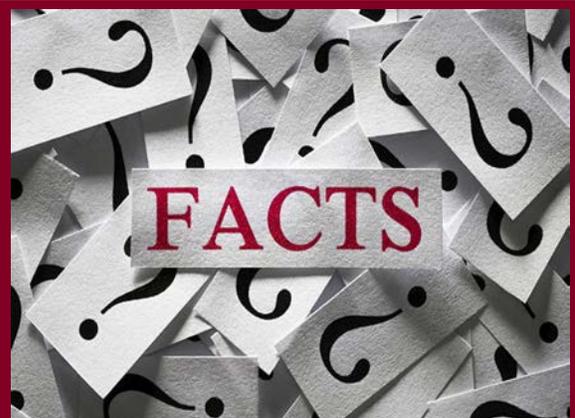
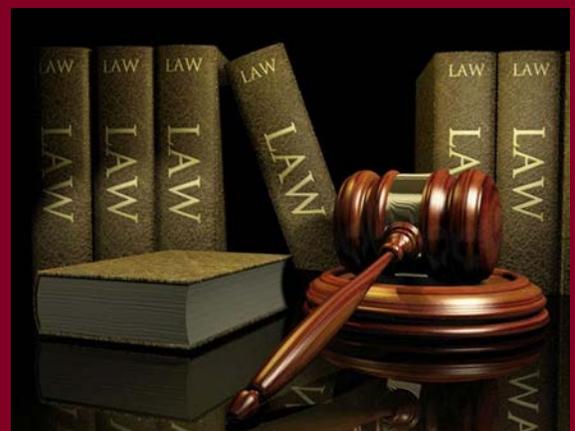




DIVISION OF INSPECTOR GENERAL
Ken Burke, CPA
Clerk of the Circuit Court and Comptroller
Pinellas County, Florida



INVESTIGATION OF NORTH COUNTY BRANCH TRANSACTION



Hector Collazo Jr. – Inspector General/Chief Audit Executive

Investigative Team
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REPORT NO. 2018-23
SEPTEMBER 20, 2018



Ken Burke, CPA

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PINELLAS COUNTY, FLORIDA

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September 20, 2018

Jeff Gates, Executive Director, Court and Operational Services Division
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Connie Daniels, Director, Court and Operational Services Division
Claretha Harris, Chief Deputy Director, Finance Division

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

- A North County Branch Fiscal Records Specialist misappropriated County funds.
Unsubstantiated.

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 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 full cooperation and assistance of the North County Branch Office staff and Management 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 and Comptroller
Debra Brown, Manager, North County Branch Office
Jeanette Phillips, Director, Finance Division
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INTRODUCTION

Synopsis

On May 17, 2017, the Inspector General (IG) initiated an investigation upon receiving a request from the Clerk of the Circuit Court and Comptroller that we investigate an unusual transaction that occurred on May 4, 2017, at the North County Branch Office. The IG investigation of the allegation that a North County Branch Fiscal Records Specialist misappropriated County funds concluded that the allegation is unsubstantiated, as there is insufficient evidence to either prove or disprove the allegation. However, the Respondent did violate accounting policies and procedures by issuing a refund for more than authorized, and incorrectly cleared a driver license suspension. In addition, the current check refund policy presents a risk of financial loss to the Clerk's Office.

Background

Many citizens have used or will use the offices of the Clerk of the Circuit Court and Comptroller at some point in their life to:

- Pay a traffic ticket
- File a pleading
- Record a property deed
- Settle an estate
- Look up public information
- Serve on a jury
- Pick up a child support check
- Obtain a marriage license

The North County Branch Office is one of several offices of the Pinellas County Clerk of the Circuit Court and Comptroller (Clerk). The branch provides the following services:

- Traffic court hearings
- Accept payments for:
 - traffic, criminal, and misdemeanor fines and costs
 - payable traffic citations
 - non-criminal payable infractions, boating, fishing, and smoking violations
 - local, municipal, and county ordinances
- Issue marriage licenses and perform marriage ceremonies
- Accept passport applications
- Accept documents for recording in the Official Records
- Provide public access to the Official Records
- Accept payment for copies of:
 - history checks
 - imaged documents
 - pleadings in traffic files
 - documents in the Official Records
- Accept child support payments
- Accept new civil cases for both Circuit and County Court, including small claims, probate new estates, and probate Baker and Marchman Act petitions
- Issue certain types of summons on the original complaint
- Accept pleadings for filing in the areas of traffic, civil, and probate
- Accept Value Adjustment Board petitions with required fee
- Limited driver license reinstatements



Citizens who are issued a traffic citation must satisfy the ticket in the county in which they were issued. Most infraction violations must be paid within 30 calendar days from the date the ticket was issued, or a suspension will be entered against the driver license and additional penalties will be assessed. For driver licenses suspended for failure to pay in Pinellas County, citizens may pay the fine amount owed plus the assessed delinquent fee, at one of the Clerk's Office locations, including the North County Branch Office, using cash, check, money order, debit, or credit card. Traffic citations are processed through Odyssey, a unified court Case Management System.

