City of Austin
Austin City Auditor's Office

Investigative Report

Austin Energy Fraud and Waste

December 2025

Mark Ybarra, a former Facility Service Specialist at Austin Energy, violated City Code by fraudulently reporting about $980,000 of financial transactions he made to fictitious vendors on his City credit card. Among the vendors that Ybarra paid, several businesses appear to be related to his extended family and at least one appears to be directly related to Ybarra. As a result of Austin Energy's inefficient purchasing controls, Ybarra was able to continue making these transactions for about six years. Ybarra took advantage of insufficient purchasing reviews by his former supervisors, Sammy Ramirez and Renee Codina, which resulted in a waste of City funds. Ambrosia Ybarra, who was a Contract Management Specialist II for the Watershed Protection Department and Mark's spouse, failed to cooperate with our investigation when she refused to answer questions during an interview with our office.

Contents

Cover: Aerial view of downtown Austin by RoschetzkyIstockPhoto

Allegation

In October 2023, Austin Energy reported to our office that Mark Ybarra had made transactions between April and July 2023 amounting to about $80,000 on his City credit card. Austin Energy management noted that the invoices Ybarra supplied lacked vendor information such as addresses or phone numbers. When management asked Ybarra for contact information for the vendors, Ybarra did not provide any details, and then later resigned.

Background

Austin Energy (AE) is the City's electric utility department that aims to "safely deliver clean, affordable, reliable energy and excellent customer service – 24 hours a day, 365 days a year."

Mark Ybarra was a Facility Service Specialist for Austin Energy. He was hired in July 2014. He resigned from the City in October 2023. His job responsibilities included planning and performing basic building repairs and coordinating with vendors who provide maintenance and repairs. He was assigned a City credit card which he used to procure materials and pay vendors. During his tenure, Ybarra reported to Facility Services Supervisor Sammy Ramirez. Ramirez was hired by the City in 1993 and retired in June 2022. Upon Ramirez's retirement, Ybarra reported to Building Services Manager Renee Codina on an interim basis until the new manager was hired in October 2022.

Ambrosia Ybarra is the spouse of Mark Ybarra and was an employee of the Watershed Protection Department. She began working for the City in February 2020 and resigned in November 2025.

Investigation Results

Summary

Mark Ybarra fraudulently reported about $980,000 of financial transactions on his City credit card. Ybarra paid fictitious vendors on his purchasing card for work that could not be verified. Among the vendors that Ybarra paid, several businesses appear to be related to his extended family and at least one appears to be directly related to Ybarra. Ybarra took advantage of lacking purchasing controls and insufficient reviews by his former supervisors, Sammy Ramirez and Renee Codina which led to the waste of City funds.

Ambrosia Ybarra, Mark Ybarra's spouse, failed to cooperate with our investigation when she refused to answer questions during an interview with our office or schedule a subsequent interview.

Finding 1

AE Employee Fraudulently Reported Financial Transactions

Mark Ybarra was a Facility Service Specialist at Austin Energy. His job involved maintaining AE facilities by performing minor maintenance and repair work. He was also responsible for hiring contractors to do work that AE staff could not do themselves. He held a City credit card from around 2017 to 2023. Ybarra used this credit card to acquire materials and pay vendors.

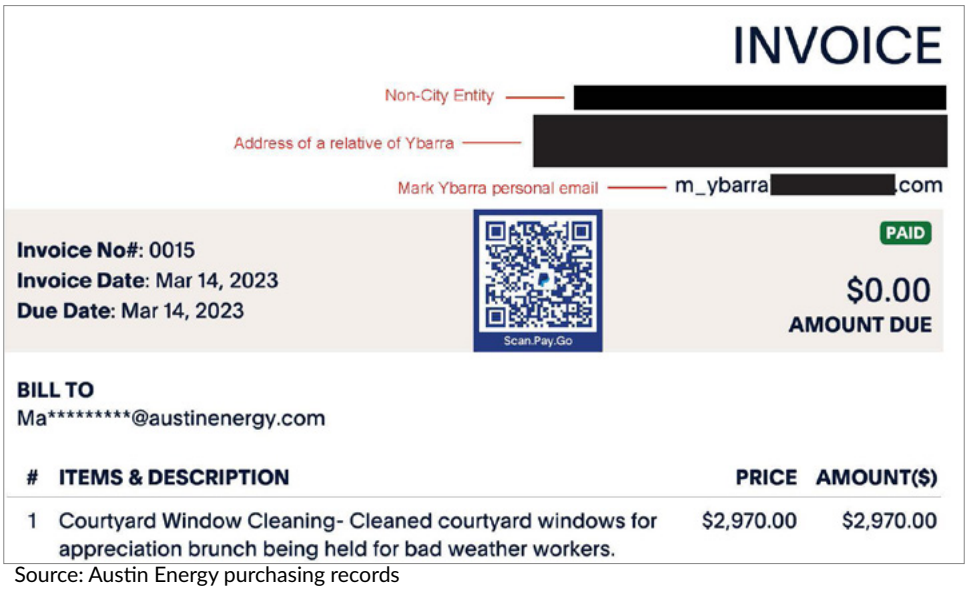
In his role, Ybarra was able to select the vendors he utilized. He was also responsible for managing the vendor transactions. This process included paying the vendor with his City credit card, inputting descriptions of work performed in City records, and signing off on the transactions in the City's credit card system.

