

Lorain Police Detective Captain M. Failing

Investigative Report #2023-Inquiry



On Thursday, April 27, 2023, Chief Jim McCann and I met with investigators from the Lorain County Prosecutor's Office regarding a complaint filed by Lorain City Auditor Karen Shawver. In meeting with Investigator Jay Loesch, he stated he met with Auditor Shawver regarding some "suspicious" higher position pay ("HPP") which was being received by former Lorain City Employee Mike Mattei. Loesch stated this was an investigation that fell within the jurisdiction of the Lorain Police Department and wished to turn the investigation over to us. Based upon our discussion, it was agreed the Lorain Police Department would investigate the case and the Lorain County Prosecutor's Office would remain as a consultant. Loesch stated he would turn over the files which had been provided to him for further review.

The investigation was assigned to myself, Captain Michael Failing.

Employees interviewed:

1. Superintendent of Billing and Metering, Carmen Dito
2. Lorain Chief of Staff, Rick Soto
3. Lorain Safety Service Director, Sanford Washington Jr.
4. Water Distribution Superintendent, Jim Malick
5. Lorain Utilities Director, Joe Carbonaro
6. Lorain City Auditor, Karen Shawver

DRAFT

8-8-23

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Documents/Evidence reviewed:

1. Billing Department HPP and Overtime Slips
2. Utility Admin HPP and Overtime Slips
3. Water Distribution HPP and Overtime Slips
4. Civil Service Agenda 4-11-23
5. Request for updated job description of Billing Office Division Crew Leader 4-5-23
6. Higher Position Pay report 5-20-22
7. Higher Position Pay report 7-15-22
8. Higher Position Pay report 7-29-22
9. USW6621 CBA 2020 through 2022
10. Brian Dull pay stub (Not a public record)
11. Ron Russell pay stub (Not a public record)
12. Mike Mattei pay stub (Not a public record)
13. Water Distribution Assignment Sheets
14. Office Crew Leader Job Description
15. Ordinance 172-22 Procurement Manager
16. Original Purchasing Inventory Clerk job description
17. Procurement Manager job description
18. Purchasing and Inventory Clerk job description
19. Calendar of events
20. Emails from Karen Auditor Shawver to department heads
21. Mike Mattei payroll history report (Not a public record)
22. Mike Mattei hours analysis report (Not a public record)
23. 2023 Position Budget Report

Initial Complaint / Interview with Karen Shawver

The following is a summary of the interview. It is not intended to be a verbatim account and does not memorialize all statements made during the interview. Communications by the parties were electronically recorded and the recordings capture the actual words spoken:

On May 2, 2023, I met with Auditor Karen Shawver in her office regarding the complaint. In speaking with her, she related the following:

Auditor Shawver stated her office¹ routinely conducts “spot checks” on payroll and requests certain records from City Departments. While reviewing these records, she noticed employee Mike Mattei was receiving higher position pay. Mattei was working in the Utilities Department in the Administration Division, which falls under the direction of Utilities Director Joseph (Joe) Carbonaro. The higher position pay that Mattei was receiving was from the Distribution Division, which falls under the direction of Water Distribution Superintendent Jim Malick.

Auditor Shawver stated after discovering the inconsistencies regarding Mattei’s HPP, she first contacted Malick. Auditor Shawver noted Mattei’s higher position pay was under the job of a Line Mechanic and Mattei works as a Purchasing and Inventory Clerk. Auditor Shawver quoted Malick’s response as being, “**Keep my name out of this.**” Auditor Shawver thought this was an odd response, considering Malick should know why someone is receiving higher position pay out of his office.

Earlier this year, Auditor Shawver sent out emails in preparation for the State Audit. The State Audit consists of Auditors from the State Auditor’s Office coming to the City of Lorain and inspecting the City’s records. The Auditors select random checks in different areas and follows the process from the Payroll Clerk to the Auditor’s Office to ensure the process is being followed correctly. They also speak with the Auditor directly and ask if there is anything that needs to be brought to their attention.

In preparation for the routine audit, Auditor Shawver asked the division heads, who had an abundance of overtime and higher position pay, for additional information pertaining to the July 1, 2022, payroll. *See below email chain.*

¹ The Auditor’s Office is responsible for all fiscal administration, including revenue projections and assisting the Mayor’s and City Council in preparation and administration of the City’s operating budget, capital outlay and debt management.

From: Shawver, Karen
Sent: Thursday, March 9, 2023 9:53 AM
To: Carbonaro, Joseph; Gerth, Julie
Cc: Franco, Lisa; Strader, John
Subject: FW: Hours Analysis Report

Good Morning

We are currently auditing one 2022 pay period to ensure current internal controls are effective and higher position being paid was accurate and properly authorized.

Please review the higher position hours that were paid for your department during the pay period beginning June 6, 2022 and ending June 19, 2022.

Please confirm these hours were correct and also provide details of what employee was out of position and/or position was vacant to substantiate the higher position pay for each of the employees listed.

Thank you for your cooperation and assistance.

If you have any questions, please contact me.

Karen Shawver

Auditor Shawver received the following email from Utilities Director Joe Carbonaro.

From: Carbonaro, Joseph
Sent: Thursday, March 9, 2023 10:10 AM
To: Shawver, Karen; Gerth, Julie
Cc: Franco, Lisa; Strader, John; Washington, Sanford; Soto, Rick
Subject: RE: Hours Analysis Report

Karen,

This hours analysis is accurate

Janette Pena – Filling in for the Superintendent of Billing & Meter (i.e. Office Manager – Utilities)
Michael Mattel – Compensated as Crew Leader as he was directing personnel in coordinating inventory and work efforts at Water Distribution (assigned a crew of personnel) and (as previously determined by the prior Director of Utilities, Paul Wilson, and approved at levels above the Director), per prior job description (“This position is at a level equivalent to crew leader”)
Joseph Carbonaro – Director of Utilities role

Let me know if you have any more questions

Thank you

Joe

Since Director Carbonaro indicated Mike Mattei was working as a crew leader² at Water Distribution, Auditor Shawver sent the following email to Malick, who oversees the Water Distribution Division. She also requested Director Carbonaro provide further documentation for the higher position pay that Mattei received.

From: Shawver, Karen
Sent: Friday, March 10, 2023 9:32 AM
To: Carbonaro, Joseph; Gerth, Julie; Malick, James
Cc: Franco, Lisa; Strader, John; Washington, Sanford; Soto, Rick
Subject: RE: Hours Analysis Report

Jim

The utilities director has indicated Mr. Mattei worked under your direction during this time period.

What employees was he overseeing and how long did the "inventory" project last? Did the other employees he was directing also work overtime during this period?

Joe-

Please provide the documentation/authorization for Michael Mattei's job grade change. Higher position is used for performing a job in which the position is temporarily vacant or unfilled. Who authorized this?

