

Investigative Report

Austin Energy: Misuse of City Resources

December 2018



We found evidence that on at least 24 occasions between October 2017 and April 2018, Jody Wood, Occupational Health and Safety Specialist for Austin Energy, misused his City vehicle to drive to his home and to other non-work-related locations. We also found evidence that Wood misused City time to hunt on City property and for other non-City purposes. We were not able to quantify the extent of Wood's misuse.

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Cover: Aerial view of downtown Austin, iStock.com/RoschetzkyIstockPhoto

Allegation

In April 2018, the Office of the City Auditor met with Austin Energy Human Resources staff about a potential misuse of City resources by Occupational Health and Safety Specialist Jody Wood. During this meeting, Austin Energy staff shared allegations they had received that Wood misused his City vehicle to drive to his home and to other non-work-related locations. Staff also shared allegations that Wood was hunting on City property during work hours and was not working all the hours he submitted on his timesheets.

Background

Austin Energy is responsible for providing safe, clean, affordable, and reliable energy to Austin and its residents. As an Occupational Health and Safety Specialist, Jody Wood is responsible for running basic safety programs for Austin Energy, and for ensuring compliance with government regulations and City policies. Wood is also responsible for training Austin Energy employees. Wood was assigned as the health and safety point of contact for eight Austin Energy locations, including the Decker Creek Power Plant and the Sand Hill Energy Center. Wood was also assigned to be the back-up point of contact for three additional sites. Austin Energy provided Wood a City-owned vehicle equipped with a toll tag to drive between worksites when performing his City duties.

Investigation Results

Summary

We found evidence that on at least 24 occasions between October 2017 and April 2018, Jody Wood, Occupational Health and Safety Specialist for Austin Energy, took his City vehicle home and to non-approved locations, contrary to City policy. We also found evidence that Wood misused City time to hunt on City property and for other non-City purposes. We were not able to quantify the extent of Wood's misuse.

Finding 1

Misuse of a City Vehicle

Austin Energy provided Wood with a City vehicle to drive between his assigned locations. Wood's City vehicle came with a toll tag that the City paid for, and he was allowed to use area toll roads to travel between work locations. Wood was expected to leave his City vehicle at an Austin Energy location at the end of each work day, and he was prohibited from taking his City vehicle home or using it for personal errands.

We found that on at least 24 dates between October 2017 and April 2018, Wood misused his City vehicle by taking it home and to other non-work-related locations. The misuse included:

Investigation Criteria:

"Fraud includes, but is not limited to the misappropriation of funds, supplies, or other City resources, through methods including, but not limited to theft, embezzlement, or misrepresentation..."

City Code: Powers and Duties
§2-3-5(A)(2)(b)

See Investigation Criteria Section for
More Details

- On at least 21 dates, Wood appears to have driven home in his City vehicle. Wood lives outside of the City of Austin's limits and of Austin Energy's service area. We were unable to determine the number of times that Wood's City vehicle was left at his home overnight, but on April 12, 2018, Austin Energy found and towed the vehicle from Wood's home to a City facility.
- On at least 6 dates, Wood drove the City vehicle through a State Highway 130 toll plaza in unincorporated Williamson County between Hutto and Georgetown, Texas, outside of Austin Energy's service area. Wood suggested that he was out there to inspect transmission lines. However, Wood's supervisor informed us that Austin Energy does not have transmission lines in that area and stated that Wood "was not authorized to be there for any reason."
- On at least 1 day, Wood drove the City vehicle through a toll plaza on State Highway 45 Southeast that was also outside of Austin Energy's service area. Wood later acknowledged that he was likely driving to a large outdoor equipment retailer in Buda, Texas.

The City paid for all tolls incurred by Wood in his City vehicle, including for those trips that were not work-related. These tolls totaled at least \$50 during our timeframe. Wood's City vehicle was not equipped with GPS tracking, so we were unable to identify additional occasions in which Wood may have misused his City vehicle. For example, when interviewed by our office, Wood told us that he did not always take the toll road when going home. When asked how many times he'd taken his City vehicle to his

residence, however, Wood suggested that he only took his vehicle home 6-10 times in the past several years, which is below the total number the toll information indicates.

Wood also told us that he regularly responded to safety-related calls from Austin Energy's field employees. According to Wood, these employees work throughout Austin Energy's service area and could explain why he was in locations that were not assigned to him. Wood's supervisor told us, however, that field workers would not typically call Wood for help, because they have their own safety personnel. Wood gave us the names of several Austin Energy employees who would support his statement. We spoke with each of the employees Wood listed, but they did not support Wood's assertions. We learned that Wood provided one of them with assistance over the phone in March 2018 and that at some point Wood visited another crew that was working near downtown Austin. The other people we spoke with indicated that they did not call Wood within the last year.

Finding 2

Misuse of City Time

We found evidence that Jody Wood spent time pursuing hunting-related activities on City property instead of working in March 2018.

