



**A Report to the
Austin City Council**

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City Auditor**

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**Neighborhood Housing & Community
Development: Conflict of Interest**

September 2016



REPORT SUMMARY

We found evidence indicating that Regina Copic, Real Estate Division Manager, Neighborhood Housing & Community Development, participated in decisions affecting her spouse's employer, providing a direct economic effect exceeding \$826,000. Her participation continued after she disclosed the conflict of interest to her supervisor.

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INVESTIGATIVE STANDARDS

Investigations by the Office of the City Auditor are considered non-audit projects under the Government Auditing Standards and are conducted in accordance with the ethics and general standards (Chapters 1-3), procedures recommended by the Association of Certified Fraud Examiners (ACFE), and the ACFE Fraud Examiner's Manual. Investigations conducted also adhere to quality standards established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Quality Standards for Investigations, 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. These responses are included as Appendix B and C of this report.

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Copies of our investigative reports are available on request from City Auditor's Integrity Unit



September 2016



Investigation Report Highlights

Why We Did This Investigation

We conducted this investigation consistent with our responsibility under the Austin City Charter and the City Code.

The objective of this investigation was to obtain sufficient evidence to indicate whether the subject may have committed a material violation of the City Code's standards of conduct or other criteria.



For more information on this or any
of our reports, email
oca_auditor@austintexas.gov

NEIGHBORHOOD HOUSING & COMMUNITY DEVELOPMENT: CONFLICT OF INTEREST

ALLEGATIONS

In October 2015, the Office of the City Auditor received an allegation that Regina Copic, Real Estate Division Manager in Neighborhood Housing and Community Development (NHCD), had a conflict of interest. Specifically, the allegation is summarized below.

Conflict of Interest:

- The informant alleged that Copic's spouse is an employee of a non-profit organization which receives funding from the City.
- The informant also alleged that Copic failed to recuse herself from participating in transactions affecting her spouse's employer.

WHAT WE FOUND

We found evidence indicating that Regina Copic, Real Estate Division Manager, Neighborhood Housing & Community Development, participated in decisions affecting her spouse's employer, providing a direct economic effect exceeding \$826,000. Her participation continued after she disclosed the conflict of interest to her supervisor. This act appears to constitute a violation of:

Conflict of Interest:

- City Code §2-7-63 (A) – Prohibition on Conflict of Interest
- City Code §2-7-65 (C) – Substantial Interest of Relative

BACKGROUND

The mission of the City of Austin's Neighborhood Housing & Community Development Department (NHCD) is "to provide housing, community development, and small business development services to benefit eligible residents, so they can have access to livable neighborhoods and increase their opportunities for self-sufficiency."

Among other activities, NHCD manages Housing Developer Assistance programs, which "provide financial assistance and information to non-profits so they can provide public facilities and/or public services to eligible low-income residents."

Regina Copic has been a City employee since 1997. In April 2009, Copic was promoted to her current position, Real Estate Development Manager. The Real Estate Development Manager's duties in NHCD include developing, monitoring, and negotiating loans for residential developments. From April 2009 to October 2015, among other tasks, Copic supervised employees working on Housing Developer Assistance programs.

INVESTIGATION RESULTS

We found evidence indicating that Regina Copic, Real Estate Development Manager, Neighborhood Housing & Community Development (NHCD), participated in decisions affecting an entity in which she had a substantial interest, even after she disclosed the conflict of interest to her supervisor. We did not evaluate the appropriateness of the transactions beyond Copic's participation.

Finding: Conflict of Interest

Regina Copic married in March 2012, less than a month after her spouse was hired by a non-profit organization. The non-profit organization has received (and currently receives) funding from the City to develop affordable housing. By late April 2012, her spouse's salary from his employer met the threshold constituting a "substantial interest" in City Code (see Appendix A). At that point, per City Code, Regina Copic also had a substantial interest in the non-profit organization because of her marriage.

Regina Copic stated that she verbally disclosed her husband's employment to her supervisor around the time of her marriage. Five months after Copic's marriage, NHCD management appears to have consulted with the Ethics & Compliance Team about the potential for a conflict of interest. Copic was then asked to provide the Department Director with a written recusal. Subsequently, in August 2012, Copic disclosed her conflict of interest regarding the non-profit entity in writing as required by City Code. Copic wrote in her disclosure that she would recuse herself from "matters concerning" the non-profit:

"As discussed, to stay clear of any perceptions of having a Conflict of Interest, it is in the best interest of the department that I will recuse myself in matters concerning [non-profit] funding or other benefits that they may receive from our department."

