INVESTIGATION OF MISAPPROPRIATION OF COUNTY LAPTOP

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Megan Ross, Director of Utilities, Utilities Department

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

A Utilities Department, Customer Service Section, employee:

- Violated the written rules, regulations, or policies as it pertains to the use and return of County property. **Substantiated.**
- Illegally disposed of County property by placing the equipment within a garbage dumpster area at a residential location. **Substantiated.**

To determine whether the allegations were 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 recommendation presented in this report may not be all-inclusive of areas where improvement may be needed; however, we believe implementation of the recommendation will strengthen the current internal controls.

We appreciate the full cooperation and assistance of the Utilities Department and Business Technology Services 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
    Barry A. Burton, County Administrator
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>4</td>
</tr>
<tr>
<td>INVESTIGATIVE FINDINGS</td>
<td>6</td>
</tr>
<tr>
<td>1. The Respondent Did Not Safeguard County Property As Required.</td>
<td>6</td>
</tr>
</tbody>
</table>
INTRODUCTION

Synopsis

The Division of Inspector General (IG) initiated an investigation upon receiving information about Pinellas County (County) property that may have been improperly disposed of. The IG investigated and substantiated two allegations, concluding that a Utilities Department (Department or Utilities) employee, the Respondent, did not safeguard County property as required. The Respondent’s County-assigned laptop was found in the Recycle Refuse Center at the Respondent’s residence. Based on the information gathered during the investigation, an opportunity for improvement is presented in this report.

Background

Utilities manage the water and wastewater treatment facility operations, the monitoring and laboratory functions, and the maintenance of the distribution and collection systems. Utilities customers receive drinking water from sources managed by the regional water supplier, Tampa Bay Water. Utilities bills and collects nearly $200 million annually for water, sewer, and reclaimed services. The structure of Utilities includes the following divisions:

- Plant Operations
- Maintenance
- Water Quality
- Engineering
- Customer Services

The Respondent in this investigation works for the Utilities Customer Services Division. The Customer Services Division maintains electronic account data and manages 112,900 water meters. The Customer Services Division includes:

- Billing and invoicing
- Revenue analysis
- Collections
- Integrated account services
- Call center
- Field operations (meter reading)
- Water compliance

The IG initiated an investigation upon receiving information about County property that may have been improperly disposed of. A citizen found a laptop bag on top of a recycle bin in the Recycle Refuse Center at a condominium complex. The citizen reviewed the contents of the bag, and
noted what appeared to be a County laptop, and several County business cards. The citizen reported the items to the IG, which resulted in the IG investigating the following allegations:

- The Respondent violated the written rules, regulations, or policies as it pertains to the use and return of County property.
- The Respondent illegally disposed of County property by placing the equipment within a garbage dumpster area at a residential location.

As part of our investigation, we reviewed personnel files, the Pinellas County Personnel Handbook and Manual, Utilities fixed assets inventory records, Business Technology Services (BTS) Help Desk service logs, County policies and procedures, Florida Statutes, computer images, compact discs, and conducted interviews with staff, management, and the Respondent.

The IG concluded that the Respondent violated their duty to safeguard County property, which resulted in the disposal of the equipment in a recycling center within their home community. Although there is not sufficient evidence to prove or disprove that the Respondent disposed of the property in person, it is clear that the Respondent's neglect of County property resulted in the improper disposal of the property. Therefore, we conclude that both allegations are substantiated.
1. **The Respondent Did Not Safeguard County Property As Required.**

The Respondent’s County laptop was found at their residence on top of a recycling receptacle. The laptop was inside a laptop bag, along with various laptop accessories and other electronic media. The IG reviewed the contents of the laptop bag and noted the following:

- The laptop contained sensitive information related to the Utilities Department’s customers, employees, and other community partners. Sensitive information included names, addresses, telephone numbers, email addresses, and user identifications and passwords for training websites.
- Compact discs contained County budget information, and Utilities Department performance measures, which is public information, and therefore, not sensitive.

It should be noted that while the IG reviewed a sample of documents from the laptop’s hard drive, there is potentially other sensitive and/or confidential information contained on the laptop that was not reviewed. In addition, the IG did not review two Maxwell MC-60UR microcassettes due to resource constraints.