Between fiscal years 2018 and 2023, we found that Ybarra paid fictitious vendors around $980,000 using his purchasing card. During this period, he paid at least 30 vendors through his purchasing card. Of these 30 vendors, only eight appear to be registered City vendors. According to invoices we reviewed, Ybarra paid these vendors for various services including debris removal, window cleaning, and painting. The sample of invoices we reviewed often contained little to no detail about the vendors being utilized. Many only contained the name of the vendor and lacked any additional detail such as a contact person or business address or phone number. These invoices do not meet standards set in City policy which states that vendor invoices should include information such as the invoiced date, itemized description of services purchased, and accurate vendor information like names and addresses.

We reviewed a sample of building security sign-in logs for Austin Energy's headquarters and found only two instances where any of these vendors ever signed in at the facility despite Ybarra paying them at least 29 times during the same period. Further, there did not appear to be any other records apart from the invoices to suggest the work Ybarra paid for was ever performed. Austin Energy staff that we spoke with were largely unaware of the vendors that Ybarra had utilized and noted that since his departure, none of the vendors had ever reached out to Austin Energy.

In addition to fraudulently reporting these transactions, we found that several of the businesses Ybarra paid appear to be related to either him or various family members. At least ten businesses appear to have used the same address based on various invoices we reviewed. We confirmed that this address is the home of a family member related to Ybarra. In total, Ybarra spent about $400,000 at vendors with this address. At least one invoice containing this address also contained Mark Ybarra's personal email address as their contact information. Ybarra paid this vendor about $40,000. We also found one vendor that listed an address that does not appear to exist according to online address searches. This vendor was paid over $80,000. The remainder of the $980,000 in payments went to vendors that appeared to be fake though they did not have contact information related to Ybarra or his family members.

Exhibit 1:



Source: Austin Energy purchasing records

Austin Energy management attempted to get vendor information from Ybarra, but he did not provide any information and resigned shortly thereafter. We attempted to interview Ybarra, but he did not respond to our requests. We referred Ybarra's conduct to the Austin Police Department for a criminal investigation. Ybarra was indicted on a felony charge and arrested on September 15, 2025.

By intentionally improperly reporting roughly $980,000 of financial transactions, Ybarra violated the following portions of 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).

§ 2-3-5 – Powers and Duties (A)(2)

FRAUD includes, but is not limited to:

(C) the intentional improper handling of or reporting of money or a financial transaction;

Finding 2

Austin Energy Managers Wasted City Resources

Austin Energy managers wasted City resources as a result of weak purchasing controls and inadequate reviews over a six-year period. According to City policy, reviews of transactions should include confirming the delivery of goods, ensuring the legitimate use of City funds, and looking for signs of serial purchasing or fraud. The policy further states that staff should immediately report evidence that a City credit card has been misused.

From 2017 through mid-2022, Ybarra's supervisor was Sammy Ramirez (Facility Services Supervisor, Austin Energy). Ramirez was responsible for reviewing and approving Ybarra's monthly credit card transactions. We found no evidence that Ramirez ever raised concerns with Ybarra's spending and approved all of Ybarra's purchasing card transactions during this time. We noted several examples of transactions that Ramirez approved in which Ybarra provided only invoice summaries that included no information about the vendors such as business address or contact information. We attempted to interview Ramirez after he left City employment, but were unable to contact him. Ultimately, Ramirez approved about $750,000 of Ybarra's transactions.