City Code requires supervisors to "reassign the matter" when an employee submits a disclosure of a conflict of interest in writing. However, after Copic submitted her disclosure, she continued to

supervise an employee handling applications for funding from the non-profit. We found that this reporting structure was not changed until October 2015, more than three years after Copic disclosed her conflict.

Copic signed 13 documents relating to transactions affecting the non-profit organization between the time her substantial interest became effective and her written disclosure. After Copic disclosed her conflict of interest to her supervisor in writing, she signed 35 more documents and was listed as the originator on two documents relating to transactions affecting the non-profit organization. The total calculable amount of “direct economic effect” on the non-profit organization as a result of the transactions appears to have been at least \$826,000. The documents Copic signed are described below.

Executive Action Forms

Several NHCD employees, including the Department Director, described these documents as “routing slips” which accompany underlying transaction documents requiring the Department Director’s signature and action by the department as described below. The Department Director uses the routing slips to see who has reviewed the underlying documents. The Department Director and Copic told our office that Copic’s signature on them indicates that she has conducted a review in her capacity as supervisor over the employees preparing the accompanying documents. Copic admitted signing the routing slips dealing with the non-profit organization’s projects.

INVESTIGATION CRITERIA

City Code §2-7-63 (A) Prohibition on Conflict of Interest

“A City official or employee may not participate in a vote or decision on a matter affecting a[n][...] entity [...] in which the official or employee has a substantial interest [...]”

See Appendix A for more details

Partial Release of Lien - Copic signed 42 Executive Action Forms used to prepare partial releases of lien. On at least one of these documents, Copic signed in the space marked for her subordinate who handles applications for funding. Witnesses told our office that without the partial release of lien, the non-profit organization could not sell property. It was not possible to determine the dollar value of the partial releases of lien, because the amount referenced on the forms was the value of the entire loan agreement, and not the portion of the lien being released.

Subrecipient (loan) Agreements - Copic signed 4 Executive Action Forms used to prepare loan agreements with the non-profit organization totaling over \$800,000. According to the language in the documents, these agreements provided for infrastructure development on a project of the non-profit organization and allowed the non-profit organization to provide loans to members of the public.

Payment Authorization

This document is used to arrange payment to a vendor. Copic signed a payment authorization to process a \$1,000 draw request on a construction loan to the non-profit organization. Copic stated that her signature was necessary to process the payment.

Certificate of Exemption and Memos

The Certificate of Exemption is a document used to indicate that a City department claims an exemption from State law provisions requiring competitive bidding for purchasing. Copic signed in the space marked "Originator; Recommended Certification" on a Certificate of Exemption, which helped enable the City to enter into a sole-source contract with the non-profit organization worth at least \$25,000. Copic was listed as the originator of two memos to staff with instructions or declarations about setting up the contract.

In October 2015, the department structure was reorganized, and Copic no longer supervised employees working on Housing Developer Assistance programs.

When interviewed by our office, Copic stated that she felt as though she had fulfilled all of the expectations of her as a City employee regarding disclosure of her conflict of interest and recusal when she disclosed her conflict of interest and recused herself.

Regina Copic's participation in decisions affecting an entity in which she had a conflict of interest appear to constitute violations of the following criteria, as detailed in Appendix A:

- City Code §2-7-63 – Prohibition on Conflict of Interest
- City Code §2-7-65(C) – Substantial Interest of Relative

METHODOLOGY

To accomplish our objective, we performed the following steps:

- reviewed applicable City Code and policy;
- conducted background research;
- conducted interviews with four NHCD employees, in addition to Regina Copic;
- conducted forensic analysis of computer data;
- obtained documents regarding the operations of the non-profit organization;
- obtained documents regarding transactions between the City and the non-profit entity;
- obtained documents regarding Regina Copic's spouse's employment with the non-profit entity;
- obtained documents regarding Regina Copic's employment with the City of Austin; and
- interviewed subject

APPENDIX A

INVESTIGATION CRITERIA

Conflict of Interest:

City Code §2-7-63 – PROHIBITION ON CONFLICT OF INTEREST

- (A) *A City official or employee may not participate in a vote or decision on a matter affecting a natural person, entity, or property in which the official or employee has a substantial interest [...]*

