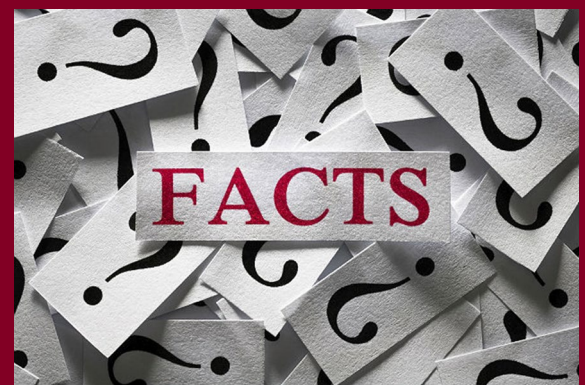
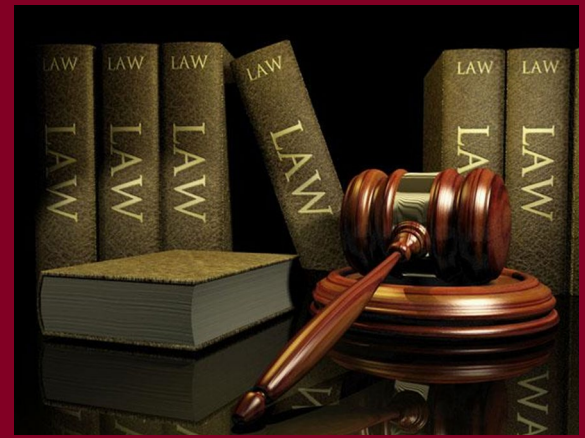




DIVISION OF INSPECTOR GENERAL
Ken Burke, CPA
Clerk of the Circuit Court and Comptroller
Pinellas County, Florida



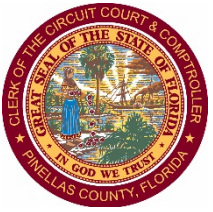
FOLLOW-UP INVESTIGATION OF MISUSE OF COUNTY PURCHASING CARD



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

Investigation Team
Robert Poynter, CIGA, CIGI, CISA, CCA, CECFE, CFS - Assistant Inspector General
Shawn Phillips, CIGA, CIGI, CECFE - Inspector General I

REPORT NO. 2020-24
DECEMBER 2, 2020



Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

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

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

December 2, 2020

Gay Lancaster, Director, Contractor Licensing Department

The Division of Inspector General has conducted a Follow-Up Investigation of Misuse of County Purchasing Card. The objective of our review was to determine the implementation status of our previous recommendations. We obtained the investigative purpose, background information, findings, and recommendations from the original investigative report. We added the status of recommendation implementation to this follow-up investigative report.

Of the two recommendations contained in the original investigative report, we determined that both have been implemented. The status of each recommendation is presented in this follow-up report.

We appreciate the cooperation shown by the staff of the Contractor Licensing Department during the course of this review.

Respectfully Submitted,

Melissa Dondero
Inspector General/Chief Audit Executive

cc: The Honorable Chairman and Members of the Board of County Commissioners
Barry Burton, County Administrator
Tom Almonte, Assistant County Administrator
Ken Burke, CPA, Clerk of the Circuit Court and Comptroller



An Accredited Office of
Inspector General

TABLE OF CONTENTS

INTRODUCTION	4
<i>Scope and Methodology</i>	4
<i>Overall Conclusion</i>	4
<i>Implementation Status Table</i>	5
<i>Background</i>	6
STATUS OF RECOMMENDATIONS	8
1. <i>Mr. Cowper Used His County P-Card For Personal Purchases And Altered Or Manufactured Some Receipts To Conceal The Purchases.</i>	8
2. <i>Mr. Cowper Altered And Manufactured County P-Card Receipts To Provide Justification For Legitimate County Purchases.</i>	17

INTRODUCTION

Scope and Methodology

We conducted an investigative follow-up of Misuse of County Purchasing Card. 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 Mr. Russell Cowper was misusing his County purchasing card (P-card).