The Clerk's Office can assist in reinstating driver licenses, except for those dealing with child support and financial responsibility. A reinstatement fee is required. Driver license suspensions and clearances are reported through the Comprehensive Case Information System (CCIS), a secured single point of search for statewide court case information. The information held by the Clerks of Court that may be accessed through CCIS includes court case information, Official Records, and performance and accountability measures. Information that may be accessed includes criminal history records, inmate data, and driver license information through links to the websites of the Florida Department of Law Enforcement, the Department of Corrections, and the Department of Highway Safety and Motor Vehicles.

On May 17, 2017, the Clerk requested we investigate an unusual transaction that occurred on May 4, 2017, at the North County Branch Office. The transaction sequence of events in Odyssey and CCIS were as follows:

- On May 4, 2017, a Fiscal Records Specialist (FRS, Respondent) assisted a customer who tendered a check in the amount of \$201 to fully satisfy a traffic infraction case; a counter payment for only \$60 was recorded.
- The Respondent issued \$141 in change from the cash drawer. The customer stated they did not receive the change (cash refund).
- The Respondent cleared the driver license suspension in Odyssey and CCIS, even though a balance of \$141 remained on the case.
- On May 15, 2017, the \$60 payment was reversed because the customer's check, for \$201, was returned for non-sufficient funds.
- A driver license suspension infraction was completed in Odyssey, and the Department of Highway Safety and Motor Vehicles was notified.

As part of our investigation, we reviewed the Respondent's personnel file, Odyssey and CCIS case information related to the transaction in question, several years of *Check With Change Back* reports (list transactions where the amount of the check tendered is greater than the payment total amount, leaving a balance due back to the customer), policies and procedures, and conducted interviews with management and the Respondent. Security cameras were not present at the time the transaction occurred, but Real Estate Management has since installed security cameras at the North County Branch Office.

Through our investigative process, we conclude the allegation is unsubstantiated, as there is insufficient evidence to either prove or disprove that the Respondent misappropriated the \$141 in change. Based on the information gathered during the investigation, applicable recommendations are presented in the following section.

INVESTIGATIVE FINDINGS

1. A Check Refund Policy Presents A Risk Of Financial Loss To The Clerk's Office.

The policy allowing cash change on a personal check presents the risk of loss of funds. In the event a customer tenders a check in an amount greater than what is applied to a case, and cash change is refunded to the customer, if the check is returned for non-sufficient funds, the Clerk's Office may be out the funds refunded.

Chapter 7.00 Disbursements, 7.20 Check Authorization, Refunds, Personal Checks, of the Accounting Policies and Procedures Manual, Court and Operational Services Divisions, 2017 Edition (AP&P Manual) states:

"1. FIVE DOLLARS (\$5.00) OR LESS

In the event a cashier is presented a personal check for which a refund of five dollars (\$5.00) or less is required and it is not possible to procure payment for the correct amount (example: the presenter of the personal check is not the maker or drawer thereof) the FRS is authorized to refund cash to the presenter of the personal check, subject to the following restrictions:

A. Cash refunds must be made from cash collections of that business day and must not deplete the FRS' established change fund. The FRS must maintain a minimum cash reserve of no less than the amount consigned to the cashier as the change fund."

During the transaction in question for a traffic infraction case, a customer tendered to the Respondent a check in the amount of \$201. The case had a balance due of \$201; however, only \$60 was applied to the case. The Respondent issued \$141 in change from the cash drawer, leaving the case with a \$141 balance due. A couple of weeks later, the \$201 check was dishonored by the bank. The \$60 payment was reversed, leaving the Clerk's Office short the \$141 cash refunded as change on the check.

Transaction Detail		Tender Detail	
Receipt #	System	201.00 CHECK	
Date: 05/04/2017	Type: COUNTER PA		
Amount to be Applied: 60.00			
<input checked="" type="radio"/> Case Party <input type="radio"/> Non Case Party			
Payor	Address		
Till		Total Amount Tendered	201.00
Comment		Amount Applied	60.00
		Change Issued From Drawer	141.00

Allowing cash change back on a check can also lead to abuse, since Odyssey does not have controls to prevent an FRS from refunding more than \$5. Examples include the transaction that is within the scope of this investigation (\$141 cash as change), and in 2014, an FRS validated \$50 cash as change back on a \$588 Western Union money order.

