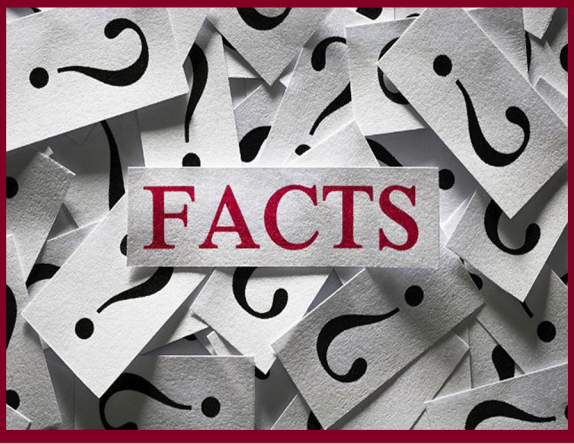
DIVISION OF INSPECTOR GENERAL
Ken Burke, CPA
Clerk of the Circuit Court and Comptroller
Pinellas County, Florida

INVESTIGATION OF PUBLIC WORKS OUTSIDE EMPLOYMENT AND PROCUREMENT PRACTICES



Melissa Dondero, CPA, CIA, CIG, CIGA, CIGI, CITP, CRMA, CFS, CECFE, CGI
Inspector General/Chief Audit Executive

Investigative Team
Robert Poynter, CIGA, CIGI, CISA, CCA, CECFE, CFS - Assistant Inspector General
Deborah Weiss, CIGA, CIGI, CFS - Senior Inspector General
Robyn Atkinson, CIGA, CIGI - Inspector General I

REPORT NO. 2021-17
SEPTEMBER 2, 2021

Ken Burke, CPA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

Division of Inspector General
510 Bay Avenue
Clearwater, FL 33756
Telephone: (727) 464-8371
Fax: (727) 464-8386
Fraud Hotline: (727) 45FRAUD (453-7283)
Clerk's website: www.mypinellasclerk.org

Clerk of the County Court
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

September 2, 2021

Kelli Levy, Director, Public Works Department

The Division of Inspector General's Public Integrity Unit has completed an investigation of the following six allegations related to six respondents in the Stormwater and Vegetation Division:

1. Respondents #1, #3, #4, #5, and #6 are violating County policy by engaging in outside, non-County employment, or enterprise.

    - Respondent #1 – ***Unsubstantiated***
    - Respondent #3 – ***Substantiated***
    - Respondent #4 – ***Unfounded***
    - Respondent #5 – ***Unfounded***
    - Respondent #6 – ***Unfounded***

2. Respondents #1 and #2 employ services of associates/friends. ***Unsubstantiated***
3. Respondents #1 and #2 use their County purchasing cards (P-Cards) to avoid having to comply with the County's Purchasing Policy. ***Unsubstantiated***
4. Respondents #1 and #2 are wasting County funds by purchasing third-party services which should be or are performed by County employees. ***Unsubstantiated***
5. Respondent #1's County P-Card is used by multiple employees. ***Substantiated***
6. Respondent #2 allows associates/friends to illegally dump landscape refuse at Public Works. ***Unfounded***

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 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 Public Works Department during the course of this investigation.

Respectfully Submitted,

Melissa Dondero

Melissa Dondero
Inspector General/Chief Audit Executive

cc: The Honorable Chairman and Members of the Board of County Commissioners
Barry Burton, County Administrator
Jill Silverboard, Deputy County Administrator/Chief of Staff
Susan Goebel-Canning, Director, Stormwater and Vegetation Division
Ken Burke, CPA, Clerk of the Circuit Court and Comptroller

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INTRODUCTION

Background

Urban Forestry and Landscape Services is an operational section of the Public Works Department, Stormwater and Vegetation Division. Urban Forestry is responsible for the maintenance and management of a diverse, healthy, and sustainable urban forest within Pinellas County (County). County-owned trees are maintained for health, safety, and appropriate clearances. The County's urban forest is a healthy and sustainable mix of trees, vegetation, and other components on both public and private property. They collectively comprise a contiguous and thriving ecosystem that is valued, protected, and cared for by the County and all its citizens as an essential environmental, economic, and community asset.

Landscape Services is responsible for the maintenance and management of turf and other vegetation on County-maintained rights-of-way and medians. This includes the direct mowing and maintenance of some sites and the management of contractors to maintain other sites. These sites create space for other functionally important vegetation such as trees to grow, aid in stormwater infiltration and control, enhance the appearance of and lessen the harshness often associated with roadside environments, and can increase the safety and functionality of the roadway itself.

Services provided by Urban Forestry and Landscape Services are performed in the unincorporated areas of the County. Service locations include the following:

- Subdivisions
- Collector roads
- Arterial corridors
- Ditches
- Parks
- County numbered roads (incorporated municipalities)

Allegations

The Division of Inspector General initiated an investigation after receiving three similar complaints through direct email and web form submission to the fraud, waste, and abuse hotline. The two known complainants and one anonymous complainant alleged the following:

1. Respondents #1, #3, #4, #5, and #6 are violating County policy by engaging in outside, non-County employment, or enterprise.
2. Respondents #1 and #2 employ services of associates/friends.
3. Respondents #1 and #2 use their County purchasing cards (P-Cards) to avoid having to comply with the County's Purchasing Policy.
4. Respondents #1 and #2 are wasting County funds by purchasing third-party services which should be or are performed by County employees.
5. Respondent #1's County P-Card is used by multiple employees.
6. Respondent #2 allows associates/friends to illegally dump landscape refuse at Public Works.

