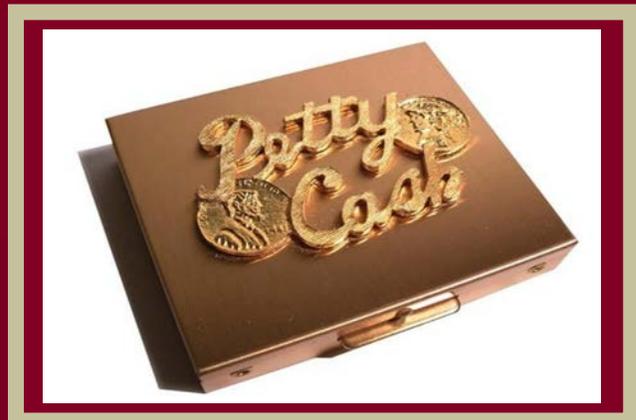




DIVISION OF INSPECTOR GENERAL
Ken Burke, CPA
Clerk of the Circuit Court and Comptroller
Pinellas County, Florida



FOLLOW-UP INVESTIGATION OF SOLID WASTE PETTY CASH



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**REPORT NO. 2018-34
DECEMBER 5, 2018**



Ken Burke, CPA

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December 5, 2018

Paul Sacco, Assistant County Administrator/Interim Director
Solid Waste Department

We have conducted a Follow-Up Investigation of Solid Waste Petty Cash. The objective of our review was to determine the implementation status of our previous recommendations.

Of the 13 recommendations contained in the original investigative report, we determined that four have been implemented and the remaining nine are no longer applicable. The status of each recommendation is presented in this follow-up review.

We appreciate the cooperation shown by the staff of Solid Waste during the course of this review.

Respectfully Submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive



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INTRODUCTION

Scope and Methodology

We conducted an investigative follow-up of Solid Waste Petty Cash. The purpose of our follow-up review was to determine the status of previous recommendations for improvement.

The purpose of the original investigation was to determine if the respondent committed:

- 1) Theft of County funds
- 2) Perjury by false written declaration
- 3) Wire fraud
- 4) Forgery
- 5) False official statement
- 6) Falsification of County records
- 7) Infraction of County Code of Ethics
- 8) Infraction of County Personnel Rules
- 9) Infraction of County Cash Handling Policies and Procedures
- 10) Infraction of Department Policies and Procedures

To determine the current status of our previous recommendations, we surveyed and/or interviewed management to determine the actual actions taken to implement recommendations for improvement. We performed limited testing to verify the implementation of the recommendations for improvement.

Our investigative follow-up was conducted in accordance with the *Principles and Standards for Offices of Inspector General* and *The Florida Inspectors General Standards Manual* from The Commission for Florida Law Enforcement Accreditation and, accordingly, included such tests of records and other investigative procedures, as we considered necessary in the circumstances. Our follow-up testing was performed during the month of November 2018. The original investigative period was December 3, 2014 through October 31, 2016. However, transactions and processes reviewed were not limited by the investigative period.

Overall Conclusion

Of the 13 recommendations in the report, we determined that four were implemented and the remaining nine are no longer applicable. We commend management for the prompt implementation of our recommendations.

Implementation Status Table

FIC NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
1	<i>Department And County Petty Cash Handling Policies And Procedures Are Not Followed.</i>					
A	Revise the department cash handling policies and procedures to better reflect the requirements established by the Finance Division.					✓
B	Implement, enforce, and adhere to the established cash handling policies and procedures.					✓
C	Keep and maintain a petty cash activity log as required by the Finance Division Petty Cash And Change Fund Policy And Procedures.					✓
D	Establish a quicker turnaround time for petty cash reimbursement. Select a day of the week and instruct employees to present their receipts for reimbursements.					✓
E	Establish a method to memorialize cash count spot checks performed by management for audit purposes.					✓
F	Establish a method to memorialize cash count spot checks performed by the Custodian and the Alternate Custodian.					✓
G	Keep the safe and key in a secured location, away from onlookers.	✓				
H	Instruct assigned employees to only access the safe in pairs, for accountability purposes, since the safe also houses the department's Change Fund.					✓
I	Keep and maintain a "safe access log" to capture the date, time, and reason the safe was opened. The log should be monitored/reviewed by management.					✓

