INVESTIGATION OF CONDUCT UNBECOMING A
CLERK OF THE CIRCUIT COURT AND
COMPTROLLER EMPLOYEE

Hector Collazo, Jr.
Inspector General/Chief Audit Executive

Investigation Team
Ken Green, CIGA – Inspector General Manager
William J. McGuinness, CIGA, CGMA – Inspector General Auditor II

March 17, 2014
REPORT NO. 2014-08
March 17, 2014

Myriam Irizarry, Chief Deputy Director/General Counsel
Court & Operational Services Division

The Division of Inspector General’s Public Integrity Unit (“PIU”) received allegations of Fraud, Waste, and Abuse. We have completed an investigation and concluded on the following allegations:

1. An Internal Revenue Service (“IRS”) Form 1040 preparer, the Respondent, attempted to divert $750.00 due the Victim for a Federal Income Tax (“FIT”) refund for tax year 2013. The Respondent and Victim’s financial institution, the Pinellas Federal Credit Union (“PFCU”), contacted the Victim and rejected the $750.00 diversion attempt. PFCU confirmed that the $750.00 was identified as the Victim’s, but had the Respondent’s account number for the 2013 FIT refund. **Substantiated**

2. An IRS Form 1040 preparer, the Respondent, diverted $580.00 due the Victim from the Victim’s FIT refund for tax year 2012 through the falsification of the direct deposit bank account information submitted to the IRS on the Victim’s Form 1040 for tax year 2012. **Substantiated**

3. Copies of the Forms 1040 for tax years 2012 and 2013 given to the Victim differed from the Forms 1040 filed electronically with the IRS by the Respondent. **Substantiated**

To determine whether the allegations were substantiated, we reviewed policies, procedures, and any other records deemed appropriate. We also conducted interviews of the Victim, Respondent and other parties, as needed. Our investigation was performed according to the Principles and Standards for Offices of Inspector General and The Florida Inspectors General Standards Manual from The Commission for Florida Law Enforcement Accreditation.

The recommendation presented in this report may not be all-inclusive of areas where improvement may be needed. However, as noted in this report, the Respondent has resigned her position with the Clerk of the Circuit Court and Comptroller and no further action is required by the County. The PIU will forward this case to the State Attorney’s Office for review and potential prosecution.

We appreciate the full cooperation and assistance of Court & Operational Services Division staff during our investigation. If you have any questions, please do not hesitate to contact me at 464-8371.

Respectfully Submitted,

Hector Collazo, Jr.
Inspector General/Chief Audit Executive

cc: Ken Burke, CPA, Clerk of the Circuit Court & Comptroller
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INTRODUCTION

Synopsis

The Division of Inspector General investigated allegations that a Fiscal Records Specialist at Criminal Customer Service, Pinellas County Justice Center ("Respondent"): 

- Submitted fraudulent direct deposit account number information to the Internal Revenue Service ("IRS") for tax refunds on behalf of an employee of the Clerk of the Circuit Court and Comptroller's ("Clerk") Civil Court Records Department ("Victim").
- Submitted fraudulent Federal Income Tax Forms 1040 to the Victim.

These actions violated Employee Personnel Rules and Clerk Office-Wide Policies and Procedures and we have determined that these allegations are substantiated.

Background

On February 20, 2014, the Division of Inspector General’s Public Integrity Unit ("PIU") received allegations of Fraud, Waste, and Abuse. Accordingly, we investigated the following allegations:

1. As the tax return preparer of the IRS Form 1040 for the Victim, the Respondent attempted to divert $750.00 of the 2013 tax refund due the Victim, to the Respondent’s financial institution account. The Respondent and Victim’s financial institution, the Pinellas Federal Credit Union ("PFCU"), contacted the Victim and rejected the $750.00 diversion attempt. PFCU confirmed that the $750.00 diverted by the Respondent was identified by the U.S. Treasury as a part of the Victim’s 2013 tax refund. The direct deposit account numbers for the Respondent and Victim were submitted electronically to the IRS by the Respondent along with the Victim’s Form 1040.

2. As the tax return preparer of the IRS Form 1040 for the Victim, the Respondent diverted $580.00 of the 2012 tax refund due the Victim, through the falsification of direct deposit bank account information submitted electronically by the Respondent to the IRS with the Victim’s Form 1040.

3. Copies of the Forms 1040 for tax years 2012 and 2013 given to the Victim by the Respondent differed from the Forms 1040 filed electronically with the IRS by the Respondent.