City Code §2-7-64 – DISCLOSURE OF CONFLICT OF INTEREST

- (C) *To comply with this section, a City employee shall notify in writing his supervisor of any substantial interest he may have in a natural person, entity or property which would be affected by an exercise of discretionary authority by the City employee and a supervisor shall reassign the matter.*

City Code §2-7-65 – SUBSTANTIAL INTEREST OF RELATIVE

- (A) *A substantial interest of a spouse of a City official or employee shall be deemed to apply to that official or employee for the purposes of Sections 2-7-63 (Prohibition on Conflict of Interest) and 2-7-64 (Disclosure of Conflict of Interest) concerning disclosure and recusal or reassignment.*
- (C) *A City official or a City employee may not participate in a vote or decision affecting a substantial interest of a person to whom the official or employee is related in the first or second degree of consanguinity or affinity. [...]*

City Code §2-7-2 – DEFINITIONS

- (1) *AFFECTED means in the case of a[n] entity [...], means reasonably likely to be subject to a direct economic effect or consequence, either positive or negative, as a result of the vote or decision in question. [...] The vote or decision need not be the only producing cause of the economic effect or consequence reasonably likely to result. In determining whether a person, entity or property is or was "affected by" a vote or decision, it shall not be necessary to prove the actual existence or occurrence of an economic effect or consequence if such effect or consequence would be reasonably expected to exist or occur. [...]*
- (4) *DECISION [...] A decision of a City employee means any action in which the employee exercises discretionary authority, including but not limited to the issuance of permits, imposition or collection of fines or fees, authorizations for expenditures, and other non-ministerial acts.*
- (5) *DISCRETIONARY AUTHORITY means the power to exercise any judgment in a decision or action.*
- (6) *ENTITY means a sole proprietorship, partnership, limited partnership, firm, corporation, professional corporation, holding company, joint stock company, receivership, trust or any other entity recognized by law through which business may be conducted, but does not include a governmental body.*
- (10) *SUBSTANTIAL INTEREST means an interest in another person or an entity if: [...] funds received by the person from the [...] entity either during the previous 12 months or the previous calendar year equaled or exceeded \$5,000 in salary [...]*

APPENDIX B

SUBJECT RESPONSE

August 30, 2016

Regina Copic
Real Estate & Development Manager
Neighborhood Housing and Community Development
Austin Housing Finance Corporation

Re: Response to City Auditor Draft Report

Nathan Wiebe:

I would like to thank the City Auditor's office for the opportunity to respond to the "Confidential Draft Report" forwarded to me by you on August 8, 2016. I believe upon reviewing this response and the citations the Draft Report itself makes, the City Auditor will conclude my signatures on certain Neighborhood Housing and Community Development ("NHCD") internal forms were performed "in a prescribed manner and not requiring the exercise of any judgment or discretion", that I complied with my obligations to disclose the potential conflict of interest and recuse myself from any decision making actions regarding my husband's employer, "the non-profit", that I chose not to subordinate to my Director, supervisor, who requested I attend meetings or sign forms related to the non-profit even after I disclosed the precarious position my husband's employment placed me in at work, and, that no fraud, abuse or illegality occurred.

In March of 2012 when my husband was considering a position with a non-profit housing provider I immediately advised my department Director [REDACTED] and Assistant Director [REDACTED] that my husband was considering this position. Shortly thereafter, when my husband accepted the position and was in the hiring process with the non-profit, I again verbally advised my department Director and Assistant Director that he had taken the position and that I would recuse myself from any funding considerations or recommendations regarding the non-profit and my staff would take all matters concerning the non-profit to the Director. I reiterated this concern, disclosure and recusal in an e-mail to the Director and Assistant Director on August 27, 2012. (Exhibit "A") I repeat this concern, disclosure and recusal as necessary. (Exhibit "B" most recent written recusal dated January 21, 2016)

The City Auditor's Draft Report concludes that because I signed certain internal City of Austin forms, ministerial acts under the Conflict of Interest ordinance, my "participation continued after she disclosed the conflict of interest to her supervisor." Yes, I chose not to be subordinate when my department Director established a structure that required me to sign forms in the chain of command knowing full well the conflict of interest I had disclosed and asked to be recused from. But nothing in the City Auditor's Draft Report details how signing these forms was not ministerial acts I was asked to perform, involving no discretionary decision making on my part.