FIC NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
J	Establish that only the person who is owed petty cash collects and signs for the funds in the presence of the Custodian.					✓
K	Consult with the Finance Division to explore other reimbursement methods through OPUS to promote oversight, accountability, and a quicker reimbursement turnaround time.	✓				
2	<i>The Respondent Committed Multiple Infractions Under The Personnel Rules.</i>					
A	The Division of Inspector General forwarded the case to the State Attorney's Office for their review of the facts for potential prosecution.	✓				
3	<i>The Respondent Violated Florida Statutes, Ultimately Violating The Pinellas County Code Of Ethics.</i>					
A	The Division of Inspector General forwarded the case to the State Attorney's Office for their review of the facts for potential prosecution.	✓				

Background



Pinellas County Solid Waste manages the landfill, the waste to energy plant, household hazardous waste collection, waste reduction, and other solid waste management related functions. Through its various services, the department emphasizes public awareness and communication to enable County residents to make educated choices concerning proper management of their solid waste, and to help maintain the quality of life in Pinellas County.

Solid Waste funds are solely committed to support Solid Waste functions. Solid Waste utilizes two funds:

1. Revenue & Operating Fund, valued at \$154,839,780 for FY 2016 Adopted budget
2. Renewal & Replacement Fund, valued at \$1,170,700 for FY 2016 Adopted budget

In addition to the aforementioned funds, a Solid Waste Petty Cash Fund of \$250 was established prior to 1990 to cover official County business expenses under \$50. On March 5, 2014, the Petty Cash Fund was increased to \$500, which is the maximum allowed by the Finance Division.

Table 1 - Solid Waste Fund Allocation by Function – FY 2016

	Landfill & Site Operation	Reserves	Transfers	Waste Reduction	Waste To Energy	Total
Revenue & Operating Fund	\$18,216,340	\$39,149,450	\$25,000,000	\$6,010,690	\$66,463,300	\$154,839,780
Renewal & Replacement Fund	\$715,300	\$0	\$0	\$205,400	\$250,000	\$1,170,700

As part of its 2016 Annual Audit Plan, the Division of Inspector General conducted an unannounced audit of Solid Waste's Petty Cash Fund. The purpose of the audit was to gage Solid Waste's compliance with the "Petty Cash and Change Fund Policies and Procedures" established by the Finance Division. The day of the audit, some irregularities transpired, which prompted the initiation of an investigation with the Petty Cash Custodian as the Respondent.

The Respondent was appointed custodian of the Solid Waste Petty Cash Fund in December 2014. On October 4, 2016, our office conducted an unannounced audit of Solid Waste's Petty Cash Fund. The cash count took place in an office adjacent to the Respondent's office, where the safe and petty cash box are located; however, the IG staff and the Alternate Custodian waited a half hour for the Respondent to return with the box and receipts. When the Respondent returned with the items, IG staff proceeded with routine audit questions and with the cash count. During the latter exercise, IG staff noted duplicate receipts presented as supporting documents. IG staff removed the obvious duplicate receipts; ultimately, the content of the cash box was as follows:

- \$20.92 in cash (the Finance Division policy dictates: "*The fund should be reimbursed when approximately 50% of the base fund has been expended.*")
- \$175.66 in a pending reimbursement check from the Finance Division (IG staff's cursory review revealed the Respondent had cashed that check from the Finance Division on August 5, 2016.)
- \$187.24 in receipts (which our investigation revealed contained duplicated and fabricated items).

The Solid Waste Petty Cash Fund is in the amount of \$500; the day of the unannounced cash count, IG staff noted \$116.18 worth of receipts missing [$\$500 - (\$175.66 + \$20.92 + \$187.24)$]. The Respondent explained that the receipts could have been misplaced. IG staff instructed the Respondent to email the missing receipts along with the ones accounted for during the cash count to our office. Following the cash count, the Respondent emailed the outstanding receipts to IG staff as instructed. A cursory review of the receipts emailed and of the petty cash reimbursement requests the Respondent submitted to the Finance Division revealed more irregularities including:

- Missing petty cash reimbursement slips.
- Duplicate petty cash reimbursement slips.
- The Respondent was unable to reconcile the fund.
- The Respondent was unable to effectively explain the missing receipts.
- IG staff obtained evidence that the Respondent cashed the "pending" \$175.66 reimbursement check on August 5, 2016. The Respondent misled IG staff and falsified the true state of the Petty Cash Fund.