Also, during this pay period, there was a substantial amount of overtime paid at his regular rate. If he was performing higher position duties, why wouldn't he have received OT at the HP rate?

Thanks to both of you for assisting with this.

² A crew Leader is a supervisor position. The Employee does not have to have an actual crew assigned to them to receive this designation.

Auditor Shawver received the following response from Director Carbonaro:

From: Carbonaro, Joseph
Sent: Friday, March 10, 2023 10:00 AM
To: Shawver, Karen; Gerth, Julie; Malick, James
Cc: Washington, Sanford; Soto, Rick
Subject: RE: Hours Analysis Report

Importance: High

Karen,

I did not ever say he worked under the direction of the Water Distribution Superintendent. The Purchase and Inventory Clerk reports directly to the Director of Utilities or the Assistant Director of Utilities (if staffed). Please do not misconstrue my words. Additionally, any more questions you may have can be directed to the Office of the Safety/Service Director. As always, I'd be happy to sit down for a meeting to discuss any of this and give you more insight into how the Utilities Department operates.

Thank you

Joseph A. Carbonaro
Director of Utilities
City of Lorain
Office: 440-204-2500 Option 9

Auditor Shawver felt Director Carbonaro's response indicated he was getting irritated over her questions, which raised more red flags for her as an auditor. Auditor Shawver had also asked for an explanation for all the overtime in the Water Distribution Division. As of March 17, 2023, she had not heard anything back from Malick, so she sent the following email, while forwarding her original email dated March 9, 2023:

From: Shawver, Karen
Sent: Friday, March 17, 2023 10:15 AM
To: Malick, James <Jim_Malick@cityoflorain.org>; Washington, Sanford <Sanford_Washington@cityoflorain.org>
Cc: Strader, John <John_Strader@cityoflorain.org>; Franco, Lisa <Lisa_Franco@cityoflorain.org>
Subject: FW: Hours Analysis Report

Jim

This was sent to you last week, but I don't have a response as of yet. Please review the report and provide a response at your earliest convenience. Thanks.

Karen

Jim Malick responded to Auditor Shawver stating he must follow his supervisor's (Director Carbonaro) directives and enhanced, as well as highlighted Director Carbonaro's response about any more questions from her Office should be directed to the Safety/Service Director:

From: Malick, James
Sent: Friday, March 17, 2023 3:02 PM
To: Shawver, Karen; Washington, Sanford; Carbonaro, Joseph
Cc: Soto, Rick; Schilens, Pamela; Franco, Lisa; Strader, John
Subject: Hours Analysis Report

Hi Karen, I must follow my supervisor directives. See the email highlighted portion from the email below that I am following. I have no problem providing whatever documentation with the "proper chain of command" authorization.

Thank you, Jim Malick

Karen,

I did not ever say he worked under the direction of the Water Distribution Superintendent. The Purchase and Inventory Clerk reports directly to the Director of Utilities or the Assistant Director of Utilities (if staffed). Please do not misconstrue my words. Additionally, any more questions you may have can be directed to the Office of the Safety/Service Director. As always, I'd be happy to sit down for a meeting to discuss any of this and give you more insight into how the Utilities Department operates.

Auditor Shawver stated ultimately she found it odd that they were giving an employee a substantial amount of pay/overtime and did not want to provide her the proper documentation to justify the pay/overtime. In response, Auditor Shawver had a meeting with Safety Service Director Sanford Washington Jr. and Chief of Staff Rick Soto the following week. Auditor Shawver said she discussed the irregularities going on in the Utilities Department that she had uncovered, and the things (procedures) they were doing on their own. Because Director Carbonaro had indicated Mike Mattei's position had been approved by former Utilities Director Paul Wilson, and approved at level above a Director, Auditor Shawver assumed everything had been accepted by someone in the Mayor's Office and/or the Safety Service Director.

According to Auditor Shawver, Director Washington and Chief of Staff Soto claimed that they had no knowledge of the change of assignment for Mattei and they did not approve it. Auditor Shawver stated she had asked Director Washington and Chief of Staff Soto several times for information as to why this change had occurred for the upcoming audit. Auditor Shawver reported she did not receive anything in response to her request. Auditor Shawver said she told Director Washington to specifically ask Director Carbonaro why all of this occurred within a department under his direction. Meanwhile, the State Auditors came in the week of Easter. Auditor Shawver said she repeatedly asked all week for the information, but never received a response.

From: Shawver, Karen
Sent: Friday, March 31, 2023 11:26 AM
To: Soto, Rick
Subject: HPP

Rick

Was there an MOU for the billing office to add an officer crew leader? There is HPP being paid in conflict of the cba. Thanks.

From: Shawver, Karen
Sent: Tuesday, April 4, 2023 11:04 AM
To: Soto, Rick <Rick_Soto@cityoflorain.org>; Washington, Sanford <Sanford_Washington@cityoflorain.org>
Subject: FW: HPP

Good morning

Please advise of any MOU on this.

Also, please forward the request for HPP forms for all employees in the billing office during 2023 from the payroll clerk.

All HPP is to be requested by employees performing work for a person absent or for a vacant position before it is to be paid.

Thanks.

Karen

From: Soto, Rick
Sent: Tuesday, April 4, 2023 11:23 AM
To: Shawver, Karen; Washington, Sanford
Subject: RE: HPP

Hi Karen,

I have been looking into this from last week. I have not found any MOU specifically for an additional Crew Leader, and only find the one position that is listed in the CBA. I'm trying to gather some further information to be able to share with you. I will ask billing for their HPP sheets so that I can forward them to you.

Thanks,
Rick

From: Shawver, Karen
Sent: Monday, April 10, 2023 11:38 AM
To: Soto, Rick; Washington, Sanford
Subject: RE: HPP

Good morning

Since the Zupka audit team is here this week, I need the HPP sheets. Were they sent to you?

Thanks.

Karen

From: Shawver, Karen
Sent: Tuesday, April 11, 2023 8:36 AM
To: Soto, Rick <Rick_Soto@cityoflorain.org>; Washington, Sanford <Sanford_Washington@cityoflorain.org>
Subject: RE: HPP

Good Morning

Please provide the information as this is the second day of only four the Zupka team will be here in our office.

Thank you.

Karen

From: Soto, Rick
Sent: Tuesday, April 11, 2023 10:43 AM
To: Shawver, Karen
Cc: Washington, Sanford
Subject: RE: HPP

Hi Karen,

Just a quick question. The HPP forms being requested are for the dates that Anita sent to Sanford?

Pay period:	6	Pay date:	March 25, 2022
	10		May 20, 2022
	14		July 15, 2022
	22		Nov. 4, 2022

Thanks,
Rick

From: Shawver, Karen
Sent: Tuesday, April 11, 2023 10:52 AM
To: Soto, Rick <Rick_Soto@cityoflorain.org>
Cc: Washington, Sanford <Sanford_Washington@cityoflorain.org>
Subject: RE: HPP

Each pay period, any employee requesting higher position completes a form to request the HPP and gives to payroll for approval. The forms are to be kept with the payroll paperwork each pay. The payroll clerk should be easily able to forward all copies that were given to him/her each pay period.

