

Investigative Report

# Austin Resource Recovery Employee Misused FMLA Leave

January 2023



Chad Easley, a senior operator at Austin Resource Recovery, misused City resources when he took paid FMLA leave under an emergency COVID-19 childcare program he was not qualified to take.

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Cover: Compost, Austin Resource Recovery

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# Allegation

In June 2021, the City Auditor’s Integrity Unit (CAIU) received an anonymous allegation that an Austin Resource Recovery employee, Chad Easley, had falsified a City FMLA leave form by stating he had to care for foster children that he did not have.

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# Background

Austin Resource Recovery’s (ARR) mission is “to achieve zero waste by providing excellent customer services that promote waste reduction, increase resource recovery and support the City of Austin’s sustainability efforts.”

Chad Easley is a senior operator at ARR. He is responsible for collecting bulk trash such as beds, couches, and other large items.

In August 2020, Easley applied for continuous leave under the Family and Medical Leave Act (FMLA) from August 17 to August 26, and ARR Human Resources approved his request. FMLA provides eligible employees with federally required job-protected leave for specific family and medical reasons. The City also provided Emergency Paid Sick leave in response to the Family First Coronavirus Response Act (FFCRA) which expanded FMLA leave coverage for eligible employees. Easley applied for this program which allowed City employees to take up to two weeks of paid leave to care for children whose school or daycare was closed for reasons related to the COVID-19 pandemic.

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# Investigation Results Summary

We found evidence that Chad Easley, a senior operator at ARR, misused City resources by taking paid FMLA leave under a special COVID-19 childcare program he was not qualified to take. Specifically, Easley applied for emergency paid sick leave and stated he was going to use it to care for foster children due to COVID-19-related school closures. However, Easley stated the foster children he referred to in his leave application were not his and admitted he did not care for them during the time he took the special COVID-19 leave from the City. Easley used 40 hours of emergency paid sick leave.

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## Finding 1 Easley misused City resources

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### *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, or to the extent that facilities, equipment or supplies are allowed to be used in a limited or de minimis manner in accordance with City policy.

*City Code §2-7-62(J)*

*See Investigation Criteria for details*

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Chad Easley misused City resources by taking paid FMLA leave under a special COVID-19 childcare program he was not qualified to take. Easley stated that he needed to care for foster children due to school closures on his leave application form. We found that Easley did not care for the foster children during the period he took the leave and did not qualify to take the paid FMLA leave for this reason. In total, Easley used 40 hours of paid FMLA leave.

In August 2020, Easley applied for FMLA leave to care for foster children due to COVID-19 school closures from August 17 to August 26. This leave was approved by Austin Resource Recovery Human Resources, who advised that Easley could take 40 hours of emergency paid sick leave followed by his accrued leave or leave without pay for the remaining hours he requested.

Austin Resource Recovery Human Resources staff told us they were unable to request documentation from employees who applied for COVID-19 leave at the direction of the Human Resources Department. As a result, Austin Resource Recovery Human Resources staff believed they could not verify an employee's eligibility for COVID-19-related leave.

In an interview, Easley admitted that the foster children mentioned on his leave application form were a relative's and not his. He also stated that he did not take care of the children during the period of the FMLA leave. Ultimately, Easley denied taking this leave and claimed that Austin Resource Recovery Human Resources denied his application for FMLA leave. Easley noted that we could speak to six specific ARR employees that could corroborate that he didn't take the FMLA leave. We spoke to the six employees Easley named, and all six were unable to corroborate his statement of never taking FMLA leave. Easley added that during the period he applied to take the leave, he was injured and worked light duty at the Household Hazardous Waste worksite. He stated that two ARR employees on the safety team would be able to verify his light duty assignment and location. We spoke with each of the two safety team employees that Easley named in addition to ARR human resources, and they were unable to corroborate Easley's statement regarding his light duty designation.

ARR records indicate the leave was approved and Easley's timesheet indicates he took the Covid-19 childcare leave.

