



Wednesday, January 26, 2017

# City Investigations Brief and Unsigned

Twice the City of San Angelo conducted investigations into potential malfeasance, \$6 million in unauthorized billings by the city's trash hauler Republic Services and the unapproved purchase of over \$100,000 in Water Department furniture for the renovated City Hall. Neither document is signed. It's not clear who conducted either investigation. One is undated while a date appears to be in the title of the other.

**CITY OF San Angelo, TX Investigations**

**CITY OF SAN ANGELO**  
Republic Services Unauthorized Fees 2014-2015

**Water 2015/16 Furniture Purchase Investigation**

**OBJECTIVE**  
The objective of this review is to determine if environmental fees and fuel overcharges were authorized by City Council.

**BACKGROUND**  
A complaint had been made regarding unauthorized charges on Republic Services invoices as well as fuel surcharges being received by Republic Services for the management and disposal of material and to research such fees to determine if they were being charged and if so, if City Council authorized such fees.

**ADDITIONAL INFORMATION**  
In this review, all the following supporting documents were reviewed and analyzed:  
- Reviewed several months of Republic Services invoices for fuel surcharges.  
- Reviewed fuel bill for the month of November 2014.  
- Reviewed fuel bill for the month of December 2014.  
- Reviewed several months of Council meeting minutes to determine if such fees were authorized.  
- Reviewed all documents related to the furniture purchase.

**FINDINGS**  
1. It was determined that the fuel surcharges were not authorized by City Council. The Environmental Services Department was not aware of such fees being placed on all commercial customer bills.  
2. It was determined that a very small portion of the Fuel Recovery Fee was authorized by Council. It was determined that Republic Services was using a rate not authorized by Council. Republic Services was using a rate provided by the EPA. This would take the average price of fuel and use that to determine the recovery percentage to charge. In some cases, it was over 20%.

**CONCLUSIONS**  
In conclusion, Republic had been overcharging commercial customers for many years. The total amount that had been overcharged was two and a half million dollars. The total amount to be recovered. The Environmental Services Fee had never been authorized by Council. The Fuel surcharges were authorized based on computer use and frequency of job up. They were never authorized at the amount being billed. Republic was over charging all San Angelo and State a minimum of \$1 million a month. It is recommended the amount that will be paid back to commercial customers.

**Water 2015/16 Furniture Purchase Investigation**  
There are three major items with the purchase of furniture by the Water Utilities Department:  
1. The purchase was not approved by the City Council then above \$10,000.  
2. The purchase was made without obtaining a purchase order as required by law and policy law.  
3. The furniture was delivered and installed before following proper procedure above.

On February 11, 2015, Council agenda item was to review the City Council's approval of the purchase of furniture for the City Hall. The purchase was not approved by the City Council then above \$10,000. The purchase was made without obtaining a purchase order as required by law and policy law. The furniture was delivered and installed before following proper procedure above.

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On March 25, 2015, Council agenda item was to review the City Council's approval of the purchase of furniture for the City Hall. The purchase was not approved by the City Council then above \$10,000. The purchase was made without obtaining a purchase order as required by law and policy law. The furniture was delivered and installed before following proper procedure above.

On May 11, 2015, Council agenda item was to review the City Council's approval of the purchase of furniture for the City Hall. The purchase was not approved by the City Council then above \$10,000. The purchase was made without obtaining a purchase order as required by law and policy law. The furniture was delivered and installed before following proper procedure above.

On September 28, 2015, Council agenda item was to review the City Council's approval of the purchase of furniture for the City Hall. The purchase was not approved by the City Council then above \$10,000. The purchase was made without obtaining a purchase order as required by law and policy law. The furniture was delivered and installed before following proper procedure above.

On October 1, 2015, Council agenda item was to review the City Council's approval of the purchase of furniture for the City Hall. The purchase was not approved by the City Council then above \$10,000. The purchase was made without obtaining a purchase order as required by law and policy law. The furniture was delivered and installed before following proper procedure above.

On October 4, 2015, Council agenda item was to review the City Council's approval of the purchase of furniture for the City Hall. The purchase was not approved by the City Council then above \$10,000. The purchase was made without obtaining a purchase order as required by law and policy law. The furniture was delivered and installed before following proper procedure above.

Both documents are brief, one page for the Republic unauthorized charges investigation and three pages for the Furniture Fiasco. *San Angelo Live* sought more information on commercial trash over billing, while I researched the furniture debacle.

Oddly, Water Chief Will Wilde's leaving in the wake of the furniture situation made room for Ricky Dickson, a key player in long term trash unauthorized billing. City Manager Daniel Valenzuela chose to promote Dickson five months after the trash fee revelation. Did he know at the time that Dickson had been made aware of the over billing in 2011? That would've required a thorough and competent investigation.