Given the above findings, our office opened an investigation; our premise for conducting the investigation were:

- Potential theft of County funds
- Potential perjury by false written declaration
- Potential wire fraud
- Potential forgery
- Potential false official statement
- Potential falsification of County records
- Potential infraction of County Code of Ethics
- Potential infraction of County Personnel Rules
- Potential infraction of County Cash Handling Policies and Procedures
- Potential infraction of Department Policies and Procedures

On October 31, 2016, IG performed a search and seizure of the Respondent's office in the presence of management. Some of the items obtained were altered petty cash slips, original receipts, and petty cash slips. IG also obtained every petty cash reimbursement request the Respondent submitted through OPUS since becoming the Petty Cash Custodian for the department.

IG staff interviewed twenty employees and through the interviews learned about the petty cash reimbursement process at Solid Waste. Quarterly, the Petty Cash Custodian emails every employee to advise the time to submit their mileage reimbursement forms. In order to get reimbursed for mileage through petty cash, the employees fill out the "Pinellas County Government Local In-County Traveling Expenses" form electronically, print it, sign it, and then submit it to their superior for approval. The employees then submit the completed form to the Petty Cash Custodian who collects them for the Director's signature/approval. The employees do not get a copy of the signed form. The petty cash recipients IG interviewed stated the turnaround time for reimbursement is between three weeks to two months.

In the case of other approved expenses under \$50 (i.e., fuel, tolls, car wash, etc.), the employees submit the original receipt to the Petty Cash Custodian, but they do not receive their reimbursement upon submitting the receipt. Some interviewees stated they had to wait between three weeks and two months to get reimbursed; they suggested it was because the funds were low and the Administration Office was waiting for the reimbursement check from the Finance Division to replenish the Petty Cash Fund. The interviewees further explained, once they submit a receipt or mileage reimbursement form to the Custodian, they did not keep a copy of the signed documents for their record; therefore, they could only submit for reimbursement once per transaction. However, our fieldwork revealed the Respondent submitted duplicate receipts and/or mileage reimbursement forms to the Finance Division for petty cash replenishment.

Through the interviews, IG staff found the Respondent often entrusted one employee with the reimbursement funds for a number of his/her co-workers. For instance, if one employee came to collect his/her petty cash reimbursement, the Respondent would give that employee the reimbursements for other employees in their division. The selected employee never knew what the reimbursement was for; the employee was only instructed to sign for his/her co-workers and remit them an envelope with the funds.

Our investigative fieldwork revealed the following:

- 34 instances of signature mismatch, where the petty cash slips were not signed by the traveler or the person who effected the purchase.
- 20 instances of duplicate entries totaling at least \$430.
- At least 25 instances of altered documents, where the petty cash slips, travel forms, and one store receipt have been altered.
- At least 4 instances of forgery.

Consequently, the following laws and policies and procedures were violated:

- Pinellas County Personnel Rules
- Pinellas County Clerk of the Circuit Court Finance Division Petty Cash And Change Fund Policy And Procedures
- Pinellas County Solid Waste Department Petty Cash Policies and Procedures
- Pinellas County Statement of Ethics, due to violation of the following Florida Statutes:
 - F.S. 812.014 – Theft
 - F.S. 92.525 - Perjury by false written declaration

- F.S. 817.034 - Wire Fraud (Florida Communications Fraud Act)
- F.S. 831.01 - Forgery
- F.S. 837.06 - False Official Statement
- F.S. 839.13 - Falsifying Records

On March 3, 2017, IG interviewed the Respondent who ultimately confessed, verbally and in writing, to having taken "*petty cash for personal use....*" and also stated, "*Duplicate receipts were created and some recipient's signatures cut and pasted.*" As of March 9, 2017, the respondent resigned from County employment.

The Division of Inspector General's investigation obtained sufficient evidence to **substantiate** the allegations; furthermore, the internal controls over petty cash handling need improvement.

STATUS OF RECOMMENDATIONS

This section reports our investigative follow-up on actions taken by management on the recommendations for improvement in our original investigative report of Solid Waste Petty Cash. The recommendations contained herein are those of the investigative report, followed by the current status of the recommendations.