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 months of October and November 2020. The original investigative period was May 2019 through September 2019. However, transactions and processes reviewed were not limited by the investigative period.

Overall Conclusion

Of the two recommendations in the original report, we determined that both were implemented. We commend management for 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>Mr. Cowper Used His County P-Card For Personal Purchases And Altered Or Manufactured Some Receipts To Conceal The Purchases.</i>					
	Reeducate P-card holders and approvers of their responsibilities as it relates to County P-cards.	✓				
2	<i>Mr. Cowper Altered And Manufactured County P-Card Receipts To Provide Justification For Legitimate County Purchases.</i>					
	Reeducate P-card holders and approvers of their responsibilities as it relates to County P-cards.	✓				

Background

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

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

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

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

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

Items shipped to his personal residence included:

- Moving straps
- Charging cables
- Samsung phone screen protectors
- Golf bag travel cover
- Executive chair
- Turn ticket dispenser

We confirmed with applicable department management these purchases had no business justification. Additionally, we noted during onsite inspections, many of the questionable purchases or items shipped to Mr. Cowper's home could not be located.

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

We concluded Mr. Cowper, on multiple occasions, violated County policy by submitting duplicate receipts, altering receipts, and manufacturing receipts. Mr. Cowper also knowingly used his P-card to purchase personal items, and did not reimburse the County, depriving the County of resources. Such actions are a violation of Florida Statute 812.014 "Theft."

The Division of Inspector General investigation of the allegation determined that the allegation noted above was substantiated. We also noted opportunities for improvement related to employee training.

STATUS OF RECOMMENDATIONS

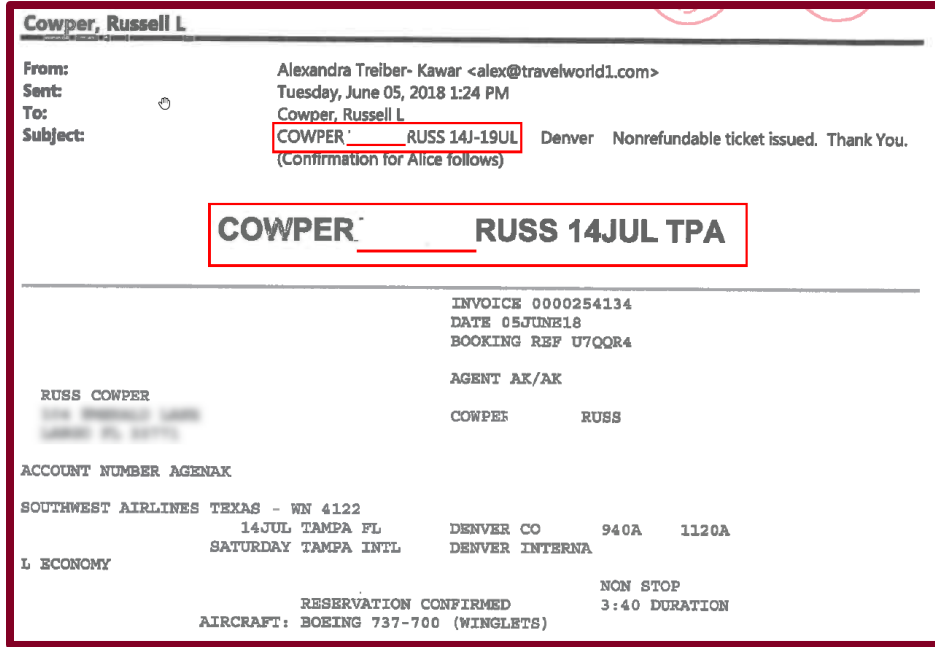
This section reports our investigative follow-up on actions taken by management on the recommendations for improvement in our original investigative report of the Misuse of County Purchasing Card. The recommendations contained herein are those of the original investigative report, followed by the current status of the recommendations.

