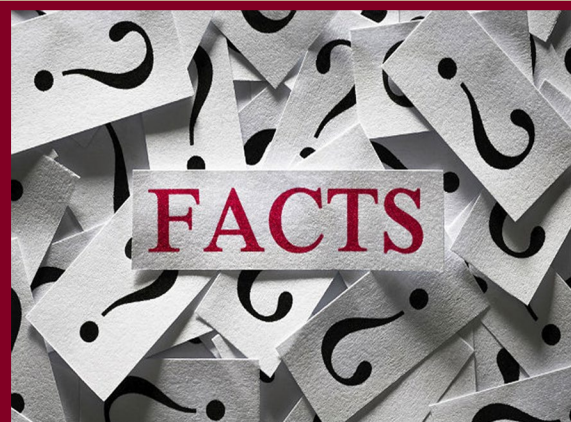
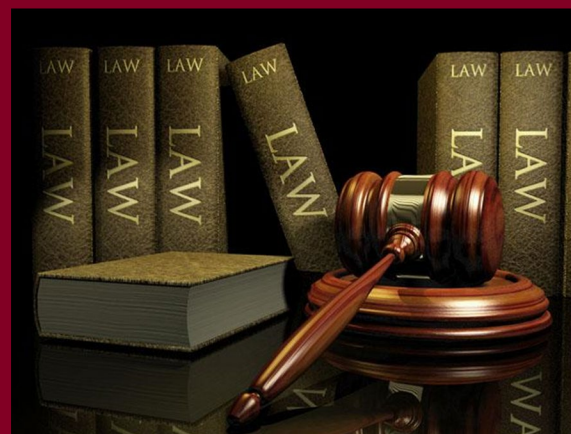




DIVISION OF INSPECTOR GENERAL
Ken Burke, CPA
Clerk of the Circuit Court and Comptroller
Pinellas County, Florida



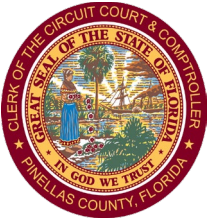
INVESTIGATION OF COUNTY ADMINISTRATION ABUSE OF AUTHORITY



Melissa Dondero, CPA, CIA, CIG, CIGA, CIGI, CITP, CRMA, CFS, CECFE
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REPORT NO. 2024-14
SEPTEMBER 9, 2024



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

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September 9, 2024

Barry Burton, County Administrator

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

- The Respondent abused their position in the County to approve alley contract invoices that did not meet contract requirements. **Unsubstantiated.**
- The Respondent abused their position in the County to reduce permit fees related to a Combination Building Permit. **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.



An Accredited Office of
Inspector General

Barry Burton, County Administrator
September 9, 2024

We appreciate the cooperation shown by the staff of Building & Development Review Services, County Administration, Clerk's Finance, Housing and Community Development, and Purchasing during the course of this investigation.

Respectfully Submitted,



Melissa Dondero
Inspector General/Chief Audit Executive

cc: The Honorable Chair and Members of the Board of County Commissioners
Ken Burke, CPA, Clerk of the Circuit Court and Comptroller

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INTRODUCTION

Abbreviations

BDRS	Building & Development Review Services
CBP	Combination Building Permit
Contract	Lealman Community Redevelopment Area Alley Maintenance Contract
County	Pinellas County
CRA	Community Redevelopment Area
Finance	Clerk of the Circuit Court and Comptroller Finance Division
IG	Division of Inspector General
ITB	Invitation to Bid
LDC	Land Development Code
NTP	Notice to Proceed
Purchasing	Pinellas County Purchasing and Risk Management Department

Background

Alley Contract (Allegation #1)

In 2021, Pinellas County (County) and the Pinellas County Community Redevelopment Agency analyzed the alleyway network in the Lealman Community Redevelopment Area (CRA), which included 176 alleyways. Based on the field inventory observations, alleyways were assigned an existing condition of clear, semi-obstructed, and completely obstructed as follows:

- 94 (53%) alleyways were assigned as clear based on observations that the alleyway was already in use and had no major obstructions.
- 51 (29%) alleyways were classified as semi-obstructed based on observations of overgrown landscaping/vegetation, the presence of garbage or debris, and structures (fences, vehicles, landscaping) blocking alleyway access.
- 31 (18%) alleyways were classified as completely obstructed based on observations of overgrown landscaping/vegetation, a major presence of garbage or debris, and structures (buildings, utilities, fences, vehicles) blocking alleyway access.

On November 10, 2021, the County issued an Invitation to Bid (ITB) for maintenance of all 176 alleys located within the CRA. The ITB closed on December 7, 2021, with three responsive bidders. Contractor 1 submitted a bid for the entire scope of the ITB for \$482,698. Contractor 2 and Contractor 3 each bid a separate portion of the ITB. Contractor 2 bid \$56,070 to provide cyclical mowing for 14 cycles annually for all alleys which were cleared. Contractor 3 bid \$128,940 to conduct optional services on an as-needed basis. Contractor 2 and Contractor 3 were both awarded contracts as the most responsive and responsible bidders. The sum of the bids for Contractor 2 and Contractor 3 was \$297,688 lower than the bid submitted by Contractor 1. Contractor 3 will hereafter be referred to as “Contractor.”

On March 8, 2022, the County entered into a one-year contract with the Contractor for Lealman CRA Alley Maintenance optional services (Contract) for up to the not-to-exceed amount of \$63,855. On May 11, 2023, the County amended the Contract to extend it by one year, through March 7, 2024, for an additional not-to-exceed amount of \$63,855. The total not-to-exceed amount of the Contract was \$127,710. At the conclusion of the Contract, a new contract was awarded to a different vendor with an effective date of February 16, 2024.

During the two-year contract term, the Contractor was responsible for performing optional services, as authorized by the County on an as-needed basis, for all 176 alleyways. These services included trimming of trees and shrubbery, cleanup of illegal dumping, and clearance of debris. The Complainant alleged that the Contractor’s work and subsequent invoices were not in compliance with the Contract, and that the Respondent used intimidation to force staff to approve the work and invoices anyway, constituting an abuse of authority.

When we received the complaint, we interviewed the primary staff member involved in reviewing and approving the invoices for this Contract. The staff member indicated that after reporting the

Contract noncompliance to the Respondent, and the Respondent allowing it, the staff member recused themselves from the formal approval process. