

Investigation of Allegations of Corruption in Engineering Services

Presented To: Audit Committee

Meeting Date: December 12, 2023

Type: Correspondence for Information Only

Prepared by: Ron Foster
Auditor General

Recommended by: Auditor General

Report Summary

This report provides information on the results of the investigation of allegations of corruption in Engineering Services.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

Financial Implications

No immediate financial implications.

Investigation of Allegations
of Corruption within
Engineering Services

December 11, 2023

Final Report



Summary

This investigation determined that the allegations of corruption within Engineering Services that were made by Frank Crupi of Road Surface Recycling Limited (RSR) were not supported by the available evidence.

Background

In August 2021, the City executed Contract ENG21-38 with RSR for resurfacing a portion of the Kingsway. RSR commenced work on June 20, 2023, and paved on June 21, 22, 28, 29, July 4 and 11. After identifying non-conformances within the work completed, the City issued a notice to cease all work on July 11, 2023. On July 13, 2023, the City issued a letter of non-conformance directing RSR to cease work.

On September 22, 2023, Frank Crupi of RSR emailed the media and members of Council alleging corruption within Engineering Services. No evidence supporting these allegations was provided by the complainant with his original submission.

Investigation Methodology

Due to the seriousness of the allegations received, the Auditor General's Office engaged an independent subject matter expert to provide quality control advice for this investigation. Thereafter, the following processes pertaining to the allegations were examined by the Auditor General's Office:

- conflict of interest management processes;
- purchasing and payment processes;
- change order management processes;
- warranty management processes; and
- issue management processes.

Allegation and Investigation Results

At the end of business on December 8, no evidence to support the allegations had been submitted by the complainant despite requests for information from the Auditor General's Office that were made on November 25 and November 27.

The results of our investigation are set out below:

Allegation	Investigation Results	Conclusion
<p>This whole city has a very corrupt core of people that are running the government bureaucracy.</p>	<p>The City's Employee Handbook contains several ethics-related policies which require conflicts of interest to be disclosed and which impose restrictions on the use of work-related information.</p> <p>Staff that have a direct or indirect pecuniary interest are required to make a declaration of conflict and are prohibited from participating in the vendor selection process by the City's Purchasing Bylaw.</p> <p>The City also has a whistleblower policy and a wrongdoing hotline that were established to encourage staff and members of the public to report wrongdoing to the Auditor General's Office for investigation.</p>	<p>Not supported by the available evidence</p>
<p>What is infuriating is that the Corruption in Sudbury is so blatant and in your face and they are getting taxpayers confused.</p>	<p>The City's Purchasing Bylaw and purchasing processes are led by purchasing staff rather than operational staff. These purchasing processes are established in a manner that encourages competition among suppliers; maximizes savings for taxpayers; ensures fairness, openness, accountability and transparency while protecting the best interests of the City.</p>	<p>Not supported by the available evidence</p>
<p>We're fighting a corrupt engineering department that has the full attention of the media.</p>	<p>The City's electronic bidding process is designed in a manner that provides open, fair, transparent, and competitive purchasing processes for engineering and construction services.</p> <p>The City's Engineering Services Division has established internal controls to manage construction projects. No evidence of wrongdoing or corruption was identified during our examination of these controls.</p>	<p>Not supported by the available evidence</p>
<p>The narrative the corrupt city employees are putting out there is RSR has failed and maintain status quo.</p>	<p>The City's communications regarding the stop-work order that was issued to RSR for the hot-in-place asphalt recycling project were all supported by factual information.</p>	<p>Not supported by the available evidence</p>