Investigative Activity

During the course of the investigation, we performed the following activities to obtain evidence to conclude on the allegations:

- Reviewed applicable County policies
- Reviewed personnel records
- Reviewed business registration records
- Analyzed P-Card transactions and supporting invoices
- Obtained and reviewed relevant contracts
- Reviewed social media sources
- Conducted interviews of Urban Forestry and Landscape Services management, staff, and other parties designated as potential witnesses to the investigation
- Obtained and reviewed other applicable records

INVESTIGATIVE CONCLUSIONS

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.

It is our policy to name respondents in the report only when we determine allegations are substantiated. Specific to allegations that are unsubstantiated or unfounded, we do not identify the associated respondents in the report.

During the course of the investigation, we determined the following facts to conclude on the allegations:

1. Respondents #1, #3, #4, #5, and #6 are violating County policy by engaging in outside, non-County employment, or enterprise. We performed the following:

    - Reviewed applicable County policies
    - Reviewed personnel records
    - Reviewed business registration records
    - Interviewed management, staff, and other parties designated as potential witnesses to the investigation

Unified Personnel Board Policy #5, Outside or Non-County Employment, requires an employee to request permission for outside employment or other outside enterprise in the Oracle Project Unified Solution (OPUS) system prior to engaging in such activity. Our correspondence with the Human Resources Department confirmed respondents #1, #3, #5, and #6 did not have outside employment documentation in OPUS. The Human Resources Department confirmed respondent #4 reported outside employment that was documented and approved in OPUS.

We obtained the County hire dates for respondents #1, #3, #4, #5, and #6 in order to compare to business registration records. Our review of the Florida Department of State, Division of Corporation's Sunbiz (Sunbiz) website, provided the following information for respondents #1, #3, #4, #5, and #6:

- Respondent #1 - Sunbiz reflected registered business names subsequent to the respondent's hire date of June 16, 2014. However, respondent #1 filed no annual reports on the registered business names.

- Respondent #3 - The respondent, Vincent Dipadua, had an active registered business, Vincent Dipadua Property Maintenance, LLC, filed on August 8, 2018, subsequent to his County hire date of September 29, 2003. Sunbiz also reflected respondent #3 filed annual reports for 2019 and 2020, which indicated the business was active during those years. Refer to Investigative Finding #1 for further discussion.
- Respondent #4 - Sunbiz reflected an active registered business filed on May 31, 2016. The outside employment was properly documented and approved in OPUS previously.
- Respondent #5 - We found no registered business for respondent #5.
- Respondent #6 - The one registered business we found was dissolved in 2008, prior to respondent #6's County hire date of November 21, 2016.

Our review of personnel records indicated respondent #3, Vincent Dipadua, did not disclose his outside employment, Vincent Dipadua Property Maintenance, LLC, in accordance with County policy. Our investigation of allegation #1 for respondent #3 determined it was **substantiated**.

In the interview with respondent #1, the respondent stated he registered businesses for naming purposes only; however, he performed no official business activity under those names. Therefore, he submitted no annual reports on the associated businesses. In an interview with management, we confirmed respondent #1 previously disclosed the registration of the businesses but stated the businesses were inactive. We have insufficient evidence to prove or disprove that respondent #1 conducted outside business activity that would require disclosing outside employment. Our investigation of allegation #1 for respondent #1 determined it was **unsubstantiated**.

Due to the respondents obtaining approval for outside employment or no active registered businesses being found, our investigation of allegation #1 for respondents #4, #5, and #6 determined it was **unfounded**.

2. Respondents #1 and #2 employ services of associates/friends. We performed the following:

- Reviewed applicable County policies
- Reviewed social media sources
- Interviewed management, staff, and other parties designated as potential witnesses to the investigation

The allegation referenced three vendors having associations with respondents #1 and #2, Island Way Property Services (Island Way), the Landscape Equipment Super Store (LESS) of Tampa Bay, and Home Depot (HD) Supply Construction and Industrial – White Cap (White Cap).

Our review of social media sources indicated respondent #2 had a Facebook connection to the owners of Island Way and LESS of Tampa Bay. We found no social media connections between the respondents and White Cap. During the interview with respondent #2, he stated his Facebook connection to Island Way was due to meeting the owner through services provided at former employment, and the connection to the LESS of Tampa Bay owner was due to meeting him through services provided to the County.

The interviews with respondents #1 and #2 indicated Island Way performed mowing and landscape services at a former employer of the respondents. During interviews, respondents #1 and #2 stated they had never engaged in any personal relationship with Island Way's owner, and the only connection they had was based on the services Island Way provided where they both previously worked.

In addition, during the interviews with respondents #1 and #2, both respondents stated they had no personal relationship with the owner of LESS of Tampa Bay. Both respondents mentioned the vendor sells mowing and landscaping equipment that is stocked readily, and the location of the business is in close proximity to Urban Forestry and Landscape Services, which makes it convenient when equipment and supplies are needed immediately.

Urban Forestry and Landscape Services has two contracts with Island Way for mowing and landscape services, which were approved through the County's competitive bid process. In addition, respondents #1 and #2 have employed Island Way for non-contracted services using their P-Cards to pay for those services. Refer to allegation #3 conclusion for further discussion.