By taking 40 hours of emergency paid sick FMLA leave that he was not qualified for, and for which he was paid \$953.20, Easley appears to have violated the following criteria:

- City Code §2-7-62 (J) – Standards of Conduct
- Human Resources Department FMLA Procedure

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## Additional Observation

While interviewing staff from ARR, multiple individuals indicated they had concerns that employees were applying for and taking the special Covid-19 childcare leave even though they did not qualify for the leave. They expressed concerns that they were not allowed to verify the information supplied by the employees who completed applications to take the leave. Some felt that Easley was not the only ARR employee to misuse the time made available under this program, but none of the witnesses we spoke with provided names for individuals they thought might have misused the time.

## Appendix A - Subject Response

**From:** Chad Easley [Subject Email]  
**Sent:** Wednesday, November 2, 2022 10:15 AM  
**To:** [OCA Employee]  
**Subject:** Response

\*\*\* External Email - Exercise Caution \*\*\*

I've backed tracked as much as I could about this situation speaking with my past supervisor and he doesn't recall much about the situation other than a time he does remember giving me 40 hrs of VCU when I was off around the time this took place. Numerous people in management [redacted] knows I never accepted the leave because they specifically told me don't take it and I never did, all I was trying to do was help my grandparents out with care for my nephews and foster kids while they were doing the online school work as I stated. This mix up starts with [redacted] **ARR Employees** because she was the individual approving the time and only telling supervisor's what code to use. if my case didn't fit the FMLA criteria then why was it approved. I also notice you spoke with safety and they couldn't back my story but the case of me being on light duty is still in the safety data records. During covid our doors didn't lock so for maybe 12 to 15 months maybe longer no employees were using any badges to get into the building. during the covid time I was one of the few employees who worked countless hours and days covering for people who were absent. Fingers are being pointed at me, when more than half the department took FMLA and numerous of employees were caught doing 2nd jobs or didn't have any kids to care for and still till this day are misusing FMLA time. The person in charge of approving the time was very careless about the situation because it was days you couldn't even reach her or in my opinion actually reading any of the request employees were turning in to even know of people qualified for certain things.

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

We have reviewed Easley's response and believe our findings stand. The only safety data records of Easley being injured in 2020 occurred in October, a month after the FMLA leave at issue. Additionally, we spoke with every witness Easley mentioned during our investigation. None of the witnesses could corroborate Easley's statements regarding his FMLA leave. We asked Easley for details about other employees misusing City time during our investigation and following his response. He did not provide us with any specific allegations.

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## Appendix C - Management Response



### MEMORANDUM

To: **OCA Employee**  
Office of the City Auditor

From: Ken Snipes, Director  
Austin Resource Recovery (ARR)

CC: Wendy Riggins, Human Resources Manager II, ARR

Subject: Draft Investigation Report IN22004

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The Austin Resource Recovery (ARR) Department is in receipt of the draft investigation report regarding the allegation against Chad Easley, ARR Operator Sr., for misusing City of Austin resources when he took paid FMLA leave under an emergency COVID-19 childcare program benefit he was not qualified to take. Specifically, Chad Easley falsified a City FMLA leave form by stating he had to care for foster children that he did not have. ARR Management concurs with the findings by the City of Austin Office of the City Auditor and will work with ARR Human Resources to review the report findings and take the appropriate actions.

I appreciate the work you completed to help us address this matter. Should you have additional questions or need more information regarding this response, please contact Human Resources Manager Wendy Riggins at (512) 974-1986.

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# Investigation Criteria

## Finding 1

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

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, or to the extent that facilities, equipment or supplies are allowed to be used in a limited or de minimis manner in accordance with City policy.

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## Methodology

We took the following steps to accomplish our investigation objectives:

- Reviewed applicable City Code and policy
- Conducted background research
- Analyzed the subject's leave approval and payroll data
- Interviewed City staff
- Interviewed the subject

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## 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 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.

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