1. Mr. Cowper Used His County P-Card For Personal Purchases And Altered Or Manufactured Some Receipts To Conceal The Purchases.

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

A. Purchase Of A Plane Ticket For His Son

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



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

Further review of Mr. Cowper's 2018 P-card receipts identified a second airline ticket he purchased in April 2018, in Mr. Cowper's name. The April 2018 purchase was for the same flight to Denver, on the same travel date, July 14, 2018.

Status of Recommendations
Follow-Up Investigation of Misuse of County Purchasing Card

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

From: Cowper, Russell L
Sent: Tuesday, June 05, 2018 1:26 PM
To: [REDACTED]
Subject: FW: COWPER/ [REDACTED] RUSS 14J-19UL Denver Nonrefundable ticket issued. Thank You. (Confirmation for Alice follows)

Heading to Denver!!

Russ Cowper
Division Accountant
Building & Development Review Services
727-464-3178

Customer Satisfaction Survey
<http://www.pinellascounty.org/surveys/bdrs/customer.htm>

All government correspondence is subject to the public records law.

From: Alexandra Treiber- Kavar [mailto:alex@travelworld1.com]
Sent: Tuesday, June 05, 2018 1:24 PM
To: Cowper, Russell L <RCowper@co.pinellas.fl.us>
Subject: COWPER/ [REDACTED] RUSS 14J-19UL Denver Nonrefundable ticket issued. Thank You. (Confirmation for Alice follows)

COWPER/ [REDACTED] RUSS 14JUL TPA

INVOICE 0000254134
DATE 05JUNE18
BOOKING REF U7QQR4

AGENT AK/AK
COWPER/SHANE RUSS

RUSS COWPER
[REDACTED]

ACCOUNT NUMBER AGENAK

SOUTHWEST AIRLINES TEXAS - WN 4122
14JUL TAMPA FL DENVER CO 940A 1120A
SATURDAY TAMPA INTL DENVER INTERNA

L ECONOMY
RESERVATION CONFIRMED NON STOP
3:40 DURATION
AIRCRAFT: BOEING 737-700 (WINGLETS)

SOUTHWEST AIRLINES TEXAS - WN 600
19JUL DENVER CO TAMPA FL 125P 655P
THURSDAY DENVER INTERNA TAMPA INTL

L ECONOMY
NON STOP

Note: Personally Identifiable Information was redacted. The red boxes were added by the IG for emphasis.

In an attempt to conceal the ticket purchase for his son, Mr. Cowper altered the receipt and removed his son's first name from the email confirmation to make it appear as if it were for himself.