Based on the information obtained, we found nothing to support a relationship between respondents #1 and #2 and White Cap. Moreover, there is insufficient evidence to prove or disprove that respondents #1 and #2 preferentially employed Island Way and preferentially purchased equipment and supplies from LESS of Tampa Bay based on personal relationships. Therefore, our investigation of allegation #2 determined it was **unsubstantiated.**

3. Respondents #1 and #2 use their County P-Cards to avoid having to comply with the County's Purchasing Policy. We performed the following:

    - Reviewed applicable County policies
    - Analyzed P-Card transactions and supporting invoices
    - Obtained and reviewed relevant contracts
    - Interviewed management, staff, and other parties designated as potential witnesses to the investigation

The County Purchasing Procedure Manual prohibits P-Card payments for recurring maintenance expenses exceeding $5,000 annually without Purchasing Department approval. The County also maintains a list of contracted vendors that may be paid by P-Card, which does not include Island Way.

Our review of contracts for mowing and landscape services revealed the following two contracts existed between the County and Island Way:

- 167-0060-Q - Mowing and landscape services for 98 locations
- 190-0378-Q - Mowing and landscape services for Baypointe Golf Course and the 126th Avenue North Landfill

Our analysis of data obtained from OPUS, which included P-Card transactions, supporting invoices, and the two Island Way contracts, indicated respondents #1 and #2 used their P-Cards

to pay for noncontractual services related to fleet washing as well as contracted mowing and landscape services. Our analysis found there was a violation of the County's Purchasing Policy due to both respondents exceeding the $5,000 per year limit for P-Card payments to Island Way. In addition, we noted that, although 10 purchases related to a contract, Island Way emailed all associated invoices to respondent #2 for P-Card payment versus mailing them to the Finance Division for payment by check. Refer to Investigative Findings #3, #4, and #5 for further discussion.

During interviews with respondents #1 and #2, both respondents stated occasional emergency situations occur when a location or service may not be within the scope of the existing Island Way contracts. Therefore, they must use their P-Cards to purchase those services until the location can be added to one of the contracts. Respondent #1 stated fleet washing was outsourced for efficiency purposes. The respondents stated they did not know any special approval was required for the purchases.

Although the respondents violated the County Purchasing Procedure Manual by exceeding the $5,000 annual limit in fiscal year (FY)/calendar year (CY) 2017 for P-Card purchases for noncontractual services and used the P-Card to pay for contracted services, we found insufficient evidence to prove or disprove that respondents #1 and #2 knowingly used their P-Cards to avoid having to comply with the County Purchasing Procedure Manual. Therefore, our investigation of allegation #3 determined it was **unsubstantiated**.

4. Respondents #1 and #2 are wasting County funds by purchasing third-party services which should be or are performed by County employees. We performed the following:

    - Reviewed applicable County policies
    - Analyzed P-Card transactions and supporting invoices
    - Obtained and reviewed relevant contracts
    - Interviewed management, staff, and other parties designated as potential witnesses to the investigation

Our review of the records obtained and interviews with management and staff confirmed Island Way provided third-party party services to Urban Forestry and Landscape Services.

Interviews with management confirmed mowing and landscape services, as provided in the scope of the contracts, are necessary due to newly acquired property locations and lack of staff to perform the additional workload. We attempted to compare the mowing locations in the Island Way invoices to the Cityworks application that Public Works uses to track all mowing activities; however, due to the lack of detail in the invoices and method of organizing mowing activities in Cityworks, we were unable to confirm if double mowing of the same locations occurred between County and contractor staff.

Our review of the P-Card records indicated that respondents #1 and #2 used their P-Cards to purchase onsite fleet washing for County vehicles. As discussed further in Investigative Finding #3, respondent #1 believed it was more efficient to outsource fleet washing versus staff taking additional time to perform the washing. During interviews with respondents #1 and #2, they

stated the required service levels for mowing have not been met, and additional workload for staff would only mean service levels would drop even further.

Although management could justify the necessity for contracting mowing and landscaping services, management had not performed a comprehensive evaluation to determine the necessity for third-party fleet washing services and whether those services were more cost effective than having staff perform. Without this information, we are unable to conclude if third-party fleet washing services are necessary or not. Management provided its Transportation Trust Fund Asset and Level of Service Portfolio document, which demonstrates generally the impact of any reduced work time on level of service, but it does not reference an analysis of fleet washing impact specifically. Therefore, our investigation of allegation #4 determined it was **unsubstantiated.**

5. Respondent #1's County P-Card is used by multiple employees. We performed the following:

- Reviewed applicable County policies
- Analyzed P-Card transactions and supporting invoices
- Interviewed management, staff, and other parties designated as potential witnesses to the investigation

The County's P-Card Program Guidelines prohibit the sharing of an employee's P-Card. We reviewed and performed an analysis of respondent #1's P-Card transactions and supporting invoices. Beginning on September 29, 2015, through February 11, 2020, we noted respondent's #1 signature did not match signatures on 94 paid transactions, approximately 9% of the total paid transactions reviewed, that totaled $56,153. Refer to Investigative Finding #2 for further discussion.