Chapter 7.00 Disbursements, Section 7.20 Check Authorization, Refunds, Personal Checks, of the AP&P Manual states:

"2. GREATER THAN FIVE DOLLARS (\$5.00)

Refunds due for greater than five dollars (\$5.00) will be processed as a check refund payable to the maker or drawer of the personal check accepted for collection... Check refunds due on personal checks or money orders accepted for collection by the Clerk will be disbursed subsequent to the time interval required for the clearance of such personal check by the banking system engaged by the Clerk."

This policy has controls to prevent financial loss from a check that is returned for non-sufficient funds, because the change is not disbursed until the check clears the bank.

We Recommend:

- A. Clerk's Accounting remove the policy allowing an FRS to refund cash to the presenter of a personal check as stated in Chapter 7.00 of the Accounting Policies and Procedures Manual, Court and Operational Services Divisions, 2017 Edition.
- B. Management work with Clerk's Technology to determine if a control can be implemented in Odyssey to prevent cash change when a check is tendered. If a control in Odyssey cannot be implemented, we recommend management review the report listing check payments with cash change returned (*Check With Change Back* report) on a periodic basis to identify any violations of the Accounting Policies and Procedures Manual.

Management Response:

- A. **Management Concurs.** The Clerk's Accounting Department of the Finance Division will modify the Accounting Policies and Procedures Manual, Court and Operational Services Divisions, Chapter 7.00 Disbursements, Section 7.20 Check Authorization, Refunds, Personal Checks, and remove the verbiage providing for cash refunds of amounts less than \$5.00 on payments made by check.
- B. **Management Concurs.** We will need to meet with Clerk's Technology to determine if this is possible within the confines of Odyssey. If not, periodic audit procedures will need to be implemented as part of the quarterly audits for the staff.

2. The Respondent Violated The Clerk's Accounting Policies And Procedures.

The Respondent violated the AP&P Manual by issuing a refund for more than authorized, resulting in a \$141 loss to the Clerk's Office. The Respondent had no recollection of the transaction and could offer no feedback on the cash refund.

The Respondent is an FRS. Chapter 2.00 Transfers of Funds, Section 2.22 Definitions, of the AP&P Manual defines an FRS as a, "Person responsible for receiving money from the public, either directly or by mail, and performing the duties outlined in Section 1.11." Section 1.11 of the AP&P Manual outlines duties of an FRS, which includes maintaining control of all cash received.

Chapter 7.00 Disbursements, Section 7.20 Check Authorization, Refunds, Personal Checks, of the AP&P Manual states:

"1. FIVE DOLLARS (\$5.00) OR LESS

In the event a cashier is presented a personal check for which a refund of five dollars (\$5.00) or less is required and it is not possible to procure payment for the correct amount (example: the presenter of the personal check is not the maker or drawer thereof) the FRS is authorized to refund cash to the presenter of the personal check, subject to the following restrictions:

A. Cash refunds must be made from cash collections of that business day and must not deplete the FRS' established change fund. The FRS must maintain a minimum cash reserve of no less than the amount consigned to the cashier as the change fund."

Refunds due for greater than five dollars are processed as a check refund, payable to the maker of the check subsequent to the time interval required for check clearance by the banking system.

Although the Respondent's till balanced the day of the transaction, in essence, there was a cash shortage, since \$141 was removed from the cash drawer inappropriately. Chapter 3.00 Terminal Operation and Balancing, Section 3.56 Cashier Over or Short, of the AP&P Manual discusses overages and shortages of \$50 or more as follows:

- 5.a. *"ii. Use memo provided to Director as Memo to File for the employee"*
- 5.a. *"vi. 2nd incident of loss of an amount greater than \$50 may result in disciplinary action on a calendar year basis"*
- 5.d. *"All overage and shortages shall be documented in FACE."*
- 5.e. *"Losses resulting from mishandling of funds may result in disciplinary action."*

The Respondent was responsible to properly handle cash in their possession per the Clerk's Policy Manual, 2014 Edition, which states in Chapter 20 County Property:

"Employees are responsible for property being handled or used by them, whether it is furniture, equipment, money, stamps, evidence, or other items of value or importance entrusted to their care."