1. Department And County Petty Cash Handling Policies And Procedures Are Not Followed.

The Respondent and Solid Waste management have not followed department and County policies and procedures regarding petty cash handling. The Pinellas County Clerk of The Circuit Court Finance Division Petty Cash And Change Fund Policy And Procedures provide guidelines to establish, manage (safeguarding and accountability), replenish, and dissolve petty cash and change funds. The Solid Waste Division also established its internal Standard Operating Procedures (SOPs) for petty cash handling. The following depicts how the aforementioned directives were not followed.

Review of the reimbursement requests the Respondent submitted to the Finance Division show duplicate receipts; IG has evidence the Finance Division issued a reimbursement check to the Respondent for every reimbursement request submitted. Through fieldwork, IG determined that Solid Waste employees don't have an opportunity to submit a petty cash reimbursement more than once. The petty cash reimbursement process is such that the original receipt and/or mileage form is given to the Petty Cash Custodian and no copy or confirmation is given to the employee. The Custodian is ultimately the gate keeper and the person responsible for submitting the reimbursement requests through OPUS. Through interviews with management, IG confirmed there has been no record of any overage to the Solid Waste Petty Cash Fund. IG concludes the Respondent misappropriated the funds received for the duplicate receipts. In addition, the Respondent confessed to having used petty cash funds for personal use.

Section VII.A Guidelines For Petty Cash Expenditures, of the Finance Division Petty Cash And Change Fund Policy And Procedures, states:

"A. All petty cash disbursements must be for an Official County purpose."

In addition, Section VI.A. Responsibility For Funds, of the Finance Division Petty Cash And Change Fund Policy And Procedures, states:

"A. ...All funds should be kept in an approved cash box and in a secure location. Petty cash and change funds should never be commingled. These funds should also not be mixed with personal funds."

By using the petty cash funds for personal use, the Respondent violated the latter section of the policy. During fieldwork, IG acquired original documentation and every electronic petty cash reimbursement request the Respondent submitted to the Finance Division through OPUS. IG noted some of the original copies were different from the copies submitted; the Respondent altered the items prior to and/or post-submission in OPUS.

Section VI.B. Responsibility For Funds, of the Finance Division Petty Cash And Change Fund Policy And Procedures, states:

"B. ...The petty cash custodian should not disburse and receive money on the same transaction."

The custodian should not be signing his/her own petty cash reimbursements. In reviewing the reimbursement requests the Respondent submitted to the Finance Division through OPUS, IG noted a petty cash reimbursement receipt for the Respondent. The receipt was signed by the Respondent only, which constitutes a violation of the aforementioned rule.

Section VII.A Guidelines For Petty Cash Expenditures, of the Finance Division Petty Cash And Change Fund Policy And Procedures, states:

"A. ... A 'PETTY CASH TRANSACTION LOG' should be used to document the disbursement and collection of money from the Petty Cash Fund..."

In addition, Section VIII. B. Reimbursement Of Petty Cash Fund, of the Finance Division Petty Cash And Change Fund Policy And Procedures, states:

"B. When submitting a request for reimbursement to the Finance Division, the attached 'PETTY CASH REIMBURSEMENT REQUEST' [form] should be used. This form indicates the amount of the fund, the total of receipts for expenditures summarized by fund/account/center number, total cash on hand and the total to be reimbursed. A log documenting the disbursement and collection of money should also be provided. The reimbursement request shall be signed by the custodian and the Department Director (or his designee). Individual receipts should be attached to the reimbursement request. Reimbursement will be made by check payable to the authorized custodian."

During fieldwork, IG determined the Petty Cash Transaction Log was not maintained and consequently not submitted with the petty cash reimbursement requests as required by the above directive.

The Solid Waste Petty Cash Fund is in the amount of \$500. Section VIII.A Reimbursement Of Petty Cash Fund, of the Finance Division Petty Cash And Change Fund Policy And Procedures, states:

"A. The fund should be reimbursed when approximately 50% of the base fund has been expended."

In the case of the Solid Waste Petty Cash Fund, the threshold is \$250. On October 4, 2016, when IG staff performed the unannounced cash count, they only found \$20.92 in the box. The IG staff inquired the reason for the delay in fund replenishment, and the Respondent stated the reimbursement request had been submitted to the Finance Division in July 2016 and the check had not come in yet. After further review, IG staff found out the Respondent had cashed the reimbursement check in question on August 5, 2016. The Respondent did submit the reimbursement request to the Finance Division; however, it was not to timely replenish the Petty Cash Fund as required.

