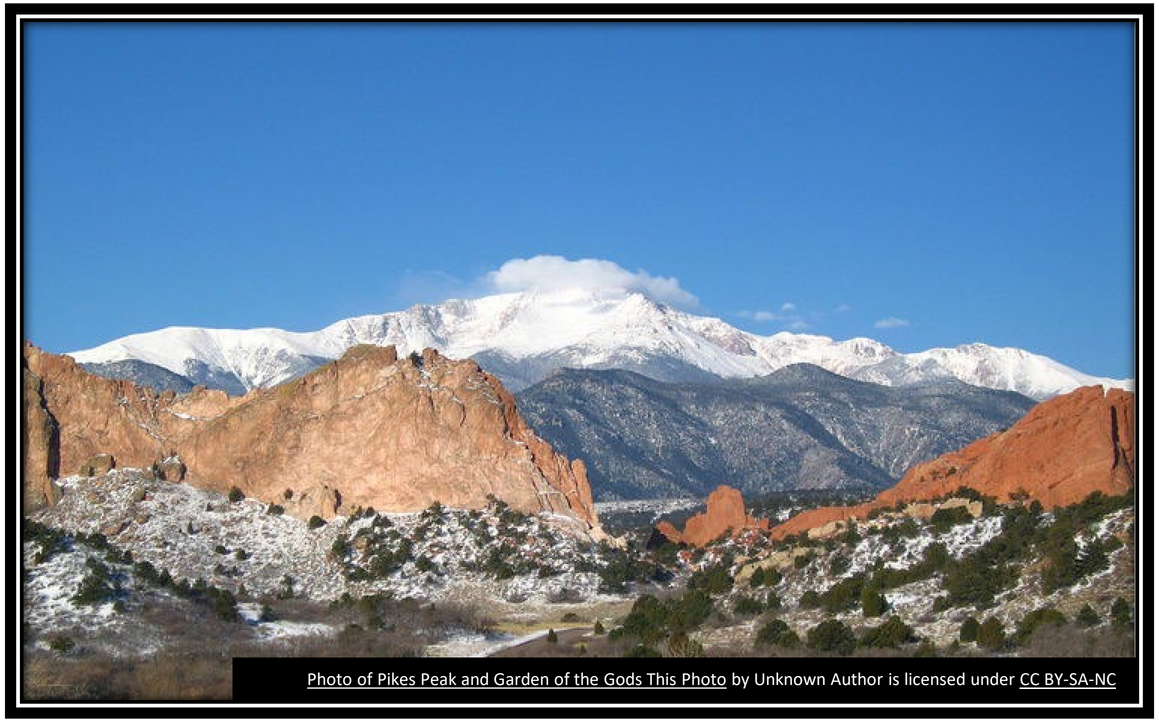
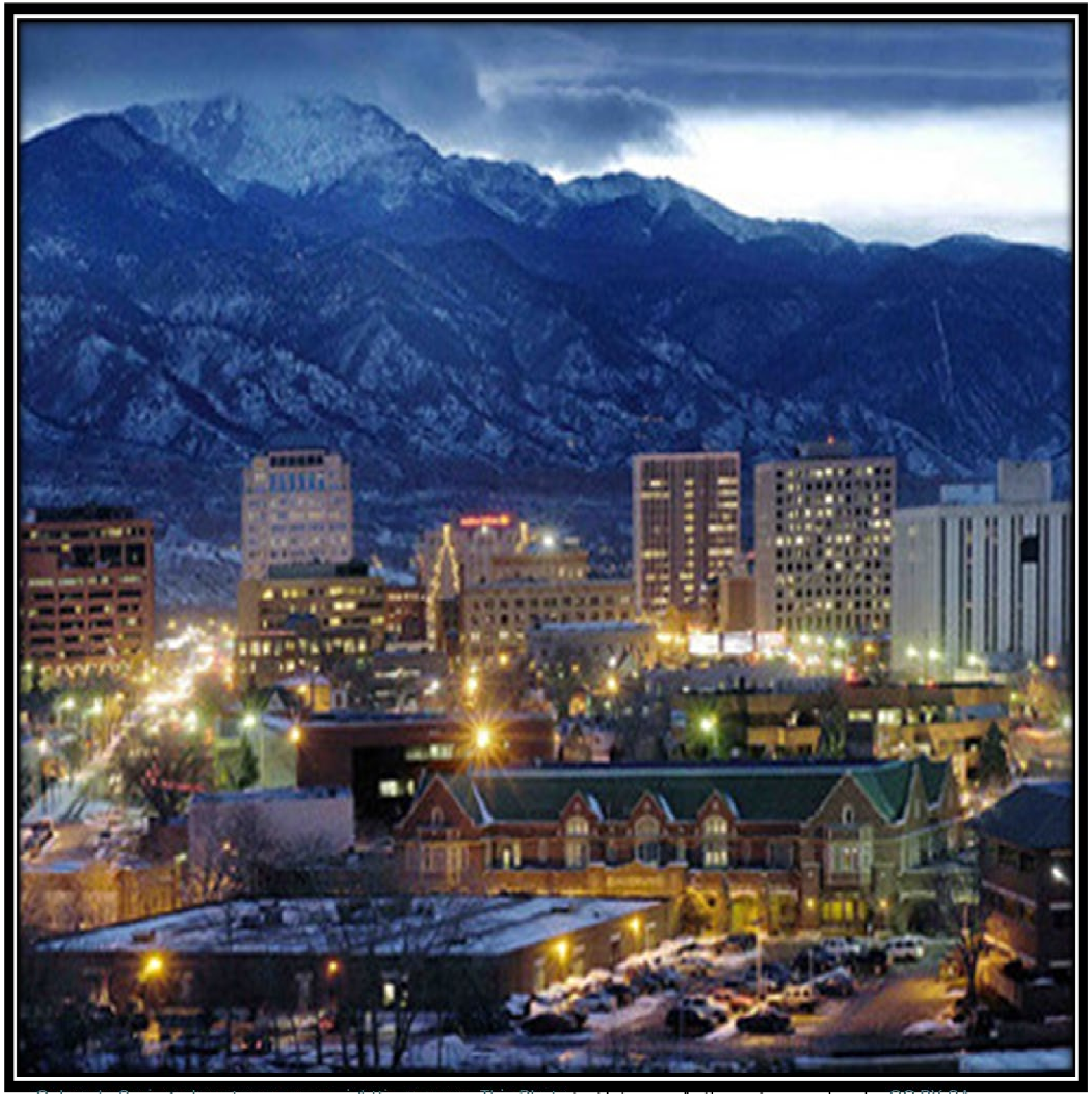
COLORADO SPRINGS
CITY COUNCIL
Office of the City Auditor

Review of Concerns Involving an Elected Official

Natalie Lovell, City Auditor

July 2026





Agenda

1. Purpose and Authority
2. Allegations
3. Findings
4. Conclusions and Recommendations

Purpose and Authority

- City Code § 1.2.703: Ensure Public Accountability: The City Auditor shall ensure that administrative officials are held publicly accountable for their use of public funds and the other resources at their disposal. The City Auditor shall investigate whether or not laws are being administered in the public interest, determine if there have been abuses of discretion, arbitrary actions, or errors of judgement, and shall encourage diligence on the part of administrative officials.
- Review was initiated following two hotline reports alleging fraud, waste, and abuse involving an elected official.

Allegations

- For purposes of the City's personnel policies that apply to employees, elected officials are not considered City employees.

- The Hotline reports contained three actionable allegations
  1. Use of City staff to supervise the elected official's children during work hours and at official City events.
  2. Personal use of a City-owned vehicle, including out-of-city travel.
  3. Policy adjustments intended to justify prior conduct.

Audit Work Performed

- **The Office of the City Auditor reviewed:**
  - Telematics data from January 24, 2024, through June 7, 2026.
  - Mileage logs and IRS imputed income calculations.
  - Calendar entries for comparison with vehicle activity.
  - Staff interviews conducted between April 15 and June 11, 2026
  - Applicable administrative regulations, including a new policy enacted May 7, 2026.

Findings

- **Use of City Staff for Non-Official Child Supervision:**
- Seven interviews with staff between April 15 and June 11, key themes:
  - Staff felt implicitly obligated to supervise or monitor the children and did not feel positioned to decline the request.
  - Supervising the children required staff to pause of delay their regular work tasks.
  - Multiple employees described these occurrences as recurring and often coinciding with school breaks or holidays.
- Specific examples:
  - A City event in July 2025, during which as staff member was left to watch the children in a construction trailer for the duration of the event, preventing the staff member from performing core duties. Value of staff time: $380.
  - A staff member reported supervising the elected official’s children after work hours. The first instance was voluntary; however, the staff member later felt an expectation to continue. No compensation was provided for this time.

Findings

- **Personal use of a City-owned vehicle, outside of City limits:**
- Review of available telematics data for 2024-2026, 3 examples were identified:
  - Saturday, November 16, 2024: Denver, CO; 143 miles
  - Saturday, October 25, 2025: Monument, CO; 44 miles
  - March 20-25, 2026: Crested Butte, Ouray, and Almont, CO; 794 miles
- Details:
  - Elected official reimbursed the City $276.95 for 382 miles, related to the Crested Butte, Ouray, Almont trip, approximately $298.00 short.
  - Total imputed income for all three trips should have been $425.00 higher than was reported.
  - Under-reported personal use results in a lower tax obligation.

Findings

- **Personal use of a City-owned vehicle, inside City limits:**
- Review of available telematics data for January 24-June 30, 2024, compared to personal-use mileage reports for the same period:
  - 200 miles of commuting between residence and City Administration Building
  - 335 miles across 55 stops at two schools, a dry cleaner, and a shopping center
  - 155 miles of additional personal use
- Examples:
  - Tuesday, January 30, 2024: a medical appointment; 28 miles
  - Saturday, April 20, 2024: a shopping center; 2 miles
  - Sunday, May 12, 2024: a shopping center; 8 miles
- Computation Review:
  - 384 miles reported by the elected official as personal-use with an imputed income of $257.28
  - Approximately an additional 306 personal-use miles should have been reported with an imputed income value of $205.00.

Findings

- **Personal use of a City-owned vehicle, Policy Changes and Governance Concerns:**
- A new administrative regulation governing personal-use of City-owned vehicles became effective May 7, 2026. Adopted in response to a prior report issued by the Office of the City Auditor.
- Determining whether the policy was developed to justify prior conduct is not considered under the fraud, waste, and abuse framework; therefore, no conclusion was drawn on this matter.
- Following implementation of the policy's effective date, review of the telematics data from May 7 to the latest personal-use mileage report, ended May 31, 2026:
  - Approximately 60 miles of personal-use, primarily on weekends, were not included in the personal-use report or the related reimbursement calculations. Examples:
    - Saturday, May 9: shopping centers; 17 miles
    - Wednesday, May 13: shopping center, medical appointment; 4 miles
    - Sunday, May 17: shopping centers; 8 miles
    - Friday, May 22, shopping centers; 16 miles

Conclusions

- **City-owned vehicle for personal-use:** Telematics data showed personal travel both inside and outside of city limits that was not reflected in the milage used to determine imputed income or reimbursement amounts.
- Recommendation: Strengthening controls around the reporting and reconciliation of personal-use, specifically through the routine use of telematics data, would improve accuracy of mileage classification.

- **Staff supervision of children:** The review identified multiple instances in which City staff supervised the elected official's children during work hours or official events. Without records of these occurrences, including dates, duration, or the amount of staff time involved; the total impact could not be quantified.
- Recommendation: Establishing clear guidance regarding staff interaction with the elected official's family members may help prevent confusion. Consider adopting a policy for elected officials that is similar to the City's "Visitors in the Workplace" policy for employees.

Questions or Comments?

Reporting Fraud, Waste & Abuse

The City Auditor investigates any suspected unlawful or wasteful act impacting the City of Colorado Springs government, or its departments, employees, officials, operations, or enterprises.

Report by mail:

Office of the City Auditor
P.O. Box 2241
Colorado Springs, CO 80901

Report by phone:

719-385-2387

Report online:

http://coloradosprings.gov/CityFraud

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