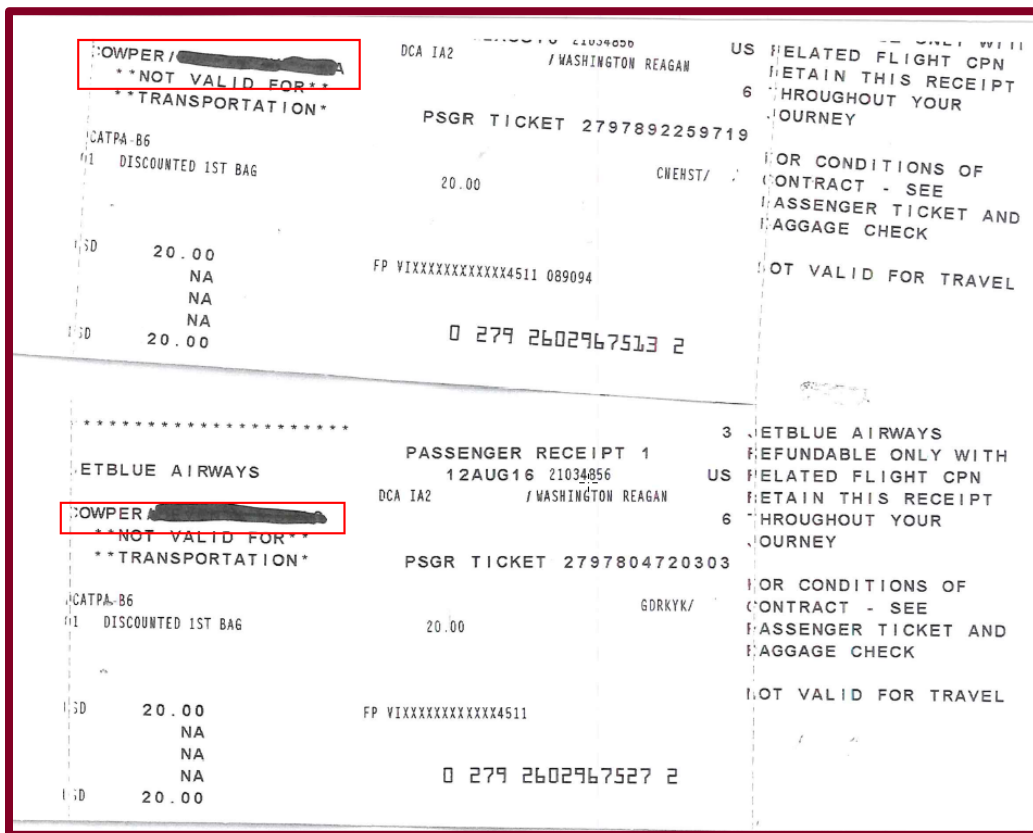
Status of Recommendations
Follow-Up Investigation of Misuse of County Purchasing Card

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

B. Purchase Of Baggage Fees For His Wife and Daughter

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

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



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

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

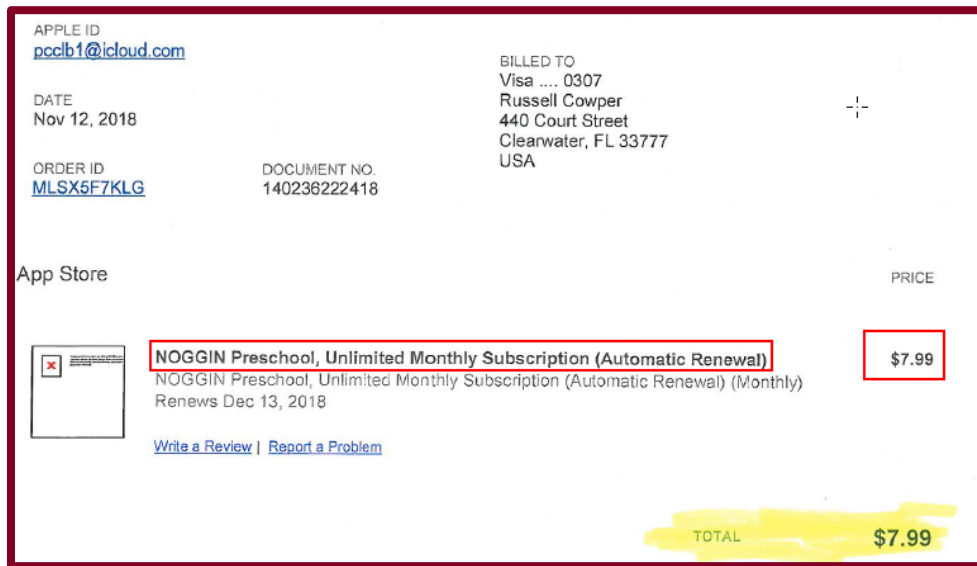
During our interview with Mr. Cowper on June 24, 2019, he admitted to altering the receipts by blacking out the first names to conceal the fact he paid luggage fees for his wife and daughter using his County P-card.