Furthermore, during the search and seizure performed on October 31, 2016, the investigators performed a cash count of the fund and the amount in the box was \$125.59. According to the reimbursement submission request for that period, the Respondent waited until the fund decreased to \$170.06 prior to submitting for replenishment. The employees interviewed stated it would take weeks before they received reimbursement for their expenses. The investigators noted that a significant percentage of the petty cash reimbursements issued to employees were for mileage. Handling these reimbursements through petty cash may not be the most efficient and effective method considering the extended turnaround time.

The bottom of the department's Petty Cash Disbursement Slip reads:

"Money and receipt MUST be turned in the same day of Petty Cash Disbursement."

The custodian should be reimbursing the cash to the recipient as they submit their receipts.

Section A. Reimbursing employee for costs incurred, of the Solid Waste Department Petty Cash Policies and Procedures, states:

"3. The Petty Cash Custodian and Petty Cash Recipient [are to] sign where designated on the Petty Cash Disbursement Slip."

IG reviewed the Respondent's reimbursement requests to the Finance Division and interviewed twenty petty cash reimbursement recipients. IG noted the reimbursed funds were not always signed for by the person who incurred the expenses. In some instances, one employee could be signing and receiving petty cash reimbursements for multiple other employees. In addition, IG found evidence of petty cash reimbursement slips and travel reimbursement slips fabricated by the Respondent with forged employee signatures. The Respondent later confessed to cutting and pasting employees' signatures to misappropriate petty cash funds.

Section A. Reimbursing employee for costs incurred, of the Solid Waste Department Petty Cash Policies and Procedures, states:

"5. Disbursement slips will be maintained in the cash box for reconciliation."

During the unannounced cash count performed by the IG on October 4, 2016, there were a total of \$116.18 worth of receipts unaccounted for. In subsequent correspondence, the Respondent stated the receipts, which the Respondent later emailed to IG staff, had been misplaced and commingled with other paperwork. The department directive clearly states the disbursement slips are to be maintained in the cash box for reconciliation.

Section C. Reconcile Petty Cash Fund, of the Solid Waste Department Petty Cash Policies and Procedures, states:

"1. The Petty Cash Custodian and the Alternate Custodian will reconcile the cash against the disbursement slips within the first seven days of every month."

Furthermore, Section VIII.A Reimbursement of Petty Cash Fund, of the Finance Division Petty Cash And Change Fund Policy And Procedures, states:

"A. ...At a minimum each fund should be counted and balanced monthly by the supervisor of the custodian or other designee."

Given the scheme the Respondent was able to devise and from our interviews with the Alternate Custodian and management, IG concludes there was a lack of oversight of the Solid Waste Petty Cash Fund. Management seldom performed spot checks, and when they did, they were scheduled. Consequently, the Respondent had enough time to ensure the Petty Cash Fund balanced at every spot check, which explains management never having record of any shortages.

Overall, the Respondent did not follow the policies and procedures in the following instances:

- The Respondent took petty cash funds for personal use.
- The Respondent did not maintain the Petty Cash Fund at the required minimum amount, consequently causing a delay in employees receiving their reimbursement.
- The Respondent intentionally misguided IG staff at the time of the unannounced cash count on October 4, 2016.
- The Respondent had employees sign and collect petty cash reimbursements other than their own.
- The Respondent forged employees' signatures to falsify reimbursement slips.
- The Respondent submitted duplicate petty cash slips for reimbursement.
- The Respondent fabricated petty cash slips and mileage documents and submitted them for reimbursement.
- The Respondent did not maintain and submit the petty cash logs required by directives.

Management did not follow the policies and procedures in the following instances:

- Management did not perform timely unscheduled cash counts.

- Management established petty cash replenishment thresholds lower than that of the Finance Division. The department's petty cash fund is valued at \$500. Section B. Reimbursing the Petty Cash Fund, of the Solid Waste Department Petty Cash Policies and Procedures, states:

"1. Once the money has been depleted to \$100.00 all receipts and disbursement slips must be reconciled..."

Section VIII.A Reimbursement of Petty Cash Fund, of the Finance Division Petty Cash And Change Fund Policy And Procedures, states:

"A. The fund should be reimbursed when approximately 50% of the base fund has been expended."

