INVESTIGATION OF MISUSE OF COUNTY PURCHASING CARD

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Gay Lancaster, Director, Contractor Licensing Department

The Division of Inspector General's Public Integrity Unit has completed an investigation of the following allegation:

- Mr. Russell Cowper was misusing his County purchasing card. **Substantiated.**

To determine whether the allegation was substantiated, we reviewed policies, procedures, and appropriate records. We also interviewed staff 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 Division of Inspector General uses the following terminology for the conclusion of fact/finding(s):

- **Substantiated** – An allegation is substantiated when there is sufficient evidence to justify a reasonable conclusion that the allegation is true.
- **Unsubstantiated** – An allegation is unsubstantiated when there is insufficient evidence to either prove or disprove the allegation.
- **Unfounded** – An allegation is unfounded when it is proved to be false or there is no credible evidence to support it.

The recommendations presented in this report may not be all-inclusive of areas where improvement may be needed; however, we believe implementation of the recommendations will strengthen the current internal controls.
We appreciate the cooperation shown by the staff of the Contractor Licensing Department, Building & Development Review Services, and Code Enforcement during the course of this review.

Respectfully Submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive

cc: The Honorable Chairman and Members of the Board of County Commissioners
Barry Burton, County Administrator
Jacob Stowers, Director, Strategic Planning & Initiatives
Ken Burke, CPA, Clerk of the Circuit Court and Comptroller
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Synopsis

On May 15, 2019, the Division of Inspector General (IG) initiated an investigation upon receiving an allegation that Mr. Russell Cowper, an Administrative Support Specialist with the Contractor Licensing Department, was misusing his Pinellas County (County) purchasing card (P-card). We concluded that the allegation was substantiated, as Mr. Cowper used his P-card for several personal purchases.

During the course of the investigation, we discovered receipts Mr. Cowper manufactured and/or altered to conceal purchases. When we interviewed Mr. Cowper, he admitted to making personal purchases using his P-card and altering transaction documentation for both personal and business related purchases. He also disclosed there were additional instances we did not identify where he benefitted personally by misusing the P-card, but he declined to provide details of specific transactions. Mr. Cowper resigned at the conclusion of the interview on June 24, 2019. Included in this report are the investigative findings and recommendations related to the allegation above.
Background

The Contractor Licensing Department (CLD) oversees day-to-day administration, records maintenance, and contractor license investigations in the County. The department performs the operational function of the Pinellas County Construction Licensing Board (PCCLB). The PCCLB, a dependent agency to the Board of County Commissioners, regulates the construction and home improvement industry through uniform contractor competency licensing, code adoption, and code interpretations in the County.

Over the course of his six year employment with the County, Mr. Russell Cowper (the Respondent), worked in Clerk’s Accounting, Building Services, and most recently, CLD. During his employment at Building Services and CLD, Mr. Cowper made departmental purchases, reviewed contracts, acted as the P-card coordinator, coordinated travel for department management, performed monthly expense reconciliations in the County’s iExpense application, and paid applicable departmental invoices. While employed in Building Services, he was also responsible for Development Review Services and Code Enforcement purchases.

The IG initiated an investigation upon receiving an allegation that Mr. Cowper had been misusing his County P-card. As part of our investigation, we reviewed County policies, Florida Statutes, P-card transactions, monthly P-card reconciliation documentation, and emails. In addition, we performed onsite inspections of multiple County offices and interviewed County staff with knowledge of the facts of the case, including Mr. Cowper. The initial scope of the investigation focused on Mr. Cowper’s Amazon purchases but was later expanded, at the request of management based on additional concerns, to include all P-card transactions.

During the course of the investigation, we identified transactions where Mr. Cowper submitted duplicate receipts as justification for different purchases, purchased questionable items that had no business justification, and purchased items he had shipped directly to his personal residence. Questionable purchases included items such as:

- Security cameras
- Law books and legal reference material
- Camping supplies
- Excessive medical supplies (e.g., suture thread and needle, battle dressing chest seals, and trauma kits)

Items shipped to his personal residence included:

- Moving straps
- Charging cables
- Samsung phone screen protectors
- Golf bag travel cover
- Executive chair
- Turn ticket dispenser
We confirmed with applicable department management these purchases had no business justification. Additionally, we noted during onsite inspections, many of the questionable purchases or items shipped to Mr. Cowper's home could not be located.

After expanding the scope of the investigation, we identified transactions where Mr. Cowper used the same receipt to provide justification for different purchases, manufactured receipts, or altered original receipts to provide justification for other purchases. We identified several transactions where Mr. Cowper altered receipts to conceal the purchase of personal items. The details of those transactions are described in the Investigative Findings section.