The Respondent is a classified employee and subject to the Personnel Rules. Personnel Rule 6. Discipline, Section A. Applicability and Purpose, states:

"This rule applies to employees in the Classified Service. The purposes of this rule are to establish procedures for administering discipline and to recommend standard ranges of penalties to promote reasonable consistency in discipline."

Since the Respondent did not follow the AP&P Manual for cash back refunds on a check, which led to a \$141 loss to the Clerk's Office, due to the customer's check being returned for non-sufficient funds, the following Personnel Rules disciplinary guidelines are applicable:

- *"D12 Violation of written rules, regulations, policies or statutes."*
- *"D13 Negligence resulting in minor** consequences."*
- *"D14 Negligence resulting in serious** consequences."*

***IG staff defers to Management's discretion to determine the gravity of the consequences.*

Disciplinary actions for these infractions can range from verbal warning to dismissal.

We Recommend Management:

- A. Impose the warranted disciplinary action(s) prescribed by the Personnel Rules. Since disciplinary action was administered in May 2018, no additional action is required by management.
- B. Provide the FRS with additional training, with emphasis on proper cash handling expectations.
- C. Document the incident in the FACE (Feedback, Ask Questions, Conversation, and Explore Options) performance management software system for the FRS.

Management Response:

- A. No response required.
- B. **Management Concurs.** The Accounting Control Procedures are targeted to be reviewed in the near future. All FRS will be required to read and acknowledge that they have read and understand the Accounting Control Procedures.

C. **Management Concurs.** The incident has been documented in the employee's FACE discussion.

3. The Respondent Incorrectly Cleared A Driver License Suspension.

During the transaction in question for a traffic infraction case, the Respondent entered event code "CLD6" in Odyssey to remove the "D6" (driver license suspension) flag and prevent further collections, even though a balance of \$141 remained. The Respondent is unsure why they cleared the driver license suspension. The procedures for clearing a driver license suspension in Odyssey state:

"1. If there is only one D6 flag on a case, use the event code CLD6 to clear the flag which will set the collection status on the case... After using the event to clear the D6 in Odyssey, go to DMV to complete clearing the D6 as usual."

Per the Odyssey D6 Clearance Flowchart:

"The D6 Status will be removed in the following scenarios:

- 1. If the case balance is paid in full*
- 2. Pay the late fee and the payment plan up to date*
- 3. Pay the late fee and starts a payment plan*
- 4. Submit a written request and pay the late fee (ex. Request for court date, extension of time)*
- 5. Waived or voided by the court"*

The case did not meet any of these scenarios. The Respondent also incorrectly cleared the customer's driver license suspension in CCIS. On May 4, 2017, (date of transaction in question), the Respondent cleared the driver license suspension with code "90" which means, "Successful D6 Closure(s) and Reinstatement Fee Collected. If (All D6s met court requirements) & (At least one D6 restore date >= DHSMV D6 Date) & (Reinstatement Fee Collected)." However, not all requirements were met.

The Respondent is a classified employee and subject to the Personnel Rules. Personnel Rule 6. Discipline, Section A. Applicability and Purpose, states:

"This rule applies to employees in the Classified Service. The purposes of this rule are to establish procedures for administering discipline and to recommend standard ranges of penalties to promote reasonable consistency in discipline."

Since the Respondent did not follow the Odyssey and CCIS requirements for removing a driver license suspension, which resulted in the customer's driver license being reinstated even though

all conditions had not been met, the following Personnel Rules disciplinary guidelines are applicable:

- "D12 Violation of written rules, regulations, policies or statutes."
- "D13 Negligence resulting in minor** consequences."
- "D14 Negligence resulting in serious** consequences."

***IG staff defers to Management's discretion to determine the gravity of the consequences.*

Disciplinary actions for these infractions can range from verbal warning to dismissal.

Improper reinstatement of a driver license can lead to fines and fees not being collected, the driver license holder thinking all conditions have been met when they have not, and law enforcement not having accurate information.

We Recommend Management:

- A. Impose the warranted disciplinary action(s) prescribed by the Personnel Rules. Since disciplinary action was administered in May 2018, no additional action is required by management.
- B. Provide the FRS with additional training, with emphasis on what the requirements are for clearing a driver license suspension.

Management Response:

- A. No response required.
- B. **Management Concurs.** Refresher training is needed with the FRS and the staff. We often have FRS staff changing due to promotions and/or staff leaving our office. The process of correctly and accurately clearing driver license suspensions is very important. The FRS must understand the ramifications of not adhering to the approved procedure for this process.



DIVISION OF INSPECTOR GENERAL

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PINELLAS COUNTY, FLORIDA

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