We Recommended Management:

- A. Revise the department cash handling policies and procedures to better reflect the requirements established by the Finance Division.
- B. Implement, enforce, and adhere to the established cash handling policies and procedures.
- C. Keep and maintain a petty cash activity log as required by the Finance Division Petty Cash And Change Fund Policy And Procedures.
- D. Establish a quicker turnaround time for petty cash reimbursement. Select a day of the week and instruct employees to present their receipts for reimbursements.
- E. Establish a method to memorialize cash count spot checks performed by management for audit purposes.
- F. Establish a method to memorialize cash count spot checks performed by the Custodian and the Alternate Custodian.
- G. Keep the safe and key in a secured location, away from onlookers.
- H. Instruct assigned employees to only access the safe in pairs, for accountability purposes, since the safe also houses the department's Change Fund.
- I. Keep and maintain a "safe access log" to capture the date, time, and reason the safe was opened. The log should be monitored/reviewed by management.
- J. Establish that only the person who is owed petty cash collects and signs for the funds in the presence of the Custodian.

- K. Consult with the Finance Division to explore other reimbursement methods through OPUS to promote oversight, accountability, and a quicker reimbursement turnaround time.

Status:

- A-F & H-J. **No Longer Applicable.** As of April 5, 2017, Management has terminated their Petty Cash Fund.
- G. **Implemented.** Since the completion of the investigation, Management has relocated the safe in an area with minimal circulation. The safe contains checks and exact change payments received from citizens. The safe is secured by a code only known to the employees authorized to access it. The department maintains a safe access log which shows one of the authorized employees accompanied by a second employee for observation and accountability.
- K. **Implemented.** As of March 22, 2017, Management announced to staff the discontinuation of the Petty Cash Fund as a means for reimbursement to employees; employees were instructed to utilize i-Expense in OPUS for their reimbursements.

2. The Respondent Committed Multiple Infractions Under The Personnel Rules.

Our investigation revealed the Respondent committed multiple infractions under Rule 6 of the Pinellas County Personnel Rules. The Pinellas County Personnel Rules are comprised of a total of eight rules; each address a specific topic in dealing with County employees.

Rule 6 addresses the procedures *“for administering discipline and to recommend standard ranges of penalties to promote reasonable consistency in discipline.”* While effected discipline is *“subject to the grievance and appeal procedures..., any classified service employee may be disciplined for just cause.”* The Respondent is a classified employee.

The Respondent committed the following infractions found in Rule 6:

- D1 - Substandard quality or quantity of work: On the day of the unannounced cash count performed by our office on October 4, 2016, IG staff noted the Respondent's lack of organization as none of the paperwork was where it should be. The Petty Cash Fund did not balance that day. The Respondent presented IG staff with duplicate receipts as outstanding reimbursements.
- D3 - Failure to perform assigned duties: The Respondent's duty as the Petty Cash Custodian entails issuing approved petty cash reimbursements and maintaining the Petty Cash Fund, neither of which were performed appropriately.

- D9 - Intentional falsification of records: The Respondent acknowledged having falsified records in order to cover cash misappropriation.
- D10 - Misuse or destruction of property or equipment: The Respondent acknowledged having copied/cut and pasted employees' signatures in order to cover cash misappropriation; County supplies and equipment were used.
- D11 - Unauthorized use of County equipment or property: The Respondent acknowledged having copied/cut and pasted employees' signatures in order to cover cash misappropriation; County supplies and equipment were used.
- D12 - Violation of written rules, regulations, policies or statutes: By misappropriating petty cash funds, the Respondent violated multiple written rules, policies, procedures, and statutes (See Investigative Finding No. 1).
- D14 - Negligence resulting in serious consequences: The Respondent neglected to perform assigned duties related to the Petty Cash Custodian responsibility resulting in the loss of County funds.
- D18 - The misappropriation of County funds, appropriation of County property for personal use, or illegal disposition of County property: The Respondent acknowledged taking petty cash funds for personal use.
- D20 - The employee has engaged in conduct unbecoming an employee of the County: Based on our findings during this investigation, it is conclusive the Respondent has displayed conduct unbecoming an employee of the County by violating the Pinellas County Code of Ethics and established policies and procedures.
- D35 – Violation of Pinellas County Statement of Ethics: Based on our findings during this investigation, it is conclusive the Respondent has violated the County's Statement of Ethics.