We concluded Mr. Cowper, on multiple occasions, violated County policy by submitting duplicate receipts, altering receipts, and manufacturing receipts. Mr. Cowper also knowingly used his P-card to purchase personal items, and did not reimburse the County, depriving the County of resources. Such actions are a violation of Florida Statute 812.014 "Theft."
1. Mr. Cowper Used His County P-Card For Personal Purchases And Altered Or Manufactured Some Receipts To Conceal The Purchases.

Mr. Cowper used his County P-card to pay for personal items totaling $668.47. Specifically, on at least three separate occasions, Mr. Cowper altered and manufactured P-card receipts to conceal the purchase of personal items worth $569.93. Mr. Cowper also used his P-card to pay for his family’s travel to and from the airport via a SuperShuttle van, totaling $98.54. In addition to the SuperShuttle expense, Mr. Cowper submitted a $26.16 mileage reimbursement request to which he was not entitled.

A. Purchase Of A Plane Ticket For His Son

In June 2018, Mr. Cowper used his County P-card to purchase a $505.96 airline ticket for his son and altered the receipt (an email confirmation) to conceal the purchase. A review of Mr. Cowper's June 2018 P-card reconciliation identified a receipt for the purchase of an airline ticket for Mr. Russ Cowper for a flight to Denver, Colorado on July 14, 2018, to attend a business related conference. As seen in the following image, the receipt appeared to have been altered, as part of the name section on the airline ticket confirmation email had been removed.

![Image of altered receipt]

Note: The red boxes and lines were added by the IG for emphasis.
Further review of Mr. Cowper's 2018 P-card receipts identified a second airline ticket he purchased in April 2018, in Mr. Cowper's name. The April 2018 purchase was for the same flight to Denver, on the same travel date, July 14, 2018.

We conducted a review of Mr. Cowper's emails and located the original email and receipt for the June 2018 purchase. Mr. Cowper purchased the June 2018 airline ticket for his son, whose middle name is Russ, as shown below.

![Image of email and receipt]

Note: Personally Identifiable Information was redacted. The red boxes were added by the IG for emphasis.
In an attempt to conceal the ticket purchase for his son, Mr. Cowper altered the receipt and removed his son’s first name from the email confirmation to make it appear as if it were for himself.

During our interview with Mr. Cowper on June 24, 2019, he admitted to altering the receipt to conceal the fact he purchased the airline ticket for his son using his County P-card.

B. Purchase Of Baggage Fees For His Wife and Daughter

In August 2016, Mr. Cowper used his County P-card to pay $40 in luggage fees for his wife and daughter during a business trip to Washington, DC.

In our review of Mr. Cowper's supporting P-card documentation, we identified a receipt that he submitted as justification for two $20 transactions for checked luggage fees. The County pays for checked luggage when an employee is traveling for work; however, as seen in the following image, these receipts had the first name of each passenger marked out with a black sharpie.

![Image of receipts with first names marked out](image)

Note: The red boxes were added by the IG for emphasis.

Each receipt had a different passenger ticket number. Through email searches, we obtained the original airline ticket Mr. Cowper purchased for himself and confirmed neither passenger number matched his, indicating he paid luggage fees for two other travelers. Through additional email
searches, we obtained the airlines tickets Mr. Cowper purchased for his wife and daughter. Comparison of the tickets confirmed the passenger numbers on the tickets of both his wife and daughter matched those on the receipts Mr. Cowper submitted for checked luggage for $40.

During our interview with Mr. Cowper on June 24, 2019, he admitted to altering the receipts by blacking out the first names to conceal the fact he paid luggage fees for his wife and daughter using his County P-card.

C. Purchase of A Preschool Mobile Application

In October 2018, Mr. Cowper used his County P-card to purchase a preschool mobile application called "Noggin." He purchased the application for his granddaughter on his County issued iPhone for $7.99. The purchase was setup as an automatic monthly renewal. The initial purchase and renewals occurred three times between October 2018 and December 2018, for a total of $23.97.

In his October 2018 monthly P-card reconciliation, as support for the initial $7.99 purchase that occurred on October 13, 2018, Mr. Cowper submitted an unrelated Amazon receipt for $7.99, dated October 20, 2018. The justification Mr. Cowper provided for the purchase was "PCCLB Educational App." This transaction was not flagged by prior management or the Finance Division during the review/audit process, despite the purchase date, vendor, and description of the item purchased not matching.

The following month, November 2018, Mr. Cowper submitted the original receipt from Apple iTunes to support the $7.99 transaction. As shown below, the receipt clearly states the purchase was for a preschool application.

Note: The red boxes were added by the IG for emphasis.
As justification for the November 2018 purchase, Mr. Cowper stated in his reconciliation it was for a "PCCLB iPhone App." Neither prior management nor the Finance Division flagged this transaction during the review/audit process, despite the lack of business justification for such an application.

In December 2018, Mr. Cowper, in an attempt to conceal the preschool application purchase, submitted the below receipt he fabricated.

![Receipt Image]

Note: The red boxes were added by the IG for emphasis.
As justification for the purchase, Mr. Cowper stated it was for a "PCCLB InRoute Application." This receipt also was not flagged by prior management or the Finance Division despite several irregularities with the receipt, including the invoice date and invoice due dates, item description, a net invoice amount of $209, and the wrong vendor as seen in the preceding image.

Mr. Cowper used the following receipt, dated May 1, 2018, from the International Code Council (ICC), an unrelated vendor, as the base receipt. He then altered items on the receipt, including dollar amounts, item descriptions, and invoice dates, in order to match the information he needed to provide adequate support to conceal the December 2018 purchase of the preschool application.

![Image of the receipt]

Note: The red boxes were added by the IG for emphasis.
During our interview with Mr. Cowper on June 24, 2019, he admitted to making the three $7.99 preschool application purchases using his County P-card and purposefully manufacturing a receipt to conceal the December 2018 purchase.

D. Purchase of Airport Transportation For His Family

During the July 2018 trip to Denver, discussed in part A, Mr. Cowper used his County P-card to pay his family’s transportation expenses traveling to and from the airport, totaling $98.54. A review of Mr. Cowper's iExpense records related to his July 2018 Denver trip, confirmed he paid for a SuperShuttle transport van to take his family of four, from their home to Tampa International Airport, and back home.

The County allows employees to utilize transportation services when traveling to airports for business related trips. However, the County does not pay for transportation services for friends or family members if they accompany employees on trips. Mr. Cowper should have submitted two separate requests with SuperShuttle, one for himself and one for the rest of his family.

In addition to paying for the SuperShuttle service, Mr. Cowper also submitted a local mileage reimbursement request for traveling to and from the airport for a total of $26.16. Local mileage is only reimbursed when an employee uses his/her personal vehicle to travel for County business. Mr. Cowper did not use his personal vehicle to travel to or from the airport for the July 2018 business trip.

Mr. Cowper paid for transportation service for his family to and from the airport, for a loss to the County of $98.54. Additionally, Mr. Cowper double-dipped by being reimbursed $26.16 for travel mileage expenses he did not incur.

During our interview with Mr. Cowper on June 24, 2019, he admitted to using his County P-card to pay for the SuperShuttle service for his family. He also admitted to submitting for and receiving mileage reimbursement but stated he did not intentionally double-dip.

As a County employee and a P-card holder, Mr. Cowper is required to adhere to all Unified Personnel Rules, County policies, and the Purchasing Manual. As such, Mr. Cowper is required to submit original receipts as documentation and business related justification for purchases made with his County issued P-card on a monthly basis.

The Purchasing Manual states in Section 15.5 (E.2.d):

"Cardholder is responsible to obtain an Itemized Merchant Sales (charge) receipt (i.e., purchase documentation that identifies items purchased and amount paid for each item) other back-up material is kept and filed with the reconciliation documents. Other documentation may include shipping documents and bills of lading. All documents and records must be maintained in accordance with appropriate Florida laws."
Also stated in the Purchasing Manual is a list of prohibited purchases, which states in Section 15.4 (E.4):

"Purchase of Goods or Services for Personal Benefit/Gain"

Additionally, as stated in the Pinellas County Statement of Ethics, employees will:

"Use County funds and resources efficiently, including materials, equipment and our time."

Mr. Cowper violated the above policies and the following Unified Personnel Rules:

- D9 - Intentional falsification of records.
- D12 - Violation of written rules, regulations, policies or statutes.
- D18 - The misappropriation of County funds, appropriation of County property for personal use, or illegal disposition of County property.
- D20 - The employee has engaged in conduct unbecoming an employee of the County.
- D35 - Violation of Pinellas County Statement of Ethics.

The use of County funds for personal use without proper reimbursement to the County is a violation of Florida Statute 812.014, Theft., which states:

“(1) A person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or to use, the property of another with intent to, either temporarily or permanently:
(a) Deprive the other person of a right to the property or a benefit from the property.
(b) Appropriate the property to his or her own use or to the use of any person not entitled to the use of the property.”

Monthly, management should review P-card transactions and reconciliations, to confirm purchases were business appropriate and supported by proper documentation. At a management level, those in charge of reviewing and approving P-card transactions are required to abide by the same Purchasing Manual, which mandates in Section 15.5 (E.3.a):

"Review all charges for appropriateness (items purchased amount and vendor) and proper authorization and ensure all charges are proved by attached receipts or signed documentation. Ensure purchases were necessary and for official use."