Scan them over. No need for hard copies.

From: Soto, Rick
Sent: Tuesday, April 11, 2023 10:56 AM
To: Shawver, Karen
Cc: Washington, Sanford
Subject: RE: HPP

Hello again,

Joe C. had asked about the time frame. I sent him the request for all forms. Once we receive them I will forward them to you.

Thanks again,
Rick

From: Shawver, Karen
Sent: Wednesday, April 12, 2023 11:48 AM
To: Soto, Rick
Cc: Washington, Sanford; Franco, Lisa; Strader, John
Subject: RE: HPP

Twenty four hours after you indicating he was gathering the information on day three of four for our audit team.

Is this insubordination Rick?

How can you permit him to ignore your directive?

I will be instructing Lisa Franco to override any HPP hours to 0 in the next payroll for UT-Billing since these hours cannot be paid without the proper and requested documentation.

From: Shawver, Karen
Sent: Thursday, April 13, 2023 4:24 PM
To: Soto, Rick <Rick_Soto@cityoflorain.org>
Cc: Washington, Sanford <Sanford_Washington@cityoflorain.org>; Franco, Lisa <Lisa_Franco@cityoflorain.org>; Strader, John <John_Strader@cityoflorain.org>
Subject: RE: HPP

Rick

This is the fourth day of the audit team in the office here. Since the requested information has not been provided, as indicated, no further HPP will be paid in the UT-Billing department. Also, the Auditor's office will take the necessary steps through a different course of action to obtain the documents.

The administration's failure to oversee their employees who willfully disregard authority is very disappointing.

Thanks.

Karen

From: Soto, Rick
Sent: Thursday, April 13, 2023 4:28 PM
To: Shawver, Karen
Cc: Washington, Sanford; Franco, Lisa; Strader, John
Subject: RE: HPP

Karen,

Mr. Carbonaro has been given the directive from Sanford to provide the HPP sheets that you have requested. I had hoped that this had been taken care of by now. I will check once more with him to see where they are at.
Rick

Auditor Shawver stated the State Auditor's did not come back to the office on that Friday therefore, she did not send an email to Soto on that day. Auditor Shawver admitted her emails were perhaps "not as nice" as the week progressed, as she had become frustrated with the Administration for allowing one of their employees to be insubordinate by not complying with the directive to turn over the requested documents. Auditor Shawver ultimately said she wanted answers to the following questions to satisfy her inquiry:

- Who approved Mike Mattei overtime?
- Why was Mike Mattei receiving so much overtime?
- Where are the higher position pay forms?

In reviewing the email chain, it appears although Auditor Shawver was requesting the information from Rick Soto, he was not in Director Carbonaro's 'chain of command' and therefore, Soto forwarded the information to Director Washington. Soto was also under the understanding that the matter had been resolved.

Lunch Hour Overtime

Late last year, the Auditor's Office began looking into the issue of lunch hour overtime. All hourly employees receive an hour paid lunch. A city employee only works seven hours a day and has a one-hour paid lunch. In some emergency circumstances, employees might have to work through their lunch period, such as addressing a broken water line or filter. Generally, the practice in these circumstances would be the employee either went home early that day, or would come in late the next day to make up the time during the remainder of the work week. However, the Utilities Department was commonly paying their people overtime. The issue being, in addition to the paid lunch that was built into their schedule, workers were also submitting for an additional time and a half compensation for working during their lunch period. Auditor Shawver stated this practice was in conflict with the Collective Bargaining Agreement (CBA) which stated:

Article 14, Section 2: "An overtime premium rate of one and one-half (1 ½) time the employees regular base rate of pay, shall be paid to all bargaining unit employees for:

- 1. Hours worked in excess of eight (8) hours in a work day.*
- 2. Hours worked in excess of forty (40) hours in a work week"*

The Auditor's Office told the Utilities Department that if they had to work through the lunch period, they would have to be given the opportunity to either leave early or make up the time during the pay period.

I also learned some time ago a precedence was established in the Engineering Department with respect to additional compensation for the lunch period. The precedence being, should an employee not take a lunch, they would be compensated an additional hour at their regular rate. The Utilities Division was allegedly advised that this was how they could be handling their lunch issue as well.

The Public Property Department handles working through lunch by allowing the employee to leave an hour early. This is how the Mayor wanted the Utilities Department to handle the lunch hour issue. It should be noted, none of these solutions are addressed by the CBA.

According to Auditor Shawver, around the first of the year³, Rick Soto had a meeting with Director Carbonaro regarding the hour lunch issue. As a result of that meeting the practice was supposed to cease. However, when Auditor Shawver ran the reports, she discovered the issue was still occurring until April. It also appeared to her the practice was being permitted as a way to boost an employees' pay.

Auditor Shawver had also heard rumors that certain city managers would meet at the Black River Plant for lunch every day and Mike Mattei began attending those lunches. Meanwhile, he was still putting in for overtime allegedly for working through lunch.

Auditor Shawver, after receiving no answers in response to her multiple inquiries, went to the Lorain County Prosecutor's Office to have these matters investigated. She felt there could be criminal activity occurring in the Utilities Department, based upon what her office uncovered and due to the lack of cooperation she was receiving.

Purchasing Inventory Clerk:

The City of Lorain Utilities Department has a position called the "Purchasing and Inventory Clerk." According to the job description adopted in November 2009, the Clerk was responsible for purchasing and maintaining an adequate supply of all materials needed to operate and maintain all divisions of the Utilities Department, including, but not limited to paper products, office supplies, safety equipment, PPE, hydrants, castings, and pipe.

³ January of 2023.

In February of 2023, the job description was revised to include some of the duties in which Mike Mattei was receiving higher position pay for such as: (1) Coordinating street repairs after water and sewer line excavations; (2) Repairs with personnel within the City's Public Property Department; and/or (3) Repairs with a City Contractor awarded for said work.

Since 2009, there have been several employees who had filled the role of a Purchasing and Inventory Clerk. Historically, the position has not come with an abundance of overtime, at least until employee Mike Mattei was assigned to the position. Starting in or around October 2021, the amount of overtime hours suddenly changed.

Comparable Purchasing Inventory Clerk Pay

Ron Russell was the purchasing clerk prior to Mike Mattei. Over the course of five years Russell had minimal overtime. In the year 2020, Russell had **no overtime** and only sixty hours of higher position pay for the year.

Payroll History Report
Pay Date Range 01/01/20 - 12/31/20
Selected by Employee

Employee	2964 - Russell, Ronald William JR				
Hours Description	Hours	Gross	Withholdings and Deductions	Gross Base	Benefits
01 - Regular Hours	1,768.0000	42,164.31			
07 - Higher Position	60.0000	7,058.45			
Total		\$50,881.04			

Likewise, Brian Dull who had been appointed to the job of purchasing clerk after Mike Mattei had resigned from the City, has not received any overtime compensation. In reviewing Dull's hour analysis report, he had **no overtime, no higher position pay, nor has he needed to work through his lunch hour.**



Hours Analysis Report

Work Date 02/27/23 - 04/28/23

Sort by Employee

Report Type Detail - Employee - Hours Code

Employee	Work Date	Week Day	Hours Code	Hours	Gross	Reason Code
3009 Cui, Brian	02/27/2023	Monday	Regular Hours	8.0000	222.81	
	02/28/2023	Tuesday	Regular Hours	8.0000	222.81	
	03/01/2023	Wednesday	Regular Hours	8.0000	222.81	
	03/02/2023	Thursday	Regular Hours	8.0000	222.81	
	03/03/2023	Friday	Regular Hours	8.0000	222.81	
	03/06/2023	Monday	Regular Hours	8.0000	222.81	
	03/10/2023	Friday	Regular Hours	8.0000	222.81	
	03/13/2023	Monday	Regular Hours	8.0000	222.81	
	03/14/2023	Tuesday	Regular Hours	8.0000	222.81	
	03/15/2023	Wednesday	Regular Hours	8.0000	222.81	
	03/16/2023	Thursday	Regular Hours	8.0000	222.81	
	03/17/2023	Friday	Regular Hours	8.0000	222.81	
	03/20/2023	Monday	Regular Hours	8.0000	222.81	
	03/21/2023	Tuesday	Regular Hours	8.0000	222.81	
	03/22/2023	Wednesday	Regular Hours	8.0000	222.81	
	03/23/2023	Thursday	Regular Hours	8.0000	222.81	
	03/24/2023	Friday	Regular Hours	8.0000	222.81	
	03/27/2023	Monday	Regular Hours	8.0000	222.81	
	03/28/2023	Tuesday	Regular Hours	8.0000	222.81	
	03/29/2023	Wednesday	Regular Hours	8.0000	222.81	
	03/30/2023	Thursday	Regular Hours	8.0000	222.81	
	03/31/2023	Friday	Regular Hours	8.0000	222.81	
	04/03/2023	Monday	Regular Hours	8.0000	222.81	
	04/04/2023	Tuesday	Regular Hours	8.0000	222.81	
	04/05/2023	Wednesday	Regular Hours	8.0000	222.81	
	04/06/2023	Thursday	Regular Hours	8.0000	222.81	
	04/07/2023	Friday	Regular Hours	8.0000	222.81	
	04/10/2023	Monday	Regular Hours	8.0000	222.81	
	04/11/2023	Tuesday	Regular Hours	8.0000	222.81	
	04/12/2023	Wednesday	Regular Hours	8.0000	222.81	
	04/13/2023	Thursday	Regular Hours	8.0000	222.81	
04/14/2023	Friday	Regular Hours	8.0000	222.81		
04/17/2023	Monday	Regular Hours	8.0000	222.81		
04/18/2023	Tuesday	Regular Hours	8.0000	222.81		
04/19/2023	Wednesday	Regular Hours	8.0000	222.81		
04/20/2023	Thursday	Regular Hours	8.0000	222.81		
04/21/2023	Friday	Regular Hours	8.0000	222.81		
Employee Summary			Hours Code	Hours	Days	Gross
			Regular Hours	296.0000	37.00	8,243.97

On February 9, 2021, Mike Mattei was appointed to the position of Purchasing and Inventory Clerk by Safety Service Director Sanford Washington. In reviewing Mike Mattei's paychecks, he received sixty-five (65) hours of regular overtime that year; he also received one hundred and eighty-four hours of higher position pay; and finally, he received sixty-seven hours of higher position pay overtime.

During the 2021 calendar year, Mike Mattei was detailed with moving inventory to the new Utilities Distribution Department on Westpark Drive. Mike Mattei's overtime and higher position pay would continue to increase in 2022 and was reduced in 2023 for the two and a half months he that he was employed.



Payroll History Report

Pay Date Range 01/01/21 - 12/31/21

Selected by Employee

Employee 2875 - Mattei, Michael

Hours Description	Hours	Gross
01 - Regular Hours	1,777.0000	41,758.12
02 - Overtime - Time + 1/2	65.7500	2,557.95
02# - Higher Pos - Time +1/2	67.0000	2,789.48
07 - Higher Position	184.0000	4,887.84

Withholdings and Deductions	Gross Base	Benefits	Amount
[Redacted]			

Total \$61,474.16



Payroll History Report

Pay Date Range 01/01/22 - 12/31/22

Selected by Employee

Employee 2875 - Mattei, Michael

Hours Description	Hours	Gross
01 - Regular Hours	1,390.0000	37,246.32
02 - Overtime - Time + 1/2	412.2500	16,577.66
025 - OT at straight time	15.0000	402.45
07 - Higher Position	400.0000	11,441.52

Withholdings and Deductions	Gross Base	Benefits	Amount
[Redacted]			

Total \$75,562.62



Payroll History Report
 Pay Date Range 01/01/23 - 03/15/23
 Selected by Employee

Employee	Hours Description	Hours	Gross	Withholdings and Deductions	Gross Base	Benefits	Amount
2875 - Mattei, Michael							
	01 - Regular Hours	180.0000	4,829.40				
	02 - Overtime - 1/2 hr x 1/2	39.0000	764.68				
	02S - OT at straight time	11.0000	285.13				
	Total		\$11,742.34				

In 2023, the higher position pay for Mike Mattei, along with the higher position pay overtime also ceased. This was due to Auditor Shawver refusing to pay for in her opinion, the unjustified higher position pay. Mike Mattei was still collecting overtime at straight pay for working through his lunch hour.

New Procurement Manager Position

In August of 2022, the Lorain Civil Service Commission approved a new position called the “Procurement Manager.” Following that approval, Lorain City Council voted and passed an ordinance⁴ related to the new position on September 6, 2022. Rumors were circulating at the time that the position was created for Mike Mattei and incorporated all of the duties which he was currently assigned to. The new position was a manager’s position and managers do not receive any overtime. This position would be about the same pay as Mike Mattei was currently making with all of his overtime. It was also rumored that the new position would cause the current purchasing and inventory clerk position to be abolished.

Multiple qualified people applied for the new position, which caused friction between Mike Mattei and other employees. Mike Mattei ended up having several outbursts with other city employees and one day and was even sent home. It is unknown whether Mike Mattei believed his job would be eliminated if the new position were filled by another employee.

Mike Mattei eventually resigned⁵ from his employment with the City.

⁴ Ordinance 172-22.

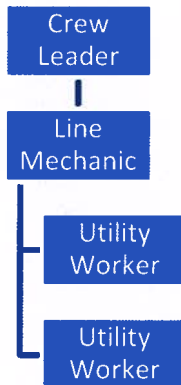
⁵ January 20, 2023

Jim Malick Interview:

The following is a summary of the interview. It is not intended to be a verbatim account and does not memorialize all statements made during the interview. Communications by the parties were electronically recorded and the recordings capture the actual words spoken:

On May 17, 2023, I met with Water Distribution Superintendent Jim Malick in my office. In speaking with him, he indicated he was responsible for 19 employees but Mike Mattei was not one of them. Mike Mattei did have an office in the Water Distribution Department, which is why someone might have believed that he worked there. However, Mike Mattei worked for Director Joe Carbonaro and only answered to him.



Malick explained the organizational structure of a crew, which consisted of a Crew Leader, Line Mechanic and two Utility Workers. If the Crew Leader was absent from a job, the Line Mechanic would receive higher position pay.



Malick said he would occasionally assign some of his workers to assist Mike Mattei with inventory; however, this was only on occasion. Malick stated he was not really sure what Mike Mattei’s job consisted of, as he did not work for him. Malick reported that he was also not responsible for approving any of Mike Mattei’s higher position pay or his overtime.

All of the crew leaders working under Malick are required to fill out a daily log. Malick said he was unsure if Mike Mattei had the same requirement. These daily logs are filed with the local secretary and not forwarded to the Utilities Director.

In regards to the email from Auditor Shawver suggesting Mike Mattei was working under the Water Distribution Department, Malick said some of the inventory was in Water Distribution, but Mike Mattei never worked under that division. Malick would have Water Distribution Assignment Sheets to show when his personnel were assigned to assist Mike Mattei with inventory duties.

GAS EMERG - 1-800-344-4077		LORAIN DISTRIBUTION		LAB - CALL OFFICE DURING THE DAY	
OHIO EDISON EMERG 1-800-527-8059		1-25-23		PUMP HOUSE AFTER HOUR	
MARKINGS 1-800-445-3894		WEDNESDAY			
Crew 1	Thacker	Hunyad	Carter	Patouhas	*ADMINISTRATIVE STAFF*
Assignment 1	Clean & sanitize shop / Bathrooms / Foyer / Outside sidewalks / Sweep bays / Empty all garbage's / etc.				Jim Malick - Superintendent
Assignment 2	Clean / Grease and Restock ALL equipment (including Assigned)				Gabriel Ramos - Assistant
Assignment 3	Calls				Therese Meyer - Secretary
Assignment 4					RED - NOT SCHEDULED OFF
Assignment 5					**CREW LEADERS**
Crew 2	Kneisel	White	Wilson	McNamara	1 Tony Thacker
Assignment 1	Assist Fuqua turning valves for contractor tie ins				2 Ken Kneisel
Assignment 2	Clean / Grease and Restock ALL equipment (including Assigned)				3 Barry Whitfield
Assignment 3					4 Keith Wyatt
Assignment 4					
Assignment 5					**LINE MECHANICS**
Crew 3	Whitfield	Hembree	Lewis		1 Jason Fuqua
Assignment 1	Whitfield - Inventory Stock with Wyatt 				2 John Hunyad
Assignment 2	Hembree / Lewis - Clean / Grease and Restock ALL equipment (including Assigned)				3 Ronzal White
Assignment 3					4 Cody Hembree
Assignment 4					
Assignment 5					**UTILITY WORKER**
Crew 4	Wyatt	Fuqua			1 Matt Harkins
Assignment 1	Fuqua - With Contractors				2 Myron Wilson
Assignment 2	Wyatt - Change code on Mattei's entrance door - see gabe				3 James Carter
Assignment 3	Wyatt - Inventory Stock with Whitfield 				4 Elaine McNamara
Assignment 4	Clean / Grease and Restock ALL equipment (including Assigned)				5 Theodore Patouhas
Assignment 5					6 Quindoo Lewis

In regards to the lunch overtime issue, his personnel would call in and get approval from Malick in order to work through lunch. This was approved on a case-by-case basis. Malick said it did not happen often, but cited examples, such as if part of the city was out of water, it would be a priority to restore water which would cause the employee to work through lunch. In the event they did work through lunch, the employee would either go home early, or they would come in late the next day to even out the time. In any event, as the head of Water Distribution, Malick said he would have to approve any change to the employee's working hours.

Carmen Dito Interview:

The following is a summary of the interview. It is not intended to be a verbatim account and does not memorialize all statements made during the interview. Communications by the parties were electronically recorded and the recordings capture the actual words spoken:

On May 16, 2023, I met with Carmen Dito at the police department. Dito is the Superintendent of Billing and Metering for the Utilities Department. Dito explained that there were currently several open positions in her department. She said metering rarely receives any overtime; however, billing does receive overtime, as the workers receive over three hundred calls a day. This is in addition to processing payments. The work load in billing comes and goes in streaks, as the customer payments for the month come in early and tapers off at the end of the month. Everything

is also time sensitive, as people are moving in and out of residences all the time and escrows need to be worked on in a timely manner. The cycle then repeats the following month.

Dito said she offers overtime to catch up on the work load. It was proposed that she hire another person, but then she would have to train and find space for them. In conducting a cost analysis, it was cheaper to pay overtime when it was needed versus hiring a new employee.

In regards to the lunch overtime issue, in her Department when the employees work through lunch, it is considered “quiet time,” meaning they do not have to answer phones and can move around to file paperwork and catch up. Lunch overtime is always approved by Dito prior to the employee working the hours. Usually thirty minutes before the scheduled lunch the employee will come to her and justify why working through lunch is necessary.

When working through lunch, the new overtime calculation is that an employee would receive one hour of straight time.⁶ Previously it had been calculated as “time and a half,” but that was apparently wrong, as the Engineering Department changed the calculation, but Dito received the notice to change after the fact.

When overtime or higher position pay is worked in the Utilities Department, the employee must fill out a slip explaining what the overtime was for. It is then approved by the supervisor and sent to Julie Gerth⁷ who looks it over and catches any mistakes before forwarding it to Director Carbonaro.

Rick Soto Interview:

The following is a summary of the interview. It is not intended to be a verbatim account and does not memorialize all statements made during the interview. Communications by the parties were electronically recorded and the recordings capture the actual words spoken:

On May 11, 2023, I met with Chief of Staff Rick Soto regarding the Mike Mattei higher position pay matter. Soto said he was asked by Auditor Shawver to look into the higher position pay and overtime situation, as he is the final person who signs off on the paper work prior to payroll.