The Division of Inspector General’s investigation of these allegations concluded that all three allegations are Substantiated.
### Action Plan

<table>
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<tr>
<th>FINDING NO.</th>
<th>FINDING (CAPTION) RECOMMENDATIONS</th>
<th>MANAGEMENT RESPONSES</th>
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<td>Management consider disciplinary action as appropriate per the Clerk’s Office-Wide Policies and Procedures. <em>However, as noted, the Respondent has resigned employment with the Clerk of the Circuit Court and Comptroller.</em></td>
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<td>✓</td>
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1. **A Clerk of the Circuit Court and Comptroller Fiscal Records Specialist, Criminal Customer Service Employee Violated County Policies and Potentially State and Federal Laws.**

An investigation conducted by the Division of Inspector General’s Public Integrity Unit ("PIU") based on allegations of Fraud, Waste, and Abuse confirmed that the Respondent, a Fiscal Records Specialist, Criminal Customer Service Department, is “…guilty of conduct unbecoming an employee of the County…”

We obtained direct evidence that supports the allegations that the Respondent submitted fraudulent direct deposit account number information to the IRS for tax refunds on behalf of an employee of the Clerk’s Civil Court Records Department ("Victim"), and submitted fraudulent Federal Income Tax Forms 1040 to the Victim by:

- Reviewing PFCU’s policies, procedures, forms and records, which included account extracts for U.S. Treasury Department direct deposit information for the Respondent and the Victim for tax years 2013, 2012, and 2011.
- Interviewing appropriate witnesses, the Victim, and the Respondent.

The refund direct deposits for tax years 2013 and 2012 were split into two accounts, both identified with the Victim’s name. However, the account number for the $750.00 deposit for 2013 and the $580.00 deposit for 2012 were for an account in the name of the Respondent.

The Respondent admitted falsifying the direct deposit information submitted electronically to the IRS for the $750.00 and $580.00 amounts and falsifying the Forms 1040 for tax years 2013 and 2012 delivered to the Victim. The Forms 1040 show tax refunds to the Victim of $3,337 and $3,204, respectively, whereas the Victim was due tax refunds of $4,087 and $3,784, respectively, for those tax years.

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Amount on Form 1040 Submitted to IRS</th>
<th>Amount on Form 1040 Submitted to Victim</th>
<th>Respondent Diversion Amount</th>
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<tr>
<td>2013</td>
<td>$4,087</td>
<td>$3,337</td>
<td>$750</td>
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<tr>
<td>2012</td>
<td>$3,784</td>
<td>$3,204</td>
<td>$580</td>
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Based on our review of the documents submitted to the IRS and the interviews we conducted, there is probable cause that the Respondent may have committed a felony with respect to the $580 tax refund diversion. Since the PFCU rejected the $750 diversion, the IRS will issue a
paper check to the Victim, thereby negating the probable felonious diversion of this amount. Therefore, we requested the State Attorney’s Office to review the facts of this case for potential prosecution. The Respondent’s action is a violation of:

“Personnel Rules / Policies / Procedures / Guidelines, Rule 24 Discipline, Section B-
Rule XXIV – Page 10 (29)” “That the employee has been guilty of conduct unbecoming an employee of the County whether on or off duty.”

On February 20, 2014, the Respondent signed a Voluntary Interview form, which was notarized, and voluntarily participated in an interview with PIU investigators. During this interview, the Respondent admitted to submitting fraudulent direct deposit account number information to the IRS and submitting fraudulent Forms 1040 to the Victim. The Respondent completed and signed a Voluntary Statement, which was notarized, admitting to the falsification of the Forms 1040 and diversion of the $750 and $580 amounts. The same day, the Respondent resigned employment with the Clerk.

The Respondent’s actions constitute a violation of the Human Resource Department Employee Personnel Rules and Clerk’s Office-Wide Policies and Procedures. The PIU’s supporting documentation has been provided to the IRS for review and potential investigation.

We recommend management consider disciplinary action as appropriate per the Clerk’s Office-Wide Policies and Procedures. However, as noted, the Respondent has resigned employment with the Clerk of the Circuit Court and Comptroller.

Management Response:

Concur. Management agrees with the recommendation.
DIVISION OF INSPECTOR GENERAL
KEN BURKE, CPA
CLERK OF THE CIRCUIT COURT
& COMPTROLLER
PINELLAS COUNTY, FLORIDA

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