Due to an inadequate review by prior management and the Finance Division, the above noted transactions, incorrect receipts, altered receipts, and manufactured receipts were not questioned or flagged as suspicious.

Based on the immediate action taken by current management and Mr. Cowper resigning, no management recommendation is necessary with respect to disciplinary action.
We Recommend Management:

Reeducate P-card holders and approvers of their responsibilities as it relates to County P-cards.

Management Response:

Management concurs. We have cancelled all P-cards, except one, which is assigned to the Director, and is kept under lock and key by the Administrative Manager. The Director reviews and approves all purchases initiated by the Administrative Manager, as well as other staff.

2. Mr. Cowper Altered And Manufactured County P-card Receipts To Provide Justification For Legitimate County Purchases.

A review of Mr. Cowper’s P-card reconciliations confirmed on multiple transactions, he used the same receipt from the vendor International Code Council (ICC) to either create a new receipt or submit the same receipt as justification for a different purchase.

In one example, Mr. Cowper submitted the same receipt, originally dated May 1, 2018, as justification for another purchase from the ICC dated June 29, 2018 (this is the same receipt discussed in Finding No. 1, part C). We determined the transaction from the ICC on June 29, 2018, was a legitimate business related purchase, and concluded there was no suspicious activity related to the transaction other than the incorrect receipt.

In a second example, Mr. Cowper again used the ICC receipt from May 1, 2018 (see image on page 13), and altered the receipt to match the details of a transaction with the Building Officials Association of Florida (BOAF) on January 7, 2019. Mr. Cowper modified the unit price, total, and payment totals as seen in the following image used as support for the purchase on January 7, 2019. However, he left the vendor information unchanged. We confirmed the transaction with BOAF was for a legitimate membership for a County employee.
During our interview with Mr. Cowper on June 24, 2019, he admitted to altering the above receipt to match the information he needed for the BOAF transaction because he could not find the original. Neither prior management nor the Finance Division flagged this receipt, despite having a different vendor and transaction date than those on the P-card bank statement; the BOAF transaction date and receipt date were eight months apart.

As a County employee and a P-card holder, Mr. Cowper is required to adhere to all Unified Personnel Rules, County policies, and the Purchasing Manual. As such, Mr. Cowper is required to submit original receipts as documentation and business related justification for purchases made with his County issued P-card on a monthly basis.

The Purchasing Manual states in Section 15.5 (E.2.d):

"Cardholder is responsible to obtain an Itemized Merchant Sales (charge) receipt (i.e., purchase documentation that identifies items purchased and amount paid for
each item) other back-up material is kept and filed with the reconciliation documents. Other documentation may include shipping documents and bills of lading. All documents and records must be maintained in accordance with appropriate Florida laws.”

Mr. Cowper violated the above policy and the following Unified Personnel Rules:

- D9 - Intentional falsification of records.
- D12 - Violation of written rules, regulations, policies or statutes.

Monthly, management should appropriately review P-card transactions and reconciliations, to confirm purchases were business appropriate and supported by proper documentation. At a management level, those in charge of reviewing and approving P-card transactions are required to abide by the same Purchasing Manual, which states in Section 15.5 (E.3.a):

"Review all charges for appropriateness (items purchased amount and vendor) and proper authorization and ensure all charges are proved by attached receipts or signed documentation. Ensure purchases were necessary and for official use."

Due to an inadequate review by prior management and the Finance Division, the above noted transactions, incorrect receipts, and altered receipts were not questioned or flagged. As a result, the County does not have accurate records of what was purchased and how County resources were spent.

Mr. Cowper admitted during our interview on June 24, 2019, that he would regularly submit receipts that matched dollar amounts for transactions if he could not find the original receipt. Mr. Cowper also admitted to altering other receipts, but he did not provide detail on specific receipts or transactions.

Based on the immediate action taken by current management and Mr. Cowper resigning, no management recommendation is necessary with respect to disciplinary action.

We Recommend Management:

Reeducate P-card holders and approvers of their responsibilities as it relates to County P-cards.

Management Response:

Management concurs. Any staff making purchases, including the Director, do so through the Administrative Manager. Purchases are made within the guidelines of Pinellas County’s Purchasing Policy and Procedures Manual, and are reviewed and approved by the Director. Staff are also educated on the requirements to seek prior approval for expenditures, even though they are for budgeted items.
A new procedure is being finalized wherein every employee making a request for supplies or purchases, will do so by completing a form via SharePoint. This form is reviewed and accepted through the chain of command (Administrative Manager and Director) prior to any purchases.
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