



## THE CITY OF SAN DIEGO

DATE: June 17, 2011

TO: Chris Gonaver, Director  
Environmental Services Department

FROM: Eduardo Luna, CIA, CGFM, City Auditor  
Office of the City Auditor

SUBJECT: **Hotline Investigation Report of Employee Malfeasance**

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The Office of the City Auditor conducted an investigation of an Environmental Services Department employee in response to a Fraud Hotline complaint. The complaint alleged that the employee was paid for services rendered to an outside vendor while on City duty. Our investigation concluded that the allegation was substantiated.

We found that the employee did, in fact, have outside employment for which the employee did not notify and obtain approval from the Department Director per Personnel Manual index Code G-6; Council Policy 000-4; and Administrative Regulation 95.60 §3.5. A member of Department management indicated that the manager was not aware of this requirement. In addition, we found multiple conflicts between the employee's timecard that indicate the employee was on City duty and documents that indicate the employee was paid by a vendor for employee's work at a location away from the employee's City job site for the same days. The payments in question total \$6,707. We also found a substantial number of email messages in the employee's City account that related to the employee's outside employment.

It should be noted that the original complaint had additional allegations but the investigation found that the additional allegations were unsubstantiated.

### **Recommendations**

1. Conduct an independent fact-finding to:
  - determine the extent to which the employee performed outside employment activities that were not approved by Department management;
  - determine the extent to which the employee inappropriately charged the City for time worked while away from the City job site and recoup all payments made for time not worked;

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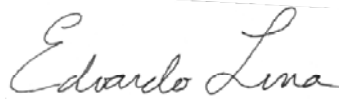


- determine the extent to which the employee used City emails for outside employment activities; and
  - take appropriate disciplinary action based on the results of the fact-finding.
2. Issue a reminder to all Environmental Services staff regarding their responsibility to notify and obtain approval from the Department Director for any outside employment or business activity per Personnel Manual index Code G-6, Council Policy 000-4, and Administrative Regulation 95.60 §3.5.

***Environmental Services Department Response***

*We agree to conduct a fact-finding as indicated in the report and to issue a reminder to all Environmental Services staff regarding their responsibility to obtain approval from the Department Director for any outside employment or business activity.*

We appreciate the assistance we received from Environmental Services Department staff during our investigation. Thank you for taking action on this issue.



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Eduardo Luna  
City Auditor

cc: Honorable Mayor Jerry Sanders  
Honorable City Council Members  
Honorable Audit Committee Members  
Jay M. Goldstone, Chief Operating Officer  
Wally Hill, Assistant Chief Operating Officer  
Mary Lewis, Chief Financial Officer  
Jan Goldsmith, City Attorney  
Andrea Tevlin, Independent Budget Analyst  
Hadi Dehghani, Personnel Director  
Scott Chadwick, Human Resources Director