

Investigative Report

Austin Water Employee Performed Private Plumbing Work for Personal Benefit

November 2021



Austin Water employee Eric Ramirez violated City Code by performing private plumbing work at an Austin Water customer's home in November 2018. Ramirez received \$450 for this work, which was not related to his City duties. In addition, Ramirez failed to cooperate with an earlier, related investigation by making false statements during an interview.

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Cover: Ullrich Water Treatment Plant, City of Austin, 2019

Allegation

In November 2020, we received an allegation that in early November 2018, an Austin Water employee inspected a water leak at an Austin Water customer's home. According to the informant, the Austin Water employee referred the customer to a company called Shade Tree Plumbing to address the issue. Two or three Shade Tree Plumbing workers tried to fix the leak. The customer paid one of the workers \$450 for the repair work.

The informant contacted us after reading our October 2019 investigation report, which described a similar situation involving Austin Water employees working under the name Shade Tree Plumbing.

Background

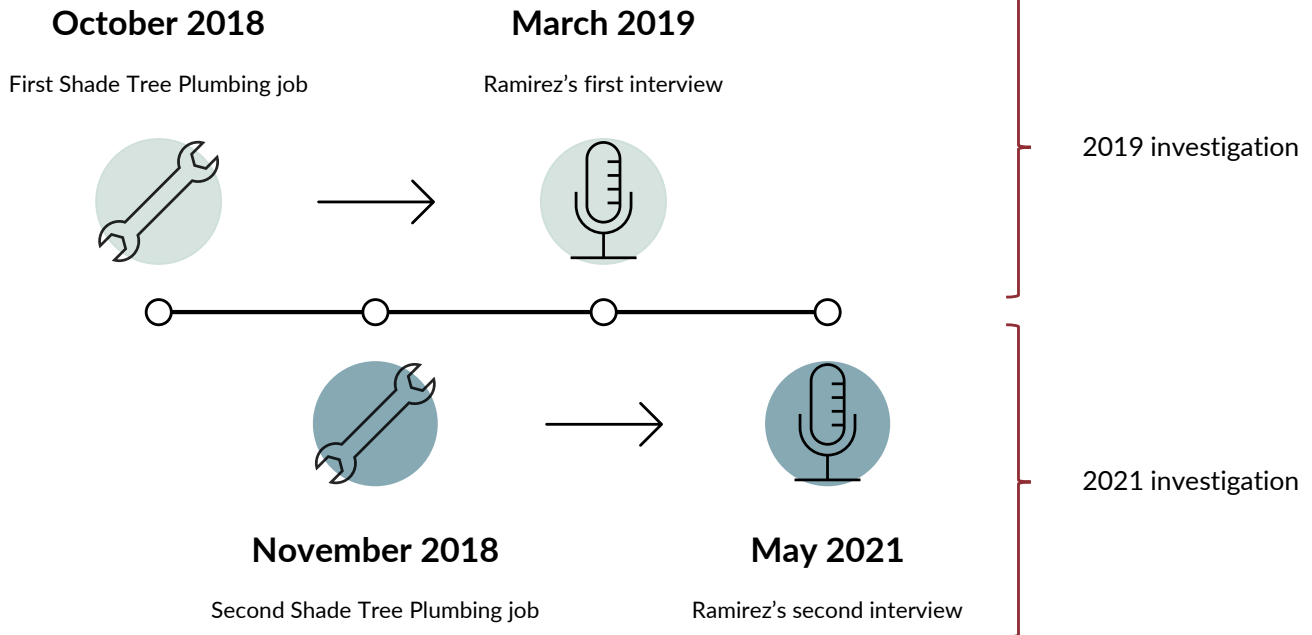
Austin Water is the City of Austin's water utility. Its mission is "to provide safe, reliable, high-quality, sustainable, and affordable water services to our customers."

Eric Ramirez has worked for the City since February 2016. Ramirez's duties as an Austin Water pipeline technician associate include addressing "citizen questions, concerns, and complaints" and "inspect[ing] water distribution and wastewater collection systems."

Ramirez and his colleagues respond to customer calls about water problems, like leaks or low water pressure. They are not allowed to make repairs on customers' properties except to replace a customer's water cut-off valve. Ramirez is not a licensed plumber.

Ramirez was one of the subjects of our October 2019 investigation report, which noted that he violated City Code by referring Austin Water customers to Shade Tree Plumbing on several occasions (see Exhibit 1).

Exhibit 1: Investigation timeline



Source: OCA records, May 2021

Investigation Results Summary

Austin Water employee Eric Ramirez violated City Code by performing private plumbing work at an Austin Water customer's property in November 2018. Ramirez received \$450 for this work. As a result, Ramirez accepted payment and employment that could affect his judgment in performing his City duties. In addition, Ramirez failed to cooperate with an earlier, related investigation by making false statements during an interview about Shade Tree Plumbing, a private plumbing company.

We did not obtain adequate evidence to find that a different Austin Water employee who inspected the water leak referred the customer to Shade Tree Plumbing.

Finding 1

Ramirez accepted an improper outside job and compensation

In November 2018, Ramirez and one or two other people performed plumbing work at the home of an Austin Water customer. The workers gave the customer a receipt listing a business name: Shade Tree Plumbing (see Exhibit 2). Ramirez received \$450 from the customer for this plumbing work (see Exhibit 3).