Exhibit 2:

Source: Austin Energy purchasing records

After Ramirez's retirement, Ybarra reported to Building Services Manager Renee Codina on an interim basis. Codina approved Ybarra's credit card transactions for about nine months. While Codina signed off on transactions during this period, she was not Ybarra's direct supervisor for the entire duration. Austin Energy hired a facility services manager to replace Sammy Ramirez in October 2022. This manager was not able to approve Ybarra's purchasing card purchases during their first six months on the job, so the task remained with Codina. When we spoke with Codina, she told us she had no reason to think that staff, including Ybarra, were being deceptive with their purchases. Codina also told us that she told staff to only use their purchasing cards as a "stopgap" when City contracts could not be utilized. Codina said that when she reviewed purchasing

card reports, she looked for the vendor's name and address, and that the service looked legitimate. She added that if there was insufficient information, she would seek clarification from the staff member who made the purchase. We noted several examples of transactions that Codina approved with invoices that lacked vendor information including addresses and phone numbers and in one instance contained no vendor information at all. In total, Codina approved about $170,000 in fraudulent transactions.

During the period mentioned above, Austin Energy's facilities staff were not required to get management approval before using their credit cards to procure services. This practice has changed, and staff are now required to get management approval before hiring vendors using a credit card. Austin Energy has also implemented a new position that acts in a procurement role for the facilities group. Facilities staff can utilize this staff to find City contracts when they need to procure service providers. Further, AE now has a centralized email system for contracting-related correspondence such as vendor invoices.

According to AE management, purchasing card spending has also gone down significantly. Between fiscal years 2021 and 2023, the group averaged about $1.5 million in purchasing card spending. This went down to about $570,000 in fiscal year 2024.

These acts meet the definition of waste, as described in:

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

Finding 3

Failure to Cooperate

Ambrosia Ybarra failed to cooperate with our investigation. City Code states that City employees are required to cooperate with investigations by our office. Ybarra initially declined to meet with us when we reached out to schedule an interview. After nearly two weeks, we were able to schedule a meeting with Ybarra, however, she refused to answer most questions asked to her by investigators and left the interview prematurely when asked about an invoice that Mark Ybarra paid which contained the address of a family member. We attempted to schedule a second interview with Ambrosia Ybarra, but she did not respond to our correspondence. Ybarra was informed at multiple points that City employees are required to cooperate with our office.

By refusing to answer questions during an interview and not responding to requests for an additional interview, Ambrosia Ybarra violated the following criteria:

§ 2-3-5 – Powers and Duties (Q)

Appendix A - Subject Response

Response to Finding #2:

It's regrettable that Mr. Ybarra was able to exploit the lack of proper controls in place at that time. I suspected overuse of credit cards as a way to shortcut the City's procurement process, but I had no reason to suspect fraud. My reporting brought these issues to light and therefore, I respectfully request that my name be redacted. At the very least, I believe the focus should not be placed so directly on me.

It is worth calling attention to multiple personnel changes, temporary assignments I was given, and notable activities throughout the timeline this investigation covers.

- 5/6/2022 Reorganization of Corporate Support Services. My title changed to Building Services Manager, and I maintained 7 direct reports.
- 5/26/2022 Assigned as Acting Utility Building Services Operations Manager with the following additional direct reports: Facility Services Manager (Sammy Ramirez), 2 vacant Program Manager positions, 2 vacant Scheduler Analyst positions.
- 6/17/2022 Sammy Ramirez retired, and I inherited his team of (8) direct reports, all with COA credit cards. My team more than doubled in size. I went from oversight of 5 credit cards to 13.
- 6/28/2022 I sent an email to Corporate Support Services Director, Robin Cappello, about potential credit card misuse.
- 7/7/2022 I sent an email to CSS Director and Utility Building Service Administrator, Vince McGlone about serial purchases for monthly rentals of mobile storage containers.
- 7/7/2022 Email directing staff not to use credit cards for services or goods that could be procured via existing contracts and that yearly transactions total with a single vendor could not exceed City Council limit.
- Throughout July during bi-weekly 1:1 meetings with the CSS Director, I reported that there was no visibility to credit purchases prior to transactions being made. The approver is only made aware after transactions are complete and require a review and "sign-off" in the Bank of America online system. At that time, the Director requested additional controls be added to the program and was told it was not possible in Bank of America system.