Soto said in reviewing the paperwork, he noticed certain employees were always working through lunch and some were getting higher position pay pretty consistently. A meeting⁸ was set up with Director Carbonaro, Director Washington, and Mayor Bradley where the Mayor asked for an explanation. Director Carbonaro said Mike Mattei was filling a position and that he received deliveries all throughout the day, which is why he works through lunch. According to Soto, Director Carbonaro had authorized the higher position pay as well as the lunch overtime. As a result of the meeting, no overtime was to be approved for Mattei without the consent of Director

⁶ There is a grievance pending over the contract language.

⁷ Julie Gerth is the accounts clerk.

⁸ February / March 2023.

Washington. Since the directive, overtime had only been authorized twice that he was aware of. Soto's review also revealed an inconsistency on how each Department was distributing overtime.

Chief of Staff Soto made it clear that he was outside the chain of command for the city department heads. They all answer to Safety Service Director Washington, while Soto answers directly to the Mayor; therefore, Soto cannot order a city department head to do anything.

Sanford Washington Jr. Interview:

The following is a summary of the interview. It is not intended to be a verbatim account and does not memorialize all statements made during the interview. Communications by the parties were electronically recorded and the recordings capture the actual words spoken:

On May 16, 2023, I conducted an interview with Safety Service Director Washington in his office. When asked why Auditor Shawver had not received the information she requested from Director Carbonaro, Washington said he was unsure if she had received it or not. Director Washington stated that he had instructed Director Carbonaro to provide Auditor Shawver with the requested information, and any distinct information she needed they could work that out between themselves.

The Mayor brought Director Carbonaro in and issued a directive in the end of February, early March, that any overtime in the Utilities Department was to be approved by Director Washington first. Since the directive, Director Carbonaro has only requested overtime approval twice, once in March and once in May. Both times it was in regards to the Billing Department needing overtime.

In regards to Mike Mattei's overtime, Director Carbonaro provided the reason some vendors could provide the city with certain products. Mike Mattei was tasked with finding the products at a reduced cost due to pending projects. This task caused overtime.

When the new Procurement Manager position opened up, several qualified applicants applied, making it practically impossible for Mike Mattei to obtain the position. Mike Mattei was reportedly upset about this and eventually separated from city employment, thus ending overtime in his position.

When questioned why Mike Mattei was receiving higher position pay and overtime for all of 2022, Washington stated he was never notified of this. He said Paul Wilson, the former Utilities Director, may have authorized the overtime. As for Director Carbonaro's response in the emails that it was approved at the Director's level or higher, Washington said he had no recollection of that.

Washington stated he was involved in creating the job of Procurement Manager, but was unaware the job was possibly being filled prior to the position opening up. Currently, the job of procurement manager has not been filled.

From what I showed SSD Washington based on payroll records, he agreed that the overtime appeared to be out of hand. No changes have been received from Director Carbonaro in regards to any overtime because it has ceased since Mike Mattei's departure with the City. It will be awhile until the city can measure if all of the overtime was warranted.

Evaluation of Mike Mattei pay sheets:

In reviewing Mike Mattei's pay sheets starting in September 2021, he was assigned a crew⁹ from the Water Distribution Department to assist him in the process of moving the inventory to the new West Park facility. The Collective Bargaining Agreement allows for a bargaining unit employee to temporarily fill a higher position, or to perform duties equivalent to a higher position to receive the designated pay for that position.¹⁰ While it is reasonable to attribute several days to this being the reason Mattei was receiving higher position pay, there are several days where no crew from Water Distribution was assigned to work with him.

In November 2021, the move to the Westpark Facility was still in transition. On the third, fourth, and fifth, of November, full crews along with crew leaders were assigned to assist in the move. Mattei still received higher position pay, even though there were other crew leaders there to supervise. By the end of November, it appeared the move was complete, and the higher position pay for Mattei should have ceased.

Throughout 2022, Mattei consistently worked through lunch and registered an additional hour or more of overtime per day. In May of 2022, Mattei received higher position pay again, this time for concrete work with Falbo Construction, which was not in the job description of the Utilities Department's Purchasing and Inventory Clerk. While working this concrete job, Mattei continued to work through lunch (WTL) and received overtime each day.

The concrete jobs continued through September. Mattei received overtime the majority of the time, presumably to work in his primary job as a Purchasing and Inventory Clerk. The last week of August and first week of September, Mattei was still listing concrete work on his time sheets, but was no longer being compensated with higher position pay; however, the regular WTL and daily overtime remained. It was also during this period Lorain City Council had voted on the new job of a procurement manager, which Mattei believed he was the front runner for. The job was posted by the Civil Service Commission on October 12, 2022.

The individual (Ron Russell) who had the purchasing job prior to Mattei's appointment rarely received any overtime. Dull, who is currently filling the position, also rarely receives any overtime. While Mattei was working the position, he received overtime and worked through lunch

⁹ Crew could be one person or multiple people.

¹⁰ Article 16; Section 2.

nearly every day. It should be noted, he was not performing the work of an inventory clerk in May, June, July, and August, but still maintained a consistent amount of overtime in that position and worked through his lunch.

In August 2022, while working the concrete detail, Mattei had received overtime every day for working through lunch. In addition, Mattei received twenty-six (26) hours of additional overtime for the month.

In October 2022, in addition to the one-hour lunch overtime, Mattei received twenty-four (24) hours of overtime, while only assigned to his normal duties as a purchasing clerk.

It appears whatever job Mattei was working that month, he would receive a consistent amount of overtime.

Joe Carbonaro Interview:

The following is a summary of the interview. It is not intended to be a verbatim account and does not memorialize all statements made during the interview. Communications by the parties were electronically recorded and the recordings capture the actual words spoken:

On June 21, 2023, I met with Director Joe Carbonaro at the Lorain Police Department. Carbonaro stated he was not ordered, or given a directive to be at this interview, but Director Washington did request him to meet with me and to answer some questions. Carbonaro did not take that statement as a direct order, and agreed he was here of his own free will. Carbonaro was advised this was a consensual interview and that he was free to leave at any time.

Carbonaro became the Lorain City Utilities Director in June of 2022. Prior to the appointment, he was the Assistant Director of Utilities since February of 2017. Carbonaro's duties as the Assistant Director was to oversee the daily operations and maintenance of the Utilities Department and its six sub-departments heads. Carbonaro explained as the Director, there was more decision making and he had the final decision on a number of operational issues. Carbonaro reported that he was superior to the Superintendents and a direct subordinate to the Director of Public Safety and Service. As Assistant Director he was subordinate to the Utilities Director.

Carbonaro said Mike Mattei's duties¹¹ as the purchasing and inventory clerk were to purchase and maintain supply, mainly for the Water Distribution and Sewer Departments. He said Mattei also maintained supply for the Billing Department. Carbonaro reported the position was a direct subordinate to the Utilities Director.

¹¹ Carbonaro referenced the original Utilities Department Purchasing and Inventory Clerk Job Description.

