



# City of Memphis

TENNESSEE

A C WHARTON, JR. - Mayor  
GEORGE M. LITTLE - Chief Administrative Officer

EXECUTIVE DIVISION  
Internal Audit Service Center  
LEON PATTMAN, CIA, CISA, CRMA, CMFO  
City Auditor

May 15, 2015

Mr. Dwan Gilliom, Director  
City of Memphis  
Public Works Division  
125 N. Main Street, Suite 608  
Memphis, Tennessee 38103

Dear Director Gilliom:

Internal Audit has completed our quick response investigation of a citizen's fraud, waste, and abuse report alleging the improper use of City resources to service the lawn of a Solid Waste employee's personal residence. Solid Waste management reported the allegation to Internal Audit on April 29, 2015.

#### Allegations:

The citizen reported that on April 27, 2015, a City employee used City lawn service equipment on his personal residence located at 4066 New Willow. The allegation stated that the employee used a City-owned vehicle to transport the equipment to the location.

#### Conclusions:

The allegation that the employee used City equipment to service his lawn on April 27, 2015 is unsubstantiated due to insufficient evidence. Auditors obtained evidence from the property management company that the lawn was serviced by its crew on April 27, 2015. Additionally, photographs taken by Solid Waste management on April 28, 2015 provide plausible doubt that the weed trimmer had been used on the property.

The allegation that the employee used a City-owned vehicle to transport the equipment to his residence for the purpose of servicing his personal lawn is also unsubstantiated due to insufficient evidence. Auditors confirmed that the employees were using the vehicle for an authorized lunch break. The typical lunch break is scheduled for 11:00 a. m. daily, unless directed otherwise by a supervisor. On the day of the incident, auditors confirmed that the crew was working approximately six miles from the residence which does not appear to be unreasonable. Additionally, there is no specific, written policy providing guidance to the work crew for the use of the City-owned vehicle regarding lunch travel. However, management stated that the distance traveled to a lunch location in a City-owned vehicle should be reasonable.

Recommendation:

As a result of this investigation, there is no recommendation warranted.

We presented management with the draft report dated May 12, 2015. To provide readers with management's views and perspective on our findings and recommendations, we included management's written response to the draft report in full text as an attachment to this report.

Auditors performed only procedures needed to address the stated allegations. The work performed for this investigation does not constitute an audit under Government Auditing Standards.

We appreciate the cooperation of all parties. Please let us know if you have questions, comments, or concerns.

Sincerely,



Debbie Banks, CFE, CICA, CMFO  
Auditor-in-Charge

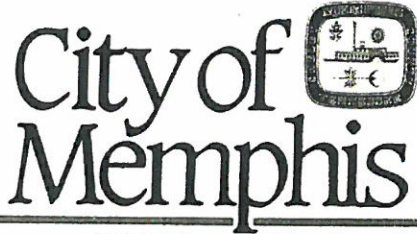
APPROVED:



Leon Pattman, CIA, CISA, CRMA, CMFO  
City Auditor

Attachment

- c: A C Wharton, Jr., Mayor  
Jack Sammons, Chief Administrative Officer  
Maura Black Sullivan, Deputy Chief Administrative Officer  
Philip J. Davis, Public Works Division, Solid Waste Deputy Director

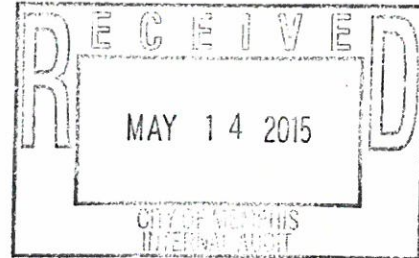


A C WHARTON, JR. - Mayor  
GEORGE M. LITTLE - Chief Administrative Officer  
**DIVISION OF PUBLIC WORKS**  
DWAN L. GILLIOM - Director

TENNESSEE

May 14, 2015

Leon Pattman, City Auditor  
Internal Auditing Department  
125 North Main Street, Room 546  
Memphis, TN 38103



Mr. Pattman:

Please allow this document to serve as my official response to the Audit Report concerning possible waste, fraud and abuse within the Division Public Works, Solid Waste Management Department which stemmed from an allegation by a citizen that an employee was using City equipment to maintain his personal property. While I commend my management staff for following protocol and notifying your office of the allegations as part of our effort eliminate waste fraud and abuse within the Division through proper reporting and awareness efforts, I would like to personally thank you and your staff for conducting a fair and impartial investigation into this matter.

With that said, I agree with the findings of the investigation whereby the allegations against the employee were unsubstantiated based on the evidence. While the Reports makes no recommendations, we will continue our awareness efforts to ensure every employee within the Division is educated on waste, fraud and abuse, including unauthorized use of a City vehicle; as it is common for some employees to be lead to believe that past practices do not cause harm to the City of Memphis and the community we serve, as well as some of the consequences associated with being responsible for these offenses.

In closing, I will like to say that we are aggressively getting the word out throughout the Division concerning waste, fraud and abuse, which is evident by the fact that all reporting procedures were followed in bringing this matter to the attention of your Office. In my personal opinion, I don't believe the management staff would have followed the same procedures 6 months ago. As we continue our efforts to eliminate waste, fraud and abuse in the Division of Public Works, we look forward to developing a working relationship with the Office of Internal Auditing.

Sincerely,

Dwan L. Gilliom, Director  
City of Memphis Public Works Division