§2-7-2(4) provides the following definitions:

- (4) **Decision** means any ordinance, resolution, contract, franchise, formal action or other matter voted on by the city council or other City board or commission, as well as the discussions or deliberations of the council, board, or commission which can or may lead to a vote or formal action by that body. A decision of a City employee means any action in which the employee exercises discretionary authority, including but not limited to the issuance of permits, imposition or collection of fines or fees, authorizations for expenditures, and other non-ministerial acts.
- (5) **Discretionary Authority** means the power to exercise any judgment in a decision or action.
- (8) **Ministerial Act** means an act performed in a prescribed manner and not requiring the exercise of any judgment or discretion.

The Office of the City Auditor's "Confidential Draft Report" (the "Draft Report") cites that I signed Executive Action Forms forwarding Partial Release of Liens and Subrecipient (Loan) Agreements; Certificate of Exemption and Memos; and Payment Authorization forms as proof of my violation of the City's §2-7-63, "Prohibition of Conflict of Interest" and §2-7-65(c), "Substantial Interest of Relative ordinances." However, I had disclosed my potential conflict of interest both verbally and in writing to my Director and department and under §2-7-2, I was not acting in a voting or decision-making capacity. The forms cited by the Office of the City Auditor are "ministerial acts" under the definitions provided in §2-7-2(8), which the Auditor does not cite in its draft report.

I am an employee of the City of Austin. I am neither an officer nor a director of the Austin Housing Finance Corporation. I do not participate in votes or decision making as to funding of subrecipients or other substantive transactions with AHFC. The Director of NHCD / Treasurer of AHFC signs all substantive documents such as "Releases of Liens". I sign the transmittal documents for documents such as "Releases of Liens", which are ministerial acts under the City Code.

As an example, I would refer the Auditor to the following provisions of the City of Austin's Department of Neighborhood Housing and Community Development's "Standard Process for NHCD – AHFC Contracts" (effective date July 25, 2016). "This Manual sets forth the standard process for contracts for the Department of Neighborhood Housing and Community Development (NHCD) and the Austin

Housing Finance Corporation (AHFC). ¹ The "Goal" of this manual is "to document the contract process to provide a standardized way in which to manage, administer and monitor NHCD-AHFC contracts consistently."² Standardized ways to manage, administer and monitor a matter does not equal decision making.

The Manual describes my division as follows:

Real Estate & Development

The Real Estate & Development Division provides financing for developing affordable housing, implements the City's Developer Incentive Programs as well as the development and revitalization of the East 11th and 12th Street corridor.

The City contracts with the Austin Housing Finance Corporation as a subrecipient, to administer housing programs.

The manual also explains AHFC's relationship to the City and function as follows:

1.2 The Austin Housing Finance Corporation

The Austin Housing Finance Corporation (AHFC) was created in 1979, as a public, nonprofit corporation and instrumentality of the City of Austin . . . The Austin City Council serves as the AHFC's Board of Directors.³

* * *

1.3 Roles & Responsibilities Related to NHCD-AHFC Contracts

NHCD Director / AHFC Treasurer

The NHCD Director / AHFC Treasurer has the authority and responsibility of maintaining efficient operations and determining the methods needed to accomplish the department's mission and objectives. In addition, he/she

¹ See page 4, first paragraph "Manual of the Standard Process for NHCD-AHFC Contracts" (the "Manual" hereinafter).

² See p. 5, first paragraph of Manual.

³ See p. 12 of Manual.

approves the applicable Contract Standard Operational Process and Procedures.⁴

I am not the NHCD Director nor the AHFC Treasurer. I do not have the authority to exercise "discretionary authority, including but not limited to the issuance of permits, imposition or collection of fines or fees, authorizations for expenditures, and other non-ministerial acts" when it comes to my husband's employer, the non-profit. As a manager, I ensure compliance with regulatory requirements for certain internal City of Austin forms and all applicable regulations, a purely ministerial act. I may have supervised an employee handling something related to the non-profit, but I did not manage or participate in decision making acts on those files and the Draft Report details no such decision making action on my part.

* * *

Managers and Supervisors

Managers and supervisors ensure compliance of grants and contracts with terms and conditions and applicable City of Austin, state and federal regulatory requirements. They supervise and provide support and guidance to Division staff.⁵

2.2 City Council Action / AHFC Board Action

Contracts that come about as a result of community request can **originate from City Council or AHFC Board Action.**

City Council Action

As established in the City Charter, the Austin City Council has the authority to direct City departments to research local initiatives, community-specific requests, and the Council's own proposals to fund a specific activity. The contracts derived from this option will follow the same internal procedures for review and approval according to the type of funding.