Further review of the laptop revealed a current County employee had logged into the laptop in the past, and the employee’s home address matched the address where the laptop was found. We interviewed the County employee to determine why the laptop was in the Recycle Refuse Center at their residence.

The Respondent confirmed that they lived at the address where the laptop was found, but was unaware how the laptop bag came to be at the Recycle Refuse Center. The Respondent
theorized that they must have brought the laptop bag home, and a family member may have disposed of it while packing in preparation of their move to a new address.

The Respondent used the laptop for a special assignment from approximately 2005 – 2007, and stated that they contacted the BTS Help Desk to pick up the laptop when the assignment concluded. However, BTS did not pick up the laptop and the Respondent did not continue efforts to return the laptop to BTS. The IG verified that BTS did not have a record of the Respondent requesting BTS to retrieve the laptop.

We reviewed all available inventory records, dating back to 2011. Since the laptop was not located on the inventory records, and it was not affixed with an asset tag, we concluded that it was a non-asset item. However, it is possible the laptop was an asset in the past. The Department should track assets and valuable non-asset items in a similar fashion to ensure it is protecting County property. County policies and Florida Statutes dictate a responsibility to safeguard County assets and confidential information.

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

The County’s Statement of Ethics includes the following:

The County Administrator's Electronic Media Use Policy states:

"In the event of a lost or stolen PDA, blackberry, lap top computer, tablet type computer, or any other device of this type that has or could have access to County information the individual responsible for the equipment will IMMEDIATELY contact the Support Center at 727-453-4357 (3-HELP) or E Mail at: supportctr@pinellascounty.org so that the unit may be locked. Once locked, multiple failed password attempts will result in all data being wiped clean from the device."

Florida Statutes, Chapter 119, Public Records, 119.01, addresses classification of all state, county, and municipal records as public records. Providing access to public records is a duty of each agency. However, it also states the agency has the responsibility to ensure that exempt and/or confidential records are not disclosed and/or released except as permitted by law.

Finally, the County’s Information Technology, Customer Service Field Support, created a "Stolen/Missing Laptop" procedure, which directs departments to immediately file a police report, file a claim with Risk Management, notify various County personnel, and if CompuTrace (software tracking the stolen computer) is installed on the laptop, to notify the Support Center.

While the Respondent did contact BTS initially to retrieve the laptop, neither the Respondent nor the Department followed up to ensure the laptop was appropriately disposed of. While the laptop did have an access control in place requiring a user to login to the computer with a password, a prudent attacker might be able to bypass the control. If an individual with malicious intentions
found the hard drive or media storage on the laptop, they could produce fraudulent official
government records, and/or engage in identity fraud. This is made easier because the records
are in electronic format. It is imperative that sensitive equipment be safeguarded at all times,
including during the destruction and disposal process.

We Recommend Management:

A. Establish a tracking system for non-asset items based on management best practices
   and risk analysis.

B. Ensure equipment that has the capacity to store electronic data and/or have some form
   of memory chip, including laptops, be disposed of appropriately.

C. Provide training to staff on the proper procedures for disposing of assets, as well as
   procedures for reporting lost or stolen items.

Management Response:

Management concurs. A response for each item is outlined below.

A. BTS currently assigns an asset tag to computers costing $1,000 or more when
   purchased. This is in alignment with the Clerk’s fixed asset policy. In addition, a tracking
   mechanism has been implemented internally to the Division to ensure all computer
   equipment is tracked. We have implemented a process in which we are recording and
   tracking computer items costing less than $1,000 issued to staff. There will be a review
   of the file twice a year to ensure accuracy and tracking.

B. The Division will follow Information Technology’s rules surrounding disposal of equipment
   issued to ensure accountability and correct disposal to minimize/eliminate risk.

C. The Division is in the process of training all staff on procedures for disposing of assets,
   as well as procedures for reporting lost or stolen items.
DIVISION OF INSPECTOR GENERAL
KEN BURKE, CPA
CLERK OF THE CIRCUIT COURT & COMPTROLLER
PINELLAS COUNTY, FLORIDA

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