During the interview with respondent #1, the respondent, Michael DePappa, admitted he gave his P-Card to other employees to make purchases. Mr. DePappa provided the following additional information during the interview:

- An insufficient number of employees have P-Cards to purchase supplies and equipment that are necessary to conduct business in the field.
- On several occasions, due to work responsibilities, he was unavailable to make immediate purchases for other employees.
- All purchases made with his P-Card were pre-approved and authorized.

Respondent #1, Michael DePappa, provided a voluntary written statement during the interview that confirmed he gave his P-Card to other employees for authorized purchases. Our investigation of allegation #5 determined it was **substantiated.**

6. Respondent #2 allows associates/friends to illegally dump landscape refuse at Public Works. We performed the following:

- Reviewed applicable County policies
- Obtained and reviewed relevant contracts

- Interviewed management, staff, and other parties designated as potential witnesses to the investigation

Our review of the records obtained and the information provided during interviews found no credible evidence that respondent #2 allowed associates/friends to illegally dump landscape refuse at Public Works. Our investigation of allegation #6 determined it was **unfounded.**

INVESTIGATIVE FINDINGS

1. Respondent #3 Violated County Policy By Not Disclosing Outside Employment.

Respondent #3 did not disclose outside employment as required by County policy. The Human Resources Department records indicated respondent #3, Vincent Dipadua, began employment with the County on September 29, 2003. The Sunbiz website reflected respondent #3 filed for a registered business, Vincent Dipadua Property Maintenance, LLC, on August 8, 2018. Sunbiz also reflected respondent #3 filed annual reports for 2019 and 2020, which indicated the business was active during those years.

On July 31, 2020, the Human Resources Department confirmed there was no outside employment documentation and approval in OPUS for respondent #3. Therefore, the respondent had outside employment without formal approval for approximately two years at the time we inquired.

Prior to us notifying management, on December 1, 2020, respondent #3 entered the outside employment information in OPUS, and management approved the documentation.

Unified Personnel Board Policy #5, Outside or Non-County Employment Policy, states the following:

> *"Prior to engaging in outside employment or other outside enterprise, an employee must obtain permission from his or her Appointing Authority by submitting a request to his or her Appointing Authority seeking approval for the outside employment or enterprise. Unless an Appointing Authority has adopted a different policy, such request should be made on the form available within OPUS for this purpose.... Requests and approval/disapproval must be maintained within OPUS as part of the employee's official file. If an Appointing Authority uses alternative documentation, that documentation must be similarly maintained."*

Therefore, respondent #3 committed the following infraction in violation of Pinellas County Personnel Rule 6:

- D12 - Violation of written rules, regulations, policies or statutes.

Management was aware the respondent had outside employment and was aware of the Outside or Non-County Employment Policy. However, the immediate supervisor stated he was not aware

respondent #3 had not complied with the policy. Non-disclosure of outside employment in is violation of the policy. The Outside or Non-County Employment Policy states the following:

> *"Failure to obtain permission for outside employment is grounds for discipline, up to and including termination*."

Employees who do not disclose and obtain prior approval for outside employment risk holding positions that are inconsistent, incompatible, or in moral, legal, or technical conflict with their duties, functions, and responsibilities as a County employee.

We Recommend Management:

A. Ensure any employees with outside employment or enterprise have received approval per County policy by completing the following tasks:

- Review OPUS to verify the Request for Outside Employment or Enterprise form has been submitted in OPUS
- Review OPUS to determine if the Appointing Authority has approved or denied the request
- Require any applicable employees who have not submitted a Request for Outside Employment or Enterprise form to do so in OPUS

B. Determine if disciplinary action for respondent #3 is warranted and, if so, administer it in accordance with County Personnel Rule 6.

Management Response:

A. **Management Concurs.** The Outside Employment Policy was recently reviewed with all Stormwater and Vegetation Division staff to remind them of the policy and the requirements. Supervisors will review requests in OPUS to ensure they are properly vetted and follow the approval process.

B. **Management Concurs.** The statement was made that "prior to us notifying management, on December 1, 2020, respondent #3 entered the outside employment information in OPUS, and management approved the documentation." The OPUS transaction occurred prior to the notification because on November 23, 2020, an employee from the Parks and Conservation Resources Department brought Vincent Dipadua's outside employment to our attention. When management was made aware of Mr. Dipadua's outside work performing landscaping services in Pasco County, the policy was discussed with Mr. Dipadua. After the discussion, Mr. Dipadua submitted his request for outside employment.

2. Respondent #1 Allowed Other Employees To Use His County P-Card.

Our review of documentation supporting P-Card purchases indicated purchases were made using the P-Card of respondent #1, Michael DePappa, with signatures that did not correspond to his signature. We extracted the purchases made with his P-Card for the period of June 16, 2014, the respondent's hire date, through September 22, 2020. The first recorded P-Card purchase by the respondent was on September 12, 2014, and the last purchase during this time period was on September 9, 2020. During this time period, there were 1,054 P-Card transactions totaling $359,749.

Cardholders are responsible for performing monthly reconciliations on all charges made on their P-Cards using the iExpense module within the OPUS application. Monthly reconciliations entail the submission of invoices and/or receipts to support all purchases posted to the P-Card statement.

