regardless of the media on which it is stored, the manual or automated systems that process it or the methods by which it is distributed. Protection of information technology assets under the physical control of a department is the responsibility of the department director.

RECOMMENDATIONS

SWMD should restrict access to FLEET ANYWHERE to essential personnel.

SWMD should replace the systems administrator.

RESPONSE FROM SWMD

“The “Fleet Anywhere” software system was replaced with “Fleet Maximus” during FY09. The new system has controlled access with a single systems administrator under the supervision of DFA. The web-based application has a traceable footprint that identifies the users and their actions.”

6. DEPARTMENT DID NOT PROVIDE INFORMATION REQUESTED.

The OIAI sought documentation of determination and approval for disposal determination from the department’s property disposal officer. However, the property disposal officer retired from City employment and the director and other employees referred the OIAI staff to the materials manager. The materials manager in turn referred the OIAI to another employee who he said replaced the property disposal officer. On April 16, 2008, OIAI staff requested documentation of determination, approval for disposal determination and any internal review by the department. OIAI also requested documents showing who requested the trucks be salvaged including the date and when the trucks were moved to the landfill and by whom. On May 27, 2008, OIAI again requested this information from the department’s disposal officer and copied the department director. Neither the department director nor the disposal officer responded to the request.

All City officials and employees are required to provide the OIAI unrestricted access to City records, information, data, reports, memoranda, correspondence and any other materials within their custody. (*Accountability in Government Ordinance, §2-10-16 ROA 1994*).

RECOMMENDATION

SWMD should ensure records are provided promptly upon request and that employees are reminded of the requirement to fully cooperate in an investigation to ensure the quickest resolution possible.

RESPONSE FROM SWMD

***“The SWMD actually reported this incident to Internal Audit at the time of the theft and requested their assistance. The previous Inspector General (IG) informed SWMD that he was taking official responsibility for the internal investigation. Evidence collected from the case and the police report was provided to the previous IG by SWMD. Additionally, in May 2007, the New Mexico State Auditor was informed of the thefts by SWMD.*”**

“The department cooperated fully with the previous IG’s investigation. Many of the issues raised in this investigative report are based upon preliminary information. Soon after reporting the missing tractors, both tractors were recovered. A SWMD employee spotted one of these tractors reported it to the investigating agency who then made the arrests. No City employee was implicated in the theft.”

INSPECTOR GENERAL COMMENT

This response does not address the finding. Reporting the incident of the stolen trucks to the OIAI is not the issue in this finding. This finding pertains to the department not responding to a request for information; specifically, documentation of determination, approval for disposal determination and any internal review by the department in the disposition of the two trucks. This documentation must be maintained in accordance with City ordinance. City ordinance requires written record of this determination for public review and audit purposes. The OIAI made the request for this information twice.

CONCLUSION

In our investigation we were unable to determine which City employees may have been involved in the theft of the vehicles. We could not positively establish who was responsible for the thefts due to lack and/or inadequate enforcement of controls over salvage property.

Job descriptions signify what employees are and are not responsible for. While the City does not provide job descriptions for department directors, it is still the director's responsibility to set the tone for ethical conduct throughout the department. Management can improve communication with employees by creating an atmosphere that encourages open communication. A lack of clear organizational responsibilities can lead to confusion and frustration for employees.

When a theft occurs, it is important for the director and staff to follow up on the arrests and monitor the filings and take corrective action where necessary.

The OIAI has referred this matter to the Second Judicial District Attorney for their review and handling as required by the Accountability in Government Ordinance.

Inspector General

REVIEWED AND APPROVED:

APPROVED FOR PUBLICATION:

Carmen Kavelman, CPA, CISA, CGAP
Director
Office of Internal Audit and Investigations

Chairperson, Accountability in Government
Oversight Committee