On March 3, 2017, IG interviewed the Respondent who ultimately confessed, verbally and in writing, to having taken "*petty cash for personal use....*" and also stated, "*Duplicate receipts were created and some recipient's signatures cut and pasted.*" As of March 9, 2017, the Respondent resigned from County employment.

The Division of Inspector General has forwarded the case to the State Attorney's Office for their review of the facts for potential prosecution.

Based on the immediate action taken by management and the Respondent resigning, no management recommendation was necessary.

Status:

The State Attorney for the Sixth Judicial Circuit accepted the case for prosecution, charging the Respondent with grand theft. The Respondent entered into a Pre-Trial Intervention agreement with the State Attorney for a twelve-month period; the agreement was executed on May 4, 2018.

3. The Respondent Violated Florida Statutes, Ultimately Violating The Pinellas County Code Of Ethics.

The Respondent violated the following Florida Statutes (F.S.):

- a) F.S. 812.014 - Theft
- b) F.S. 92.525 - Perjury by false written declaration
- c) F.S. 817.034 - Wire Fraud (Florida Communications Fraud Act)
- d) F.S. 831.01 - Forgery
- e) F.S. 837.06 - False Official Statement
- f) F.S. 839.13 - Falsifying Records

The Respondent's new hire paperwork shows acknowledgement of receipt of the Pinellas County Statement of Ethics. The UPS Personnel Rules require that all employees adhere to the Pinellas County Statement of Ethics, which states:

"We, the employees of Pinellas County, as providers of public service; and, in order to inspire confidence and trust, are committed to the highest standards of personal integrity, honesty and competence.

To This End We Will...

Comply with all laws and regulations applicable to the County and impartially apply them to everyone."

a) The Respondent committed theft under F.S. 812.014.

The Respondent violated F.S. 812.014 on every submission of a fictitious or duplicate receipt for reimbursement to the Finance Division. Furthermore, during the interview with IG staff, the Respondent acknowledged, verbally and in writing, having taken petty cash funds for personal use. In order to cover the theft, the Respondent forged employees' signatures and created fictitious mileage reimbursement forms and petty cash receipts.

Florida Statute 812.014 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: ... (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... (e) Except as provided in

paragraph (d), if the property stolen is valued at \$100 or more, but less than \$300, the offender commits petit theft of the first degree, punishable as a misdemeanor of the first degree, as provided in s. 775.082 or s. 775.083."

b) The Respondent committed perjury by false written declaration under F.S. 92.525.

The Respondent violated F.S. 92.525 by signing and submitting fraudulent reimbursement requests on November 17, 2015, May 6, 2016, and October 14, 2016, to the Finance Division with the statement:

"I certify that I paid the amounts on the attached receipts in accordance with petty cash policy, that each purchase served a public purpose and is acknowledged by a signature of the employee as receipt in cash of the amount stated. I further certify that the fund balance noted is present and has been counted and verified."

The aforementioned statement is also featured in the OPUS system prior to the Respondent submitting the requests to the Finance Division.

Florida Statute 92.525 states:

"(1) If authorized or required..., by rule of an administrative agency, ...that a document be verified by a person, the verification may be accomplished in the following manner...

(c) By the signing of the written declaration prescribed in subsection (2).

(2) A written declaration means the following statement: 'Under penalties of perjury, I declare that I have read the foregoing [document] and that the facts stated in it are true,' followed by the signature of the person making the declaration, except when a verification on information or belief is permitted by law, in which case the words 'to the best of my knowledge and belief' may be added. The written declaration shall be printed or typed at the end of or immediately below the document being verified and above the signature of the person making the declaration.

(3) A person who knowingly makes a false declaration under subsection (2) is guilty of the crime of perjury by false written declaration, a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084."

c) The Respondent committed wire fraud under F.S. 817.034.

The Respondent violated F.S. 817.034 by knowingly submitting duplicate petty cash receipts for reimbursement electronically through the County's OPUS system. Furthermore, the Respondent confessed to having used petty cash funds for personal use.

Florida Statute 817.034 states:

"(1)(a) The Legislature recognizes that schemes to defraud have proliferated in the United States in recent years and that many operators of schemes to defraud use communications technology to solicit victims ...

(b) It is the intent of the Legislature to prevent the use of communications technology in furtherance of schemes to defraud by consolidating former statutes concerning schemes to defraud and organized fraud to permit prosecution of these crimes utilizing the legal precedent available under federal mail and wire fraud statutes.