C. Purchase of A Preschool Mobile Application

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

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

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




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

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

Status of Recommendations
Follow-Up Investigation of Misuse of County Purchasing Card

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



INTERNATIONAL CODE COUNCIL
International Code Council
 4051 W. Flossmoor Rd.
 Country Club Hills IL 60478
 888-422-7233 x33816
 708-799-2300 x33816
 Collections@iccsafe.org

Attend a Code Council Institute or Webinar. For Details, go to www.iccsafe.org/training.

CUSTOMER COPY

INVOICE

IL

Invoice No
1000899765

Invoice Date
12/17/2018

Due Date
12/12/2018

Bill To: Russ Cowper

440 COURT ST
 CLEARWATER FL 33756-5139

Ship To: Russ Cowper

440 COURT ST
 CLEARWATER FL 33756-5139

Order No.	Customer ID	Purchase Order No.	Shipping Method	Entered By	Payment Terms
100533933	8888346		FEDEX NOCHG	cel	PREPAID
Item Number	Description	Shipped	Unit Price	Ext. Price	
1790EM2	iTunes Application for PCCLB	1	\$7.99	\$7.99	

Net Invoice
\$209.00


Sales Tax
\$0.00

Freight/S&H
\$0.00

Total
7.99

Payments
\$7.99

Total Amount Due
\$0.00



DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT TO ENSURE PROPER CREDIT

ANDRES CAPURRO
 440 COURT ST
 CLEARWATER FL 33756-5139

Cust ID 8888346
 Invoice # 1000899765
 Due Date 5/1/2018
 Amount \$0.00

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

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

Public Integrity Unit, Division of Inspector General
Clerk of the Circuit Court and Comptroller
 Page 13

D. Purchase of Airport Transportation For His Family

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

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

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

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

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

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

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

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

Also stated in the Purchasing Manual is a list of prohibited purchases, which states in Section 15.4 (E.4):

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

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

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

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

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

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

"(1) A person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or to use, the property of another with intent to, either temporarily or permanently:

(a) Deprive the other person of a right to the property or a benefit from the property.

(b) Appropriate the property to his or her own use or to the use of any person not entitled to the use of the property."

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

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

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

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

We Recommended Management:

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

Status:

Implemented. In response to the original investigative report, management deactivated all P-cards in the department except for the Director's P-card. Both the Director and the Deputy Director reeducated themselves on the County P-card policies located in Section 15 of the Pinellas County Purchasing Policy & Procedure Manual.

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

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

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

to submit original receipts as documentation and business related justification for purchases made with his County issued P-card on a monthly basis.

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

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

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

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

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

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

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

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

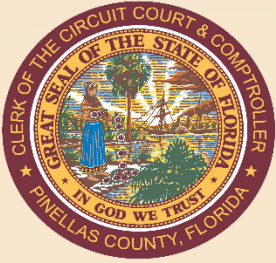
Based on the immediate action taken by current management and Mr. Cowper resigning, no management recommendation is necessary with respect to disciplinary action.

We Recommended Management:

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

Status:

Implemented. In response to the original investigative report, management deactivated all P-cards in the department except for the Director's P-card. Both the Director and the Deputy Director reeducated themselves on the County P-card policies located in Section 15 of the Pinellas County Purchasing Policy & Procedure Manual.



DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA
CLERK OF THE CIRCUIT COURT
AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

SERVICES PROVIDED

AUDIT SERVICES
INVESTIGATIONS
GUARDIANSHIP SERVICES
CONSULTING
TRAINING
COUNTY FRAUD HOTLINE
GUARDIANSHIP FRAUD HOTLINE
PCSO PREA HOTLINE



An Accredited Office of
Inspector General

Call: (727) 464-8371

Fax: (727) 464-8386

Fraud: (727) 45FRAUD
(727) 453-7283



Internet: www.mypinellasclerk.org

 www.twitter.com/pinellasig

 www.facebook.com/igpinellas



Write:

Division of Inspector General
510 Bay Avenue
Clearwater, FL 33756