During our review of the respondent's P-Card transactions, we compared the respondent's signature from a "PUBLIC WORKS DEPARTMENT ACTIVITY LOG," which was submitted as part of the P-Card reconciliation in March 2019, to all extracted invoices and/or receipts that contained signatures. We noted the signature contained in the supporting documentation was different from the respondent's signature on 94 paid transactions, approximately 9% of the total number of transactions reviewed, that totaled $56,153. However, we could not confirm who made the purchase on any documentation that did not contain a signature.

Respondent #1 stated, on several occasions, he physically gave his County P-Card to other employees to make authorized purchases. Although respondent #1 gave his P-Card to other employees, respondent #1 stated the purchases were pre-authorized and receipts were obtained and submitted through iExpense in OPUS for review and pre-audit by the Finance Division.

The Pinellas County Purchasing Card Program Guidelines, Section 15.6, Authorized Use of the Card, states the following:

> *"Cardholder Use Only: Only the employee whose name is embossed on the purchasing card may use the purchasing card. NO OTHER PERSON IS AUTHORIZED TO USE THE CARD."*

Therefore, respondent #1 committed the following infraction in violation of Pinellas County Personnel Rule 6:

- D12 - Violation of written rules, regulations, policies or statutes.

Respondent #1 stated there is an insufficient number of employees in the Urban Forestry and Landscape Services section who have been assigned P-Cards. In addition, it is often difficult for him to leave the office to make immediate and necessary purchases for supplies and equipment.

Allowing non-authorized employees to use an authorized employee's P-Card is in violation of the County's P-Card program guidelines. Moreover, there is the potential for misuse of the P-Card and the risk of the card being lost or stolen for which the cardholder is responsible.

We Recommend Management:

A. Evaluate the necessity for the assignment of additional P-Cards to Urban Forestry and Landscape Services employees.

B. Determine if disciplinary action for respondent #1 is warranted and, if so, administer it in accordance with County Personnel Rule 6.

Management Response:

A. **Management Partially Concurs.** We are reevaluating P-Card needs to ensure the appropriate staff have access; however, the Department prefers to limit the number of P-Cards and therefore is expanding the number of local stores on our approved list where employees can call the Department warehouse and inventory personnel can handle the payment authorization over the phone. This process reduces the need to increase the number of P-Cards while still ensuring staff have quick access to parts and materials. Business cards with the warehouse phone numbers have been provided to all staff.

B. **Management Partially Concurs.** We agree the policy was not followed and disciplinary action will be considered.

3. Respondent #1 Used His County P-Card For Noncontractual Fleet Washing Services That Exceeded The Small Purchase Limit.

Respondent #1 used his P-Card to purchase fleet washing services in excess of the $5,000 limit allowed per year. According to the Purchasing Department, a year is defined as a 12-month period either in a FY, CY, or on a rolling basis. We reviewed respondent #1's P-Card records from his hire date of June 16, 2014, through September 22, 2020. We noted that respondent #1 paid Island Way to wash and detail the fleet vehicles onsite at Urban Forestry and Landscape Services beginning on August 23, 2016. The respondent stated, prior to utilizing the services of

Island Way, employees arrived to work an hour and a half early to wash the fleet vehicles, which impacted meeting required levels of service.

Since a FY and CY provide starting and ending dates to facilitate a review of total purchases, we quantified the purchases accordingly. The tables below summarize respondent #1's P-Card payments to Island Way by CY and FY, respectively. We summarized the purchases for fleet washing by CY and FY to determine if they exceeded the $5,000 County small purchase limit.

Respondent #1 CY Fleet Washing Purchases	
Purchase Date	**Purchase Amount**
8/23/2016	$504
9/23/2016	491
10/25/2016	674
11/21/2016	823
12/28/2016	804
Total CY 2016 Purchases	**$3,296**
1/16/2017	975
2/21/2017	812
3/27/2017	832
4/24/2017	812
5/22/2017	918
6/26/2017	817
7/31/2017	798
8/28/2017	814
10/30/2017	817
12/11/2017	809
Total CY 2017 Purchases	**$8,404**
2/5/2018	809
3/12/2018	856
5/7/2018	834
9/4/2018	730
10/23/2018	697
11/20/2018	88
12/3/2018	369
Total CY 2018 Purchases	**$4,383**
1/23/2019	809
4/1/2019	994
5/14/2019	708
9/23/2019	883
Total CY 2019 Purchases	**$3,394**
GRAND TOTAL OF PURCHASES BY CY	**$19,477***

*** This total exceeds the actual total by $6 due to rounding each purchase to the nearest dollar.**

Respondent #1 FY Fleet Washing Purchases	
Purchase Date	**Purchase Amount**
8/23/2016	$504
9/23/2016	491
Total FY 2016 Purchases	**$995**
10/25/2016	674
11/21/2016	823
12/28/2016	804
1/16/2017	975
2/21/2017	812
3/27/2017	832
4/24/2017	812
5/22/2017	918
6/26/2017	817
7/31/2017	798
8/28/2017	814
Total FY 2017 Purchases	**$9,079**
10/30/2017	817
12/11/2017	809
2/5/2018	809
3/12/2018	856
5/7/2018	834
9/4/2018	730
Total FY 2018 Purchases	**$4,855**
10/23/2018	697
11/20/2018	88
12/3/2018	369
1/23/2019	809
4/1/2019	994
5/14/2019	708
9/23/2019	883
Total FY 2019 Purchases	**$4,548**
GRAND TOTAL OF PURCHASES BY CY	**$19,477***

*** This total exceeds the actual total by $6 due to rounding each purchase to the nearest dollar.**

Respondent #2 used his P-Card to purchase fleet washing services on February 22, 2020, in the amount of $885. There were no fleet washing services purchased from March 2020 through September 2020 due to pandemic precautions.