(4)(a) Any person who engages in a scheme to defraud and obtains property thereby is guilty of organized fraud, punishable as follows: ...3. If the amount of property obtained has an aggregate value of less than \$20,000, the violator is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 75.084.

(b) Any person who engages in a scheme to defraud and, in furtherance of that scheme, communicates with any person with intent to obtain property from that person is guilty, for each such act of communication, of communications fraud, punishable as follows: 1. If the value of property obtained or endeavored to be obtained by the communication is valued at \$300 or more, the violator is guilty of a third degree felony, punishable as set forth in s. 775.082, s. 775.083, or s. 775.084."

d) The Respondent committed forgery under F.S. 831.01.

The Respondent violated F.S. 831.01 on every submission of a fictitious receipt for reimbursement to the Finance Division. Furthermore, during the interview with IG staff, the Respondent acknowledged, verbally and in writing, having copied and pasted co-workers' signatures in order to misappropriate petty cash funds for personal use. IG also has statements from employees affirming the signature on some of their petty cash reimbursement paperwork is not theirs.

Florida Statute 831.01 states:

"Whoever falsely makes, alters, forges or counterfeits a public record, or a certificate, ...in relation to a matter wherein such certificate, return or attestation may be received as a legal proof; ...or discharge for money or ...any receipt for money, ...with intent to injure or defraud any person, shall be guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084."

e) The Respondent committed false statements under F.S. 837.06.

The Respondent violated F.S. 837.06 by misleading IG staff during the unannounced cash count on October 4, 2016.

According to the records presented to IG staff that day, the receipts in the cash box should have totaled \$303.42; however, only \$187.24 worth of receipts were accounted for. The Respondent explained that the remaining \$116.18 worth of receipts had been misplaced; the IG staff asked the Respondent to provide a copy of all the receipts upon finding them. In a chain of e-mail correspondence dated October 4, 2016 through October 6, 2016, the Respondent provided a series of receipts totaling \$303.42. Towards the end of the correspondence, the Respondent eluded to the fact that the Petty Cash Fund balanced. The IG staff noted that many of the receipts showed evidence of alterations and fabrication; furthermore, they noted that some of the receipts they had seen on site on October 4, 2016 were not part of the email submission.

The Respondent further violated the above statute on every submission of a fictitious receipt for reimbursement to the Finance Division. Prior to submitting a reimbursement request, the Respondent signed the reimbursement request form, which states:

"I certify that I paid the amounts on the attached receipts in accordance with petty cash policy, that each purchase served a public purpose and is acknowledged by a signature of the employee as receipt in cash of the amount stated.

I further certify that the fund balance noted is present and has been counted and verified."

Florida Statute 837.06 states:

"Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083."

f) The Respondent committed record falsification under F.S. 839.13.

The Respondent violated F.S. 839.13 by altering and fabricating petty cash slips and travel mileage reimbursement forms in order to hide the misappropriation of County funds. The Respondent's reimbursement submissions to the Finance Division on November 17, 2015, May 6, 2016, and October 14, 2016, show evidence of the altered and fabricated documents. In addition, the receipts provided in the chain of e-mail correspondence previously mentioned show signs of alteration and fabrication.

Florida Statute 839.13 states:

"(1) ... if any... employee... with a public agency,... shall steal, embezzle, alter, corruptly withdraw, falsify or avoid any record, process... or shall knowingly and willfully take off, discharge or conceal any issue,... documents, books,... belonging to any public office within this state;... the person so offending shall be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083."

On March 3, 2017, IG interviewed the Respondent who ultimately confessed, verbally and in writing, to having taken "*petty cash for personal use....*" and also stated, "*Duplicate receipts were created and some recipient's signatures cut and pasted.*" As of March 9, 2017, the Respondent resigned from County employment.

The Division of Inspector General has forwarded the case to the State Attorney's Office for their review of the facts for potential prosecution.

Based on the immediate action taken by management and the Respondent resigning, no management recommendation is necessary.

Status:

The State Attorney for the Sixth Judicial Circuit accepted the case for prosecution, charging the Respondent with grand theft. The Respondent entered into a Pre-Trial Intervention agreement with the State Attorney for a twelve-month period; the agreement was executed on May 4, 2018.



DIVISION OF INSPECTOR GENERAL

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