AHFC Board Action

The Mayor and Austin City Council Members comprise the Board for the Austin Housing Finance Corporation (AHFC). This Board has the same authority to direct the AHFC to research local initiatives, community specific requests, and Mayor/Council Member's proposals to fund a specific activity. The contracts

⁴ *Ibid.*

⁵ See p. 10 of Manual, 2nd full paragraph.

derived from this option will follow the same internal procedures for review and approval according to the type of funding.⁶

* * *

3.2.2 Step 3: Contract Development

The contracts are developed once the Department has received Authority to Use Grant Funds or local funds. The Director has authority to approve funding up to a certain dollar amount, all other funding must be approved by the City Council or the AHFC Board of Directors.

Subrecipient awards are provided by way of **Service or Loan Agreements (aka "Agreement")** between the subrecipient and either NHCD or AHFC. The Agreement cites all of the applicable federal regulations, state and local laws and contractual requirements. NHCD staff is assigned to a contract to administer and apply their knowledge of federal regulations, applicable Program Guidelines; understanding the subrecipient's processes and procedures related to the activity.

* * *

The Manual describes contract execution as follows:

3.2.4 Step 5: Contract Full Execution (Director's Office Division)

Contract execution procedures include sign-off by designated levels of authority.

This Manual follows the guidance established in Administrative Bulletin 03-01 (Revised November 11, 2007), <http://cityspace.ci.austin.tx.us/departments/hrm/policies-procedures/bulletins/03-01.pdf> titled "Delegation of City Manager's Signature Authority" for all NHCD and AHFC contracts and agreements.

Agreements administered through AHFC are executed by the Neighborhood Housing and Community Development Department's Director, or authorized assignee.

⁶ See pp 15-16 of Manual.

Agreements administered through NHCD are executed by the City's purchasing Department Office.

* * *

3.2.4.1 Director Contract Execution, Treasurer Contract Execution (AHFC) and Assistant City Manager Execution (Inter-local Agreements)

All documents received in the Director's Office for signature of the Director, Assistant Director and/or City Manager **must be logged in the Signature Log List and accompanied by a Transmittal Form.** Anything needing ACM (Assistant City Manager) signature must have a request ACM Signature Form filled out by the requestor.

The Auditor's Draft Report finds that I signed routing slips (Executive Action Form). Routing slips are *not* documents of substance. The signing of a routing slip is "an act performed in a prescribed manner and not requiring the exercise of judgment or discretion," the very definition of a "ministerial act". The NHCD Manual states:

Signatures on the Transmittal Form **are required**, and show that the contract **has been reviewed**. All required managers **must sign** the document (if required) **before** the Director, Assistant Director or Assistant City Manager signs.⁷

I will make available Exhibit "C" which is an example of the "NHCD EXECUTIVE ACTION" form. It demonstrates my signature as the "Manager (Real Estate & Dev.)", one of six (6) manager signatures, in addition to the Assistant Director and Director. The signing of this "NHCD Executive Action" form was not in a voting or decision making capacity. I signed this internal NHCD form to document my review of the attachment. Loan Agreements are prepared and routed after funding has already been approved by the Director/Treasurer and/or the City Council or AHFC Board. Also, release of liens for this project are authorized by the loan agreement. The non-profit satisfies the terms of the agreement by selling the property to the income eligible buyer. NHCD loan liens are removed at closing of each home. Again, I do not sign the release of lien and my signature on the Executive Action form forwarding these releases is a ministerial act.

In addition, the Certificate of Exemption was prepared by me at the request of the Director. My preparation of the Certificate and subsequent required memos was

⁷ See pp. 32-33 of Manual. No exceptions are made for required managers signatures on the internal City of Austin form.

a ministerial act. All discretionary authority was held by the director of the department who made the decision to hire the non-profit and authorized funding for same. Again, I prepared the paperwork at her direction and did not have discretionary authority to contract with the consultant nor did I authorize funding of the contract.

* * *

3.3.4 Step 10: Invoice Processing (Reimbursement) (All Divisions)

Contract provisions allow the City thirty-days (30) in which to remit reimbursement to a subrecipient or payment to contractor, from the time a timely, complete and accurate payment request has been received.

From Subrecipients

The types of documentation required to be submitted by each subrecipient for **payment requests** is based on the type of service(s) the Agency provides and will, therefore, vary from activity to activity.