The computations in the tables above indicated that by CY or FY, respondent #1 purchased services in excess of the $5,000 County limit for one year (CY and FY 2017). For FYs 2018 and 2019, the intervals for paid fleet washing services decreased. Therefore, the total did not exceed the $5,000 limit.

We benchmarked two other sections in the Stormwater and Vegetation Division that operate fleet vehicles for the following:

- Stormwater maintenance and inspections
- Vegetation and mosquito control

Neither section purchased onsite fleet washing services. Rather, employees washed the fleet vehicles they operated and, on occasion, obtained a voucher to take passenger vehicles to a car wash. The Stormwater and Vegetation Division did not have a contract with Island Way for fleet washing services. Moreover, prior approval was not obtained from the Purchasing Director as required by the County Purchasing Procedure Manual. All invoices for fleet washing were submitted directly to Urban Forestry and Landscape Services.

The County Purchasing Procedure Manual, Section 15.7, Prohibited Purchases, states the following is a prohibited P-Card purchase:

> *"Recurring maintenance, rental or lease of equipment that exceed $5,000.00 per year unless prior approval received by Purchasing Department."*

The County Purchasing Procedure Manual per year purchasing limits refer to either a CY, FY, or rolling 12-month period.

Therefore, respondent #1 committed the following infraction in violation of Pinellas County Personnel Rule 6:

- D12 - Violation of written rules, regulations, policies or statutes.

Respondent #1 stated the fleet washing services purchased were only slightly more than $800 per quarter and he did not need permission to purchase the services with his P-Card. Respondent #1 also stated it was more economical to hire a vendor to perform the fleet washing.

Non-compliance with the County Purchasing Procedure Manual represents a risk to the County. Purchasing onsite fleet washing services without formal approval makes the County liable for potential damages and injuries. Moreover, without approval, we could not determine if the services should have been procured by the competitive bid process or if it was necessary for the services to be performed by non-County employees. The competitive bid process is important since awards are made to the lowest responsive and responsible bidder or offeror providing the best value for the County.

We Recommend Management:

A. Evaluate the necessity for fleet washing services in Urban Forestry and Landscape Services.

B. Obtain approval from the Purchasing Department if it is determined that fleet washing services should continue.

C. Collaborate with the Purchasing Department to establish a contract if outsourcing fleet washing is necessitated.

D. Determine if disciplinary action for respondent #1 is warranted and, if so, administer it in accordance with County Personnel Rule 6.

Management Response:

A. **Management Concurs.** Stormwater and Vegetation will be reviewing how other Departments wash their large equipment and evaluate which approach will work best for Urban Forestry and Landscape Services. Urban Forestry and Landscape Services has a small work force and struggles to meet approved Levels of Service. It is unlikely that releasing employees from their normal duties to perform reoccurring equipment washing will be efficient or cost effective.

B-C. **Management Concurs.** If equipment washing services are needed, we will collaborate with the Purchasing and Risk Management Division to establish a contract.

D. **Management Concurs.** We agree that policy was not adhered to and warrants training and direct coaching with the employee to ensure no violations of the policy occur in the future. The P-Card purchases occurred between 2016-2019 and one charge in FY20. No charges have occurred since those timeframes.

4. Respondents #1 And #2 Used Their County P-Cards For Services Performed At Noncontractual Locations.

Respondents #1 and #2 used their P-Cards to purchase mowing, landscaping, and related services from Island Way that exceeded the $5,000 small purchase limit allowed per year. Urban Forestry and Landscape Services has two contracts with Island Way for mowing and landscape services (see Investigative Finding #5 for more discussion). During the time of our review, we noted the locations specified on 13 of 23, or approximately 57%, paid invoices for similar types

of services as those stipulated in the Island Way contracts did not correlate with any of the 98 locations listed in contract #167-0060-Q or the 2 locations listed in contract #190-0378-Q.

Although contract #167-0060-Q identified the types of services that were allowable, it also contained a clause that allowed unspecified services to be performed with the approval of respondent #1. However, the services had to be performed at a location specified in the contract. Examples of services specified on the invoices paid by respondent #1 included the following:

- Right-of-way mowing
- Removal of litter
- Removal and trimming of trees

We reviewed respondent #1's P-Card records from his hire date of June 16, 2014, through September 22, 2020. Listed below is a summary of the P-Card purchases respondent #1 made to Island Way for services at locations that were not included in a contract by CY and FY, respectively. We summarized the purchases by CY and FY and determined respondent #1's purchases exceeded the County's $5,000 County small purchase limit in CY and FY 2019.