Appendix A - Subject Response

- I also reported that many card holders that previously reported to Sammy Ramirez were routinely reaching their monthly credit card limit of $25,000. None of my staff had ever gotten anywhere close to reaching a monthly limit.
- During this time, I was also heavily involved in the transition of CTECC's mission critical Maintenance and Operations Program from Austin Energy to Building Services Department. This was a very complex process that involved transition of staff, contracts, assets, and budgets, as well as the revision of interlocal agreements.
- 7/31/2022, I promoted to Utility Building Services Operations Manager with the following direct reports. Vacant Building Services Manager at the Combined Transportation, Emergency & Communications Center (CTECC), vacant Facility Services Manager, 2 vacant Program Manager positions, 2 vacant Scheduler Analyst positions. My top priority was getting the team built out as quickly as possible.
- 8/10/2022 Vince McGlone, Utility Building Services Administrator retired.
- 10/2022 John Cox hired as Facility Services Manager
- 10/23/2022 I was promoted to Utility Building Services Administrator. Direct reports: Vacant Utility Building Operations Manager, Facility Services Manager, 2 vacant Program Managers
- 4/1/2023 Supply Chain Division Manager separated from the COA, I was assigned Acting Supply Chain Division Manager. Additional direct reports: Inventory Control Manager, 3 Inventory Control Supervisors.
- 8/2023 Supply Chain Division Manager hired- returned to role as Utility Building Services Administrator
- 10/6/2023 Supply Chain Division Manager left role at AE and returned to previous role in another COA department. I was assigned Acting Supply Chain Division Manager.

In summary, between May 2022 and October 2023 I experienced rapid role changes with expanding oversight. I managed numerous vacancies and reassignments while supporting complex transitions, including the transfer of CTECC operations from Austin Energy to Building Services Department.

I quickly identified procurement and credit card concerns. I noticed irregularities and potential misuse of City-issued credit cards after assuming responsibility for new teams that frequently reached their monthly spending limits. I reported potentials issues to my superiors including emails sent on June 28 and July 7, 2022, outlining policy violations and weak purchasing controls. I sent written instructions to staff reinforcing City policy related to contracts, credit card use, and vendor spending to stay below City Council approved

Appendix A - Subject Response

thresholds. I also highlighted systemic control weakness in the Bank of America credit card system that limited pre-transaction visibility and prevention.

I believe my conduct was professional and ethical. I made timely, documented reports to leadership. I acted within my authority to reduce credit card use and expand the use of contracts for procurement of goods and services. When called upon, I cooperated with the Auditors.

I suspected overuse of credit cards to shortcut City procurement process. I had no reason to suspect fraud. It is unfortunate that Mr. Ybarra was able to take advantage of the lose controls that were in place at the time. It was my reporting that brought the issues to light and therefore, I respectfully request my name be redacted. At the very least I do not feel that the focus should land so acutely on me.

Renee Codina
Division Manager, Utility Supply Chain
& Interim Fleet Program Manager
Austin Energy

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

We have reviewed Codina's response and believe our findings stand.

The concerns Codina shared with Austin Energy management about credit card spending did not include any concerns about fraud or incomplete invoices. She is named in this report because she approved $170,000 in fraudulent transactions. At the time of her approvals, Codina was responsible for reviewing the available invoices that documented the transactions. As mentioned in the report, those invoices included noticeable problems, like missing vendor information including addresses and other contact information.

Separately, it is our policy to include the names of subjects that we believe have committed a material violation of City Code.

Appendix C - Subject Responses

Mark Ybarra, Ambrosia Ybarra, and Sammy Ramirez did not provide responses to our office.

Appendix D - Management Response

MEMORANDUM

To: Brian Molloy, Chief of Investigations, Office of the City Auditor

From: Stuart Reilly, General Manager, Austin Energy SR

Date: December 5, 2025

Subject: **Draft Investigation Report (IN 24001) re: Ybarra, Ramirez and Codina**

I have reviewed the Auditor's report outlining fraud, waste, and abuse allegations against a former Austin Energy employee as well as identified financial process shortcomings. I concur with the Auditor's findings and provide the following response.

Austin Energy takes fraud, waste, and abuse seriously. Austin Energy management raised concerns about the employee's pro card use to the City Auditor's office, which precipitated the investigation. Concurrently, Austin Energy began taking immediate steps internally to address systemic deficiencies as outlined below. Austin Energy worked closely with and has fully cooperated with investigations conducted by the City Auditor, as well as the Austin Police Department.

