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## Water Bureau acts on conflicts of interest, new purchasing procedures

News Article

# Fraud Hotline Follow-Up

The Auditor's Office in 2019 investigated allegations of conflicts of interest in Water Bureau purchases. This follow-up looks at the progress the Water Bureau has made to implement recommended changes.

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The Auditor's Office in 2019 investigated allegations of conflicts of interest in Water Bureau purchases. We found evidence of procurement and ethics violations and recommended corrective and preventative actions. The Bureau removed the conflict and now requires employees to disclose conflicts of interest. The Bureau worked with Procurement staff to develop a new policy for situations when it needs to purchase equipment outside of a competitive process.

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## Recommendation Status: Implemented

### Bureau investigated and took corrective actions



We recommended that the Bureau further investigate evidence we developed in response to conflict-of-interest allegations against a manager. The Bureau with the help of Human Resources completed the investigation and concluded there should be no discipline. The Bureau removed the manager from approving and overseeing purchasing decisions involving her spouse's employer. The manager also disclosed her conflict in writing.

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## Recommendation Status: Implemented

### Conflict of interest disclosure system implemented



We recommended that the Bureau implement a conflict-of-interest disclosure system for all employees and provide updated, regular training. The Bureau added information about conflicts of interest to the employee handbook. It now requires all staff to disclose conflicts in writing. The Bureau reports it has begun collecting signed acknowledgements of the handbook from existing staff and will require this at regular cycles in the future. All new employees will sign the acknowledgement when they have read the handbook. The Bureau said that relevant trainings are available when provided by the City.

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## Recommendation Status: Implemented

### Bureau strengthened purchasing procedures

We recommended the Bureau consult procurement experts to develop sound procedures that balance its frequent equipment needs and compliance with purchasing laws. The Bureau created a new policy to formalize the role Bureau purchasing staff play in ensuring compliance with purchasing laws. It also worked with City Procurement Office staff on another new policy to address

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situations when the Bureau does not use a competitive purchasing process while testing specific equipment or materials.

[View the hotline tip report and recommendations summary](#)