Mattei's normal working hours was a start time between 7:00 AM and 8:00 AM and he worked eight hours from the time he started. The reason for the varied start time was the various sub-departments in the Utilities Department have different start times. Carbonaro also stated the varied start times would reduce overtime, as Mattei would bring supplies out to the job sites rather than the crews stopping to retrieve the supplies themselves. During the COVID-19 pandemic, supply delivery times fluctuated and suppliers were only shipping when they had full trucks to reduce costs. Sometimes the timing of the deliveries was out of their control and someone had to be there to offload the supplies because the city does not allow outside contractors to use city equipment.

The move from RTI (Republic Technologies International) occurred in 2021 and continued on into 2022. They attempted to do a full inventory at RTI, but some items were unable to be moved because they had become unsanitary. Mattei took upon himself to dismantle the items to send to the scrap yard. Carbonaro explained by dismantling the items and sorting out the various metal components, Mattei was able to maximize the money the City was receiving from the scrap yard.

While Mattei was formally in charge of the move from RTI as part of his duties, he was never formally assigned to dismantle the items going to the scrap yard. This task would have been performed during the course of his work day and could have resulted in overtime according to Carbonaro.

Below is a breakdown of the amount received for turning in scrap and the amount of overtime Mattei received that year.

DATE	AMOUNT SCRAPPED	DATE	AMOUNT SCRAPPED	DATE	AMOUNT SCRAPPED
11/19/2021	\$793.00	5/13/2022	\$500.00	2/7/2023	\$234.20
11/19/2021	\$2,454.60	5/13/2022	\$2,183.40		
12/22/2021	\$3,579.40	7/11/2022	\$624.00		
	\$6,827.00	10/27/2022	\$629.76		
		10/28/2022	\$1,979.60		
		11/1/2022	\$2,970.00		
			\$8,886.76		
OVERTIME	\$2,577.95	OVERTIME	\$16,577.66	OVERTIME	\$764.68

In November of 2021, Mattei was working on the RTI move. It is reasonably likely overtime was utilized to disassemble the scrap, as Mattei was receiving HPP for his role in moving to a new facility.

In May of 2022, Mattei was receiving HPP for performing concrete work with Falbo Construction. Mattei also logged numerous hours in overtime, which more than likely was used to disassemble scrap.

Again in October of 2022, Mattei was once again utilizing multiple hours a day in overtime; however, the Utility Department's record keeping did not specify what work Mattei was performing to justify all the overtime and uses a vague WTL (Worked Through Lunch) code.

Director Carbonaro stated the decision for Mattei to receive higher position pay during the move was made by former Utilities Director Paul Wilson and branched over when Carbonaro assumed the Director's position. The reasoning behind the HPP was in the job description the position was equivalent of that of the crew leader and Mattei was performing crew leader duties. Carbonaro stated according to the CBA, the department head can approve the HPP.¹²

The purchasing and inventory clerk can hold a pay grade of either a Grade 26, 27, or 28, depending on the qualifications or certifications of each grade. While Mattei did not have the qualifications for the highest grade, he was performing the job duties equivalent to that of a crew leader. The purchasing and inventory clerk does not have a crew leader, but since Mattei was being assigned individuals to work for him during the move, he qualified as a crew leader.

Carbonaro explained the reason Mattei was always working through lunch was due to the way Mattei operated. He explained there are several duties that cannot be put off until the next day in the Utilities Department and Mattei's responsibilities must be done in a timely fashion. Overtime was not an issue in the Utilities Department because the overtime worked by Mattei still did not rise to the equivalent of hiring another person. According to Carbonaro, Mattei moved two million dollars of equipment and completed the job sooner than was expected. Mattei also assembled racks and organized equipment as part of his duties during the move.

In regards to signing off on overtime pay, Carbonaro attempted to distance himself as being responsible for the sign-off. He said the appointing authority was the person who ultimately signs off on pay and as the Director, he could "only recommend the pay looks adequate." Carbonaro did admit, however, someone working through lunch would have to receive authorization from him prior to working. Therefore, he was technically signing off on the pay.

Auditor Shawver decided to audit the June 2022 pay and requested information. Carbonaro recalled the emails between him and Auditor Shawver. Carbonaro said he did not recall if he ever sent Auditor Shawver the information she had requested. He did recall meeting with Director Washington about the Auditor's request. When asked if he was ordered by Director Washington

¹² Article 16 of the CBA.

to comply with the request, Carbonaro responded, "Ordered, no. I was told to compile it." Carbonaro said he did not recall the specifics from a year ago, but as far as he knows, it was never sent. Carbonaro did say his staff was directed to carbon copy him when they sent an e-mail out of the office. He said he was never copied on anything sent to the Auditor's Office.

In May of 2022, Mattei again was receiving HPP for concrete work. Carbonaro explained when water lines are dug up the concrete must be replaced. There had been times in the past where vendors replaced more concrete than was actually necessary. In these cases, the city was being overcharged. The Utilities Department did not have anyone to oversee this job, so Mattei took it upon himself to measure the areas that were going to be replaced and oversee the concrete work. This type of duty was performed at the crew leader level, so Mattei was compensated as a crew leader when performing concrete work.

Carbonaro was asked to clarify the "**take it upon himself**" statement, as Mattei's overtime seemed to revolve around him creating work in order to obtain additional compensation. Carbonaro stated if Mattei had a task that he wanted to complete, he would bring the idea to him. After that discussion with Mattei, if he determined the task was necessary and should be completed then he would subsequently approve the overtime.

While Mattei did not have any specific qualifications to oversee the concrete work, he was acting in the best interest of the Utilities Department when he took on that assignment. Carbonaro was asked if he was aware the Engineering Department had two individuals whose sole job it was to work with concrete vendors. Carbonaro replied that he cannot speak for the Engineering Department, but it has been observed by the Utilities Department in the past when they had requested assistance from other departments. The assistance has gone unfulfilled which costed the Utilities Department additional money.

Carbonaro was then confronted with the consistency of Mattei's overtime, whether he had worked concrete jobs or as an inventory clerk. Mattei averaged around twenty hours of overtime, per month. I then compared it to the overtime of Russell or Dull, who received little to no overtime compensation. Carbonaro responded that he would have to look into the matter. Carbonaro was, as he put it, "reviewing the time sheets, but final approval was the approving authority."

Carbonaro said people in that position operate very differently, which explains the overtime. Mattei liked to be hands on with the inventory, while that had been changed with Dull. Because of all of Mattei's work, Dull did not have the same amount of challenges Mattei had.

Carbonaro created the Procurement Manager position when he noticed the amount of duties that were being assigned to the purchasing clerk. The new position would reduce the need for

higher position pay. Three people were interviewed for the position and no one was selected to fill the job.

In September of 2022, Mattei was still working concrete jobs; however, he no longer received HPP. Carbonaro said this was due to two reasons: (1) The approval of the Procurement Manager Position; and (2) The Auditor was refusing to pay HPP because a pay grade had not been set for the Procurement manager. Therefore, Mattei was denied any HPP.¹³

Finally, Carbonaro was asked why he did not provide Auditor Shawver with the requested documents when she asked for them back in June. Carbonaro seemed to be under the understanding Auditor Shawver's requests were not a public records request, and she could have requested the information through Director Washington because he does not work for her. Carbonaro had also given a directive to his superintendents to have Auditor Shawver follow proper channels after he learned she was trying to go around him to obtain information. Carbonaro said his Division cooperates with every department, so as long as they go through the proper channels.

Carbonaro also noted he had requested information from Auditor Shawver over a year and half ago, and she still had not complied with his request.

Summary:

Based on the forgoing investigation, there has definitely been some manipulation in the Utilities Department with respect to overtime and higher position pay. While I cannot cite a criminal violation, there are definitely ethical violations at play, as well as a mismanagement in that Division. The City cannot have numerous Divisions operating differently while citing the same CBA.

One of the predominate reasons for the manipulation is the wording in the current Collective Bargaining Agreement where Article 16, Section 2, reads:

- *“When it is determined and approved by the Sub Department Head that it is necessary for a bargaining unit employee to temporary fill a higher position or to perform duties equivalent to a higher position, said employee shall receive the designated pay for that higher job classification for the time period that he is assigned to the position or for a minimum of four hours, whichever is greater.”*

When according to Director Carbonaro, Mike Mattei was taking it upon himself to perform duties outside of his job description, he was essentially creating higher position pay for himself.

¹³ No Grievance was ever filed.

Mattei, however, did not have the authority to approve these jobs himself. The jobs which Mattei had been performing were with the blessing of Director Carbonaro.

The manipulation of the lunch hour was also something that went unchecked with Mattei. Director Carbonaro stated he trusted his employees to work independently. However, Director Carbonaro failed to properly supervise, investigate, clarify, or deny Mattei's daily routine of working through lunch, regardless of the job he was performing. Through his own admission, Mattei would had to receive authorization from him prior to Mattei working through lunch.

The amount of compensation an employee receives for working through lunch has also been subject to multiple interpretations due to the contract language. The current contract reads as follows:

Article 14 - Hours of Work and Overtime Compensation

- Section 1(a): *All bargaining unit employees work days shall consist of eight consecutive hours of work in a twenty-four-hour period except as broken for by a one hour paid lunch period in accordance with reasonable procedures to be established by the parties in the various sub-departments. The paid lunch period shall in no way cause a reduction of pay or lengthen the work day or work week and shall constitute actual time away from an employees work duties.*
- Section 2: *An overtime premium rate of one and one half (1 ½) times the employees regular base rate of pay, shall be paid to all bargaining unit employees for:*

Hours worked in excess of eight (8) hours in a work day.

Hours worked in excess of forty (40) hours in a work week.

Employees interpreted the CBA to read that they would be compensated 2½ times for working through lunch. Auditor Shawver had disputed the contract language and refused to pay the requested amount, opting instead to pay one hour of straight time. Regardless, this can be seen as an easy way to boost one's pay, obtaining 20 or more extra hours of pay a month. This matter is currently the subject of a grievance.

For the June 2022 payroll audit, Director Carbonaro responded to Auditor Shawver's inquiry regarding Mattei receiving higher position pay saying, "*Mattei was compensated as Crew Leader he was directing personnel in coordinating inventory and work efforts at Water Distribution (assigned a crew of personnel) and (as previously determined by the prior Director*

of Utilities, Paul Wilson, and approved at levels above the Director), per prior job description (“This position is at a level equivalent to crew leader”).”¹⁴

The email sent by Director Carbonaro to Auditor Shawver was untruthful, as the investigation revealed Mattei was working with Falbo Construction and the concrete pours during that time frame. This was a job that he took upon himself, and was ultimately approved by Director Carbonaro. The inventory and subsequent move of Water Distribution had occurred six months’ prior, starting in October 2021 and continuing through November of 2021.

Clearly, there is a lack of professionalism and respect between Director Carbonaro and Auditor Shawver. Auditor Shawver, in the course of her duties, has every right to audit and request clarification in regards to payroll. When Auditor Shawver did so, she was met with defiance from Director Carbonaro and a dismissal of her request. Even when she went through Safety Director Washington, her request was ignored. leading Auditor Shawver to question whether Director Carbonaro was being insubordinate.¹⁵

Director Washington stated he told Director Carbonaro to provide Auditor Shawver with the requested information, and any distinct information she needed they could work that out. This never happened. Director Carbonaro disputes Director Washington’s contention, saying he was never ordered to do it, and was just told to compile the information. Soto confirmed in an email¹⁶ that Director Washington had directed Director Carbonaro to provide the information. Auditor Shawver would be correct when she wrote to Soto stating, “The Administration’s failure to oversee their employees who willfully disregard authority is very disappointing.”

The refusal of Director Carbonaro to provide public information to Auditor Shawver also appears to be personal. Carbonaro stated in his interview that Auditor Shawver was not his boss and that she could go through proper channels. When I requested the same information from Julie Gerth who works for Director Carbonaro, I received a response the next day. Director Carbonaro also authorized Gerth to work through lunch to fulfill my request. Director Carbonaro also felt when Auditor Shawver contacted Jim Malick, who was in his chain of command, requesting information, he suspected that she was trying to go around him. As a result, no attempt was made by Director Carbonaro to provide Auditor Shawver the information she needed for her audit.

Interestingly, everything Gerth had sent me was also copied to Director Carbonaro, as he had instructed his employees to do. For Director Carbonaro to claim he did not recall if Auditor Shawver had received the information she had requested or not, is simply disingenuous. Moreover, this quarrel between Director Carbonaro and Auditor Shawver is not productive and his refusal to provide the requested information has unnecessary caused the City of Lorain additional costs in terms of man power to investigate Auditor Shawver’s complaint. It has also caused a formal audit by the State of Ohio. The City cannot successfully operate if this lack of professionalism is allowed to continue.

¹⁴ March 9, 2023, email.

¹⁵ Webster’s Dictionary defines insubordination as disobedient to authority.

¹⁶ Thursday, April 13, 2023.

The lack of accountability with regard to signing off on payroll is also remarkable. Director Washington, COS Soto, and Director Carbonaro seemingly all pointed to each other as being the responsible party for approving payroll. However, it ultimately falls to Director Washington as the appointing authority. If payroll is not sufficiently scrutinized before it gets to the Auditor's Office, it will allow the opportunity for more government waste.

Nevertheless, given the totality of the circumstances, there is a lack of probable cause to believe that a crime has been committed in this case, which warrants the filing of criminal charges at this time. If additional information or evidence becomes available, the investigation will be updated accordingly.

A handwritten signature in blue ink, appearing to be 'M. Failing', written in a cursive style.

Reported by: Detective Captain Michael Failing #810