Respondent #1 CY Noncontractual Purchases		
Invoice #	**Purchase Date**	**Purchase Amount**
3706	12/18/2018	$3,360
Total CY 2018 Purchases		**$3,360**
4105	5/21/2019	2,750
4705	10/10/2019	385
4903	11/8/2019	882
4904	11/8/2019	415
4907	11/21/2019	1,008
5005	12/6/2019	1,380
Total CY 2019 Purchases		**$6,820**
GRAND TOTAL PURCHASES BY CY		**$10,180**

Respondent #1 FY Noncontractual Purchases		
Invoice #	Purchase Date	Purchase Amount
3706	12/18/2018	$3,360
4105	5/21/2019	2,750
Total FY 2019 Purchases		**$6,110**
4705	10/10/2019	385
4903	11/8/2019	882
4904	11/8/2019	415
4907	11/21/2019	1,008
5005	12/6/2019	1,380
Total FY 2020 Purchases		**$4,070**
GRAND TOTAL PURCHASES BY FY		**$10,180**

We reviewed respondent #2's P-Card records from the date of his P-Card issuance, which included purchases from February 20, 2020, through September 17, 2020. Examples of services included on the invoices paid by respondent #2 include the following:

- Mowing and trimming
- Removal of litter
- Removal of low hanging limbs
- Removal of brush (e.g., tree limbs, branches, plants, leaves)
- Landscape maintenance over and around sidewalks

Respondent #2's purchases exceeded the County's $5,000 small purchase limit in CY and FY 2020. Listed below is a summary of the P-Card purchases respondent #2 made to Island Way for services at locations that were not included in a contract:

Respondent #2 CY and FY Noncontractual Purchases		
Invoice #	Purchase Date	Purchase Amount
5204	4/16/2020	$285
5503	6/15/2020	1,185
5712	7/28/2020	1,185
5907	8/25/2020	1,185
6003	9/3/2020	250
6104	9/17/2020	3,385
Total CY and FY 2020 Purchases		**$7,475**

The respondents stated some of the locations referenced on the invoices were recently added to an existing contract for mowing and landscaping. However, as noted in the tables above, for respondents #1 and #2, services paid to one vendor, Island Way, at locations not specified in the established contracts at the time of service exceeded the $5,000 small purchase limit allowed in one year. Although the contract allows new locations to be added, those locations must be approved by the Purchasing Department and added to the contract prior to completing services at those locations. Purchasing Department management confirmed this requirement.

The County Purchasing Procedure Manual, Section 15.7, Prohibited Purchases, states the following is a prohibited P-Card purchase:

> *"Recurring maintenance, rental or lease of equipment that exceed $5,000.00 per year unless prior approval received by Purchasing Department."*

The County Purchasing Procedure Manual per year purchasing limits refer to either CY or FY.

Therefore, respondents #1 and #2 committed the following infraction in violation of Pinellas County Personnel Rule 6:

- D12 - Violation of written rules, regulations, policies or statutes.

Respondent #1 stated that sometimes emergency situations occur where something needs to be mowed as soon as possible due to a citizen complaint, the County acquiring a piece of property, etc. Therefore, it may not fit the scope of an existing contract if there is one. It must be paid by the P-Card until it can be added to the contract as a reoccurring event or it can be a onetime situation.

Respondent #2 stated that sometimes emergency situations occur where Island Way is given a job that is not in the scope of its contract, and the County must pay by a P-Card instead of going through the Finance Department.

Non-compliance with the County Purchasing Procedure Manual represents a risk to the County. Although Urban Forestry and Landscape Services has contracted services with Island Way, other services performed without a contract make the County liable for potential damages and injuries. Moreover, without approval, we could not determine if the services should have been procured by the competitive bid process or if it was necessary for the services to be performed by non-County employees. The competitive bid process is important since awards are made to the lowest responsive and responsible bidder or offeror providing the best value for the County.

We Recommend Management:

A. Evaluate the necessity for landscape maintenance services purchased in Urban Forestry and Landscape Services to determine the following:

- Whether services at the identified locations should be performed by County employees
- Whether locations should be added to the existing Island Way contracts

B. Collaborate with the Purchasing Department to amend or establish new contracts if additional landscape maintenance locations are necessitated so all approved locations are specifically itemized in the contract.

C. Collaborate with the Purchasing Department to explore the feasibility of modifying the contract language to provide a specific allowance for emergency situations where services must be performed promptly prior to approving and adding a location to the contract.

D. Determine if disciplinary action for respondents #1 and #2 is warranted and, if so, administer it in accordance with County Personnel Rule 6.

Management Response:

A. **Management Does Not Concur.** Public Works in-house resources are not able to take on additional work locations which is why the contract exists. The 2021 Level of Service evaluation showed that Urban Forestry and Landscape Services is currently at a Level Of Service C for in-house flat mowing and only achieves that LOS 78% of the time. Public Works is undertaking an evaluation of mowing zones to look for operational efficiencies and will ensure that zones are efficiently managed using both in-house and contractual services. See 4B. regarding assignment of non-routine contractual work.

B. **Management Does Not Concur.** The Purchasing and Risk Management Division Director reviewed the report with regards to the use of the contract. Per the Director, "There is a provision of the landscaping contract that allows for one-off locations to be paid under Unspecified Work. This is a normal practice under this contract and is necessary in order to keep up with additional countywide demands."

C. **Management Does Not Concur.** We do not recommend modifying the contract language, as there is a provision that addresses this need. Furthermore, rarely do these types of services require an immediate/emergency response. Please note, for emergency situations, the Purchasing Department has the Emergency Purchase Orders process, where procurement of many types of services can be done quickly and legitimately.

D. **Management Concurs.** We agree that Urban Forestry and Landscape Services employees used their P-Cards to purchase mowing, landscaping, and related services from Island Way that exceeded the $5,000 small purchase limit allowed in 2019 and 2020. The employees have received training and direct coaching regarding the small purchase limit requirements. Please see the response for 5B. below regarding the invoicing.