In March 2018, two City employees reported seeing Wood on City property surrounding Walter E. Long Lake. According to these employees, Wood's City vehicle was near a deer blind and deer feeder spotted by one of the employees. The employees spoke to Wood and exchanged names. During this exchange, Wood told the employees that he was checking on Austin Energy's transmission lines. Approximately an hour-and-a-half later, the employees returned to the location where they had seen Wood and found that the deer blind and feeder had been moved, and that fresh deer corn was on the ground where the feeder had been. This occurred on a Thursday during Wood's normal work hours. Wood reported that he worked for 10 hours on this day, and he was paid for 10 hours of work on this day.

When we spoke with Wood, he denied hunting on City property. He also denied any knowledge of the deer blind or deer feeder. Wood told us that he went to Walter E. Long Lake to inspect Austin Energy's transmission lines and the physical security around the property. Wood also said that he would occasionally eat lunch on the property. Walter E. Long Lake was not, however, one of Wood's assigned worksites. Wood's supervisor stated that Wood did not have any duties at the site, and that he did not have any reason or permission to be there.

Austin Energy towed Wood's City vehicle from his home in April 2018 after finding it parked at his home without permission from Austin Energy management. Our office inspected the vehicle and found several hunting-related items. These items included deer antlers, two deer feeder batteries with dirt on them, and the box for a trail camera that is advertised as providing images and videos of "quick-moving wildlife." Regarding these items, Wood informed us that he collected shed antlers that he found at the lake. He added that he would occasionally go to outdoor retailers

Investigation Criteria:

"No City official or employee shall use City facilities, personnel, equipment or supplies for private purposes, except to the extent such are lawfully available to the public."

City Code: Standards of Conduct
§2-7-62(J)

See Investigation Criteria Section for
More Details

during his lunch hour, but might forget to transfer his purchases from his City vehicle to his personal vehicle at the end of his shift.

We were unable to determine how much of Wood's work hours were spent at Walter E. Long Lake for hunting-related activities.

Wood's misuse of City resources for personal purposes appears to constitute violations of the following criteria:

- §2-7-62(O): Prohibition of Fraud and Abuse
- §2-3-5(A)(2)(b): Fraud includes the Misappropriation of City Resources
- City Code §2-7-62(J): Standards of Conduct
- City Personnel Policies – I.G: Use of City Resources
- Administrative Bulletin 10-01: City Vehicle Assignment Policy

Finding 3

Inconclusive Misuse of City Time

When we met with Austin Energy Human Resources staff, they alleged that Wood inappropriately filled out and submitted his timesheets to show that he worked 44 hours between April 6 and April 10 that he did not.

We reviewed Wood's badge swipe data, his toll tag data, and his computer forensics, and were unable to determine conclusively whether Wood claimed hours that he did not work. We found evidence that suggested that Wood worked approximately 5 of the 12 hours he coded on his timesheet for Friday, April 6, 2018. We additionally found that Wood sent two emails on April 9, 2018, and was on his City computer for approximately 20 minutes on the morning of April 10, 2018. We did not find data to support the remaining time that Wood claimed, but we were unable to determine conclusively that these gaps constituted a fraudulent reporting of time.

We noted that on the morning of April 10, 2018, at approximately 11:00 a.m. during Wood's normal work hours, Wood was involved in a car accident in his personal vehicle roughly an hour northeast of Austin on "personal business." Wood explained that he had been working earlier that day and planned to return to work after handling his "personal business." Wood did not tell his supervisor that he was going to be gone for any amount of time that day. Wood's timesheet was later changed to reflect that he worked just two hours that morning.

Wood was assigned a City tablet to use at various worksites. We intended to collect forensic data from the tablet to see if it supported Wood's timesheets, but the tablet Wood returned was broken, and we were unable to retrieve any data from the machine.

When we questioned Wood about his timesheets, he denied wrongdoing and said, "I have never cheated time."

Appendix A - Subject Response

Salas, Keith

From: Jody Wood <Private Email >
Sent: Tuesday, December 11, 2018 2:52 PM
To: Salas, Keith
Subject: Re: Confidential Acknowledgement of Audit Working Paper

In regards to the allegations made against me. During our meeting I was accused of using the 130 and 45 toll roads as mis-use when in fact it's a rout commonly used to get from Kramer to multiple locations. You stated that my supervisor doesn't know why I would be in a location and that's because our supervision is interim and he doesn't know everything and everywhere we have to go and do. I have never received any type of training that implies we can't stop at a store rather than a restaurant for our lunch break. I am also being accused of hunting on city property which is false, I merely picked up some shed horns and had a couple of batteries that I wanted to exchange. Having those few items doesn't mean that I was hunting. It is stated that I didn't have any duties on the property around Walter E. Long Lake when in fact I did. I had to keep in contact with the fire department during the controlled burns. I checked to make sure the transmission tower grounds hadn't been cut and stolen and I also escorted members of the public off the property from time to time. As I previously stated our interim manager isn't aware of all the little things we do from day to day, he also wasn't aware that I was still over part of ESD. How could he when he is just an interim manager. The inabilities to determine information about hunting is because there is not any. I have never hunted nor have I ever set up any equipment for hunting on any city property. These accusations are absurd.