To facilitate the actual draw-down of funds, NHCD staff generates and completes an NHCD and AHFC Payment Authorization, with which to reimburse the subrecipient. The system assigns an invoice number and the authorization is completed with the following information:

- Identification of the activity.
- Identification of the vendor (subrecipient).
- The vendor number.
- The period in which the performance was carried out.
- The dollar amount.
- Specifically where the funding is coming from.
- The number that appears on the physical invoice received from the subrecipient.

After NHCD staff develops an NHCD and AHFC Payment Authorization, it is signed by the staff first and then the Division Manager. The payment request package is subsequently forwarded to the Finance Division. The package includes the NHCD and AHFC Payment Authorization, the original subrecipient invoice and the completed ADAR form.

I did sign the Payment Authorization form due to the fact that the program manager was on an extended vacation. My signature is however, one step in a number of administrative control activities. The contract authorizes the payment of invoices. Contract staff review the invoice for accuracy and validity. Contract staff ensure the

invoice is eligible under the contract and in the case of construction, ensure that the work was completed. Contract staff prepare the Payment Authorization with invoice and supporting documentation and sign the authorization. This form is then required to be signed by the appropriate manager. The entire package is then forwarded to the Finance Division. The payment voucher is approved by the Finance Manager, before it is forwarded to COA central A/P department. Again, I believe my signature was a ministerial act however, in order to eliminate even the slight appearance of conflict I have asked contract staff to avoid giving me Payment Authorization forms that are related to my husband's employer, the non-profit.

Finally, I am confused as to why the City Auditor's Draft Report cites a finding of conflict with regard to §2-7-65 (A) and (C) (Substantial Interest of Relative). I assert that §2-7-65 (A) is not applicable as my husband is not operating as an individual but rather does business through an entity. The applicable code language that my situation falls under is actually §2-7-65 (B) (*Substantial Interest of Relative*), which provides as follows:

If the spouse of a City official or employee does business through a partnership or other entity, the substantial interest of that partnership or entity **shall not be deemed under Section 2-7-61** (Conducting Business Through Partnerships, Professional Corporations, and Other Entities) **to apply to the City official or employee.**

My husband works for, a non-profit organization, or other "entity" under §2-7-2(6), and under §2-7-65(B), the "substantial interest" my spouse may have regarding the non-profit and **should not be deemed under §2-7-61 to apply to me.**

§2-7-65 (C) (Substantial Interest of Relative) provides as follows:

A City official or City employee may not participate in a vote or decision affecting a substantial interest of a person to whom the official or employee is related...

At no time did I participate in a vote or decision regarding funding for the non-profit. The City Auditor's Draft Report does not specify any recommendations for funding or any decision making regarding funding for the non-profit by me after March of 2012 when I first notified my Department Director of the potential conflict of interest due to my husband accepting a position with the non-profit. The report does not show at any time that I had the ability to exercise discretionary authority that would benefit the non-profit. Indeed it does not because it cannot. All discretionary authority is held by the City Manager, the Director of NHCD, the Austin City Council and the AHFC Board. I have never operated with the intent to place

myself in a situation of conflict and believe I have met my obligations under the ordinance, and any action my Director requested I perform was not a choice or independent decision I made.

I can make available the three exhibits I reference upon your request. Thank you again for the opportunity to respond and for your consideration.

Best regards,

Regina Copic

Regina Copic
Real Estate & Development Manager

APPENDIX C

OFFICE OF THE CITY AUDITOR RESPONSE TO SUBJECT RESPONSE

We have reviewed the Subject Response. We believe our findings stand.

APPENDIX D

MANAGEMENT RESPONSE



TO: Nathan Wiebe, Chief of Investigations, Office of City Auditor

FROM: Rosie Truelove, Interim Director, Neighborhood Housing and
Community Development

DATE: September 14, 2016

SUBJECT: Draft Investigation Report (IN 16002): Regina Copic

The Neighborhood Housing and Community Development Department (NHCD) is in receipt of the draft investigation report regarding allegations against NHCD employee, Regina Copic. NHCD Management will collaborate with the NHCD HR staff to review the report, the preliminary findings, and then determine the appropriate next steps in this matter. Additionally, the Department will coordinate targeted training on the City's policy regarding "conflict of interest" for all staff members

Thank you, and please do not hesitate to contact me at 974-1049, if you need anything further.

Cc: Bert Lumbreras, Assistant City Manager