IG Reply:

The intent of the recommendations was to communicate that services provided at locations not stipulated in the contract should be approved in advance by the Purchasing Department. Any non-contractual locations that will be serviced on an ongoing basis should follow the Purchasing Department's purchase order process to have the locations added to the contract. Moreover, payment for those service locations should not be made using a County P-Card. Compliance with the Purchasing Department's policies and procedures ensures the integrity and effectiveness of its procurement processes.

The recommendations in the report align with the information we obtained from the Purchasing Department Director and staff during two separate inquiries. Although the contract has an Unspecified Services section, it pertains to types of services and makes no mention of adding locations in an alternate fashion. The contract has a fixed list of service locations and a specific process to add and delete work sites. We agree the contract language can be interpreted multiple ways. Hence, our recommendation to modify the contract to provide an allowance for more prompt approvals, as necessary, and make the distinction between unspecified services and locations clearer.

5. Respondents #1 And #2 Did Not Comply With Contract Invoicing Requirements.

Respondents #1 and #2 used their P-Cards to pay for services associated with existing contracts. Urban Forestry and Landscape Services has the following two existing contracts for mowing and landscape services:

- 167-0060-Q - Mowing and landscape services for 98 locations
- 190-0378-Q - Mowing and landscape services for Baypointe Golf Course and the 126th Avenue North Landfill

All four invoices associated with contract 167-0060-Q were addressed to Urban Forestry and Landscape Services and were paid with the P-Card of respondent #1 or respondent #2. Four of the six invoices associated with contract 190-0378-Q were addressed to the Finance Division, and the other two invoices were addressed to Urban Forestry and Landscape Services. Regardless of the address listed on the invoices, all invoices were emailed to respondent #2 and were paid with a P-Card rather than being submitted to the Finance Division for payment.

We reviewed respondent #1's P-Card records from his hire date of June 16, 2014, through September 22, 2020. Listed below is a summary of respondent #1's P-Card payments for services associated with the 167-0060-Q contract:

Respondent #1 Contractual Purchases – 167-0060-Q		
Invoice #	**Purchase Date**	**Purchase Amount**
3807	3/20/2019	$340
4208	6/24/2019	1,313
4310	7/22/2019	390
Total Purchases		**$2,043**

We reviewed respondent #2's P-Card records from the date of his P-Card issuance, which included purchases from February 20, 2020, through September 17, 2020. Listed below is a summary of respondent #2's P-Card payments for services associated with the 167-0060-Q contract:

Respondent #2 Contractual Purchases – 167-0060-Q		
Invoice #	**Purchase Date**	**Purchase Amount**
5703	7/16/2020	$225
Total Purchases		**$225**

Listed below is a summary of respondent #2's P-Card payments for services associated with the 190-0378-Q contract:

Respondent #2 Contractual Purchases – 190-0378-Q		
Invoice #	**Purchase Date**	**Purchase Amount**
5303	5/11/2020	$275
5702	7/16/2020	350
5708	7/23/2020	175
5810	8/13/2020	175
5910	8/26/2020	175
6007	9/11/2020	175
Total Purchases		**$1,325**

The terms and conditions of the Urban Forestry and Landscape Services mowing and landscape services contracts require the following:

> *"Invoices shall be submitted to the address below unless instructed otherwise on the purchase order, or if no purchase order, by the ordering department:*
>
> *Finance Division Accounts Payable*
> *Pinellas County Board of County Commissioners*
> *P. O. Box 2438*
> *Clearwater, FL 33757"*

Correspondence with the County's Purchasing and Risk Management Division confirmed all invoices for contracts are required to be submitted to the Finance Division at the address noted above. The following vendors are exceptions to the policy and are allowed to be paid with a P-Card:

- Design Lab
- Fastenal
- Graybar
- Office Depot
- Staples
- Home Depot
- W. W. Grainger
- Varsity Enterprise-Bowen

Therefore, respondents #1 and #2 committed the following infraction in violation of Pinellas County Personnel Rule 6:

- D12 - Violation of written rules, regulations, policies or statutes.

Respondents #1 and #2 stated they may have inadvertently used their P-Cards to pay for contracted services.

Non-compliance with the County Purchasing Policy contributes to lack of oversight for contract purchases, irregularities in service specifications, and potential fraudulent invoices.

We Recommend Management:

A. Require Island Way to submit all invoices to the Finance Division as specified in the contracts.

B. Determine if disciplinary action for respondents #1 and #2 is warranted and, if so, administer it in accordance with County Personnel Rule 6.

Management Response:

A. **Management Concurs.** Both the employees and the contractor will be reminded that one-off services are to be paid via purchase order (invoiced through Clerk's Finance) and not P-Card, so they are effectively tied to the contract purchase orders.

B. **Management Concurs.** We discussed this situation with the Purchasing and Risk Management Division Director and have determined that disciplinary action is not necessary as staff was working in good faith to expediently handle countywide mowing demands; however, they have been reminded that all contract invoicing must go through Clerk's Finance.

Division of Inspector General

Ken Burke, CPA

Clerk of the Circuit Court
and Comptroller
Pinellas County, Florida

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Write:
Division of Inspector General
510 Bay Avenue
Clearwater, FL 33756