Jody Wood

Appendix B - Office of City Auditor's Response to Subject Response

We have reviewed the Subject's response. We believe our findings stand.

Appendix C - Management Response




City of Austin

Austin Energy

Town Lake Center • 721 Barton Springs Road • Austin, Texas 78704 - 1145

To: Keith Salas, Senior Investigator
Office of the City Auditor

From: Jackie Sargent, General Manager 
Austin Energy

CC: Kerry Overton, DGM and Chief Customer and Compliance Officer, Austin Energy
Kathleen Garrett, Director, Environment Health and Safety, Austin Energy
Cindy Steffen, Human Resources Manager, Austin Energy
Jeff Burton, Director Employee Development, Austin Energy
Mark Dombroski, Deputy General Manager & Chief Financial Officer, Austin Energy

Date: December 18, 2018

Re: Draft Investigation Report (IN18010) re: Jody Wood

Austin Energy (AE) is in receipt of the draft investigation report regarding allegations against Austin Energy employee, Occupational Health and Safety Specialist Jody Wood, of Misuse of City Resources including his City vehicle and his time. Our Austin Energy Human Resources (AE HR) team will collaborate with AE Management to review the report, findings, and then determine the appropriate next steps in this matter.

Should you need additional information, please contact Human Resources Manager Cindy Steffen at 512-322-6249.

Investigation Criteria

Findings 1 and 2

City Code §2-7-62 – STANDARDS OF CONDUCT

(O) A City official or employee may not engage in fraud or abuse, as defined in City Code Chapter 2-3 (City Auditor) [as the misappropriation of funds, supplies, or other City resources, through methods including, but not limited to theft, embezzlement, or misrepresentation].

City Code §2-3-5 – POWERS AND DUTIES

(A)(2)(b) FRAUD includes, but is not limited to the misappropriation of funds, supplies, or other City resources, through methods including, but not limited to theft, embezzlement, or misrepresentation.

City Code §2-7-62 – STANDARDS OF CONDUCT

(J) No City official or employee shall use City facilities, personnel, equipment or supplies for private purposes, except to the extent such are lawfully available to the public.

City Personnel Policy – USE OF RESOURCES

(G) Employees are prohibited from using City facilities, equipment, supplies, employee time, or any other City resource for personal use, except to the extent that such resources are available to the public. City resources which may not be used by employees for personal use include, but are not limited to, the following: computers, internet accounts, e-mail and voice mail systems, telephones, facsimile machines, copiers, postage machines, vehicles, office space, desks, and filing cabinets. These resources are dedicated to City business, and City Management shall have full access to both the resources and any contents thereof at all times. Employees have no legitimate expectation of privacy when using these resources. Department Directors may allow employees limited use of telephones for local calls while ensuring that the operational needs of the department are being met.

Finding 1

Administrative Bulletin 10-01 – CITY VEHICLE ASSIGNMENT POLICY

(B)(4) Use of a city vehicle is restricted to conducting city business. Personal use of a city vehicle is prohibited subject to the following considerations:

- a) Commuting is inherent to the functional assignment. Commuting is taxable as wages to the employee unless the vehicle or usage qualifies as excludable under IRS regulations. Employees will be taxed via the Commuting Valuation Rule or Automobile Lease Valuation rule as applicable.
- b) De-minimis personal use related to or not detrimental to city business. An example would include a meal break.

Methodology

To accomplish our investigative objectives, we performed the following steps:

- Reviewed applicable City Code and policy;
- Conducted background research;
- Searched and photographed Wood's City-assigned vehicle after it was towed;
- Analyzed toll tag data for Wood's City-assigned vehicle;
- Analyzed Wood's timesheet data and badge swipe data;
- Analyzed Wood's computer forensic data including his web browser history and email activity;
- Reviewed information related to Wood's traffic accident;
- Interviewed City staff; and
- Interviewed the subject.

CAIU Investigative Standards

Investigations by the Office of the City Auditor are considered non-audit projects under the Government Auditing Standards and are conducted in accordance with the ethics and general standards (Chapters 1-3), procedures recommended by the Association of Certified Fraud Examiners (ACFE), and the ACFE Fraud Examiner's Manual. Investigations conducted also adhere to quality standards established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Quality Standards for Investigations, and City Code.

The Office of the City Auditor, per City Code, may conduct investigations into fraud, abuse, or illegality that may be occurring. If the City Auditor, through the Integrity Unit, finds that there is sufficient evidence to indicate that a material violation of a matter within the office's jurisdiction may have occurred, the City Auditor will issue an investigative report and provide a copy to the appropriate authority.

In order to ensure our report is fair, complete, and objective, we requested responses from both the subject and the Department Director on the results of this investigation. Please find attached these responses in Appendix A and C.

The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve city services. We conduct investigations of allegations of fraud, waste, or abuse by City employees or contractors.

City Auditor

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