Exhibit 2: Shade Tree Plumbing invoice

Customer information		SHIPPED TO		Invoice	
SOLD TO	ADDRESS	ADDRESS	VIA		
	CITY, STATE	CITY, STATE, ZIP			
CUSTOMER ORDER NO.	SOLD BY	TERMS	E.O.B.	DATE	
	Shade Tree Plumbing	C.O.D.		11/7/18	
	POCO Leaking + Irrigation Leaking				
	Svc Fee				75.00
	Parts				75.00
	Labor				300.00
	POCO replaced / stop Leak				
	Capped irrigation line				
	Total (Paid check)				450.00

Source: Austin Water customer, November 2020

Exhibit 3: Customer check

Customer information 1018
DATE 11-7-18
PAY TO THE ORDER OF ~~Shade Tree Plumbing~~ Eric Ramirez \$450.00
Four Hundred and fifty Dollars 450/100 DOLLARS
CHASE JPMorgan Chase Bank, N.A. www.Chase.com
MEMO Plumbing
Customer information
Customer information
Customer information

Source: Austin Water customer, November 2020

Investigation Criteria:

No City [...] employee shall solicit or accept other employment to be performed or compensation to be received while still a City [...] employee, if the employment or compensation could reasonably be expected to impair independence in judgment or performance of City duties.

City Code § 2-7-62(H)(1)

See Investigation Criteria for details.

In a recent interview, Ramirez admitted to doing this plumbing job. Ramirez also admitted to doing other plumbing work in Austin on several other occasions. Ramirez claimed he never used his City position or City resources to find potential customers or do plumbing work.

Ramirez's current supervisor at Austin Water told us it would be unacceptable for their employees to do plumbing work in Austin. This is because non-City plumbing work on a customer's property would conflict with an Austin Water employee's City job and give them an unfair advantage over other plumbers. The supervisor added that their employees have been told in meetings not to do plumbing work in Austin. Similarly, in our 2019 investigation, Ramirez's former supervisor told us their

employees knew they were not allowed to do plumbing work on the side, because of Austin Water and Citywide ethics trainings.

By accepting private plumbing work and compensation from an Austin Water customer, Ramirez appears to have violated the following section of City Code:

- City Code § 2-7-62(H)(1): Standards of Conduct - Acceptance of improper employment or compensation

Finding 2

Ramirez failed to cooperate with our 2019 investigation

Investigation Criteria:

City employees and officials shall cooperate with city auditor investigations.

City Code § 2-3-5(P)

See Investigation Criteria for details.

City Code requires City employees to cooperate with our investigations. During an interview in March 2019 for an earlier, related investigation, Ramirez made statements about his involvement in Shade Tree Plumbing that we later determined were false.

Specifically, in the previous investigation, Ramirez denied receiving income from Shade Tree Plumbing. This was false because Ramirez was paid \$450 for the November 2018 plumbing job, which was about five months prior to the 2019 investigative interview where he made the false denial.

In addition, Ramirez claimed in the March 2019 interview that he did not know whether his Austin Water colleague, who did work under the Shade Tree Plumbing business name, had business partners. This claim was false because Ramirez performed the November 2018 plumbing job under the Shade Tree Plumbing business name. Again, he made this false statement in an interview roughly five months after working under the Shade Tree Plumbing name.

By making false statements during a prior, related investigation, Ramirez appears to have violated the following section of City Code:

- City Code § 2-3-5(P): Powers & Duties – Cooperation

Appendix A - Subject Response

Ramirez did not provide a response.

Appendix B - Management Response



City of Austin | Austin Water
P.O. Box 1088 Austin, TX 78767
AustinWater.org

October 22, 2021

Brian Molloy, Chief of Investigations
Office of the Auditor

RE: CAIU Report #IN21002

Dear Mr. Molloy:

Austin Water (AW) is in receipt of the draft investigation report regarding AW Pipeline Technician, Eric Ramirez, who was determined to have violated multiple City Codes when he accepted compensation that could impair his performance of City duties and failed to cooperate with a City investigation. The Human Resources Services Division (HRSD) will collaborate with AW management, the Human Resource Department (HRD) and Legal counsel to review the report and CAIU findings and will then determine the appropriate next steps in this matter.

Thank you, and please contact me if you need additional information or updates.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Meszaros", written over a faint circular stamp.

Greg Meszaros
Director, Austin Water

cc: Sherri Hampton, AW Assistant Director Employee & Development

Investigation Criteria

Finding 1

City Code § 2-7-62(H)(1)

No City official or employee shall solicit or accept other employment to be performed or compensation to be received while still a City official or employee, if the employment or compensation could reasonably be expected to impair independence in judgment or performance of City duties.

Finding 2

City Code § 2-3-5(P)

City employees and officials shall cooperate with city auditor investigations.

Methodology

We took the following steps to accomplish our investigation objectives:

- Reviewed Austin Water service requests
- Contacted Austin residents
- Obtained payroll and bank records
- Interviewed Austin Water employees, including the subject and his supervisor

CAIU Investigative Standards

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

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

Corrie Stokes

Deputy City Auditor

Jason Hadavi

Chief of Investigations

Brian Molloy

Office of the City Auditor

phone: (512) 974-2805

email: AustinAuditor@austintexas.gov

website: <http://www.austintexas.gov/auditor>



AustinAuditor



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