Background

The draft investigation report addressed fraud allegations against former Austin Energy employee, Facility Service Specialist Mark Ybarra. The draft also identified allegations against former Facilities Supervisor Sammy Ramirez and current employee Utility Supply Chain Manager Renee Codina, for waste. Mr. Ybarra resigned from employment effective October 18, 2023, and Mr. Ramirez retired effective June 30, 2022.

Austin Energy management contacted the City Auditor's Office in October 2023 regarding concerns with Mr. Ybarra's Procard use, and noting that when pressed for details, he resigned.

Following a leadership transition within Austin Energy's Corporate Support Services (CSS) team in 2021, new management introduced enhanced oversight measures for procurement, contracting and purchase card transactions. These enhanced processes led management to discover suspicious purchasing activity, which was then reported to the Austin City Auditor's Office.

Actions

Upon discovery of the alleged fraud, Austin Energy acted by making key improvements to purchasing procedures and by resetting expectations for employees and leaders. Austin Energy's Corporate Support Services team implemented updates to purchasing controls and review processes. Key

Appendix D - Management Response

improvements included leveraging City-wide contracts to avoid an over reliance on Procards and more rigorous requirements for manager review and approval of transactions. The improvements also included stringent requirements for detailed descriptions, photo documentation to validate commodity purchases, references to work order numbers, and other supporting documentation. Additionally, staff are now required to obtain management approval prior to hiring vendors using a Procard and a new position has also been established within the group to add additional oversight and to better support sourcing needs.

The improvements established a more robust governance framework for procurement, contracting, and Procard oversight. The implementation of stronger controls underscores Austin Energy's ongoing commitment to accountability, transparency, and the responsible stewardship of City of Austin resources.

I am consulting with the human resources team to determine next steps in this matter, including any appropriate personnel actions.

Thank you for the opportunity to respond regarding this matter. Should you need additional information, please contact me.

Appendix E - Management Response

MEMORANDUM

To: Austin Auditor's Office

From: Jorge L. Morales, P.E., CFM, Director
Austin Watershed Protection

Date: November 17, 2025

Subject: **Austin Energy Fraud and Waste Investigation Response**

This memorandum serves as the department's formal response to the investigation report concerning allegations of fraud and waste involving Mark Ybarra, a former Facility Service Specialist at Austin Energy, who was found to have violated City Code.

The response specifically addresses a reference in the report concerning Ambrosia Ybarra, an employee of the Austin Watershed Protection Department, who held the position of Contract Management Specialist II and is the spouse of Mark Ybarra. According to the investigative findings, Ambrosia Ybarra did not cooperate with the Austin Auditor's Office by refusing to answer questions during a scheduled interview.

While the department was in the process of reviewing the incident and determining appropriate disciplinary action, Ambrosia Ybarra submitted a resignation, effective November 7, 2025. Given this resignation, no further administrative action can be pursued.

At this time, the department considers the matter closed, unless your office requires additional follow-up.

Investigation Criteria

Finding 1

§ 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).

§ 2-3-5 – Powers and Duties (A)(2)

FRAUD includes, but is not limited to:

(C) the intentional improper handling of or reporting of money or a financial transaction;

City of Austin Purchasing Office ProCard Policy

Accountholder:

4.2.4 Collects an itemized invoice and receipt (or an approved Missing Receipt Form) for each transaction, prints Payables Allocation report, makes paper copies of all receipts on thermal paper to ensure legibility over time, and attaches all paperwork to the report in the order the transactions are listed on the report.

Finding 2

§ 2-3-5 – Powers and Duties (A)(3)

WASTE means:

(b) the unnecessary incurring of costs to the City as a result of a grossly inefficient practice, system, or control.

Finding 3

§ 2-3-5 – Powers and Duties (Q)

City officials and employees shall cooperate with city auditor audits, investigations, and any other work specified in this section.

Methodology

We took the following steps to accomplish our investigation objectives:

- Analyzed forensic data
- Reviewed subject's purchasing card documentation
- Reviewed City vendor data
- Interviewed Austin Energy Staff
- Interviewed subjects, as available
- Reviewed applicable City Code and policies

CAIU Investigative Standards

Investigations by the Austin City Auditor's Office 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 Austin City Auditor's Office, 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 Austin City Auditor's Office 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

Austin City Auditor's Office
phone: (512) 974-2805
email: AustinAuditor@austintexas.gov
website: http://www.austintexas.gov/auditor

AustinAuditor
@AustinAuditor

Copies of our investigative reports are available at
http://www.austintexas.gov/page/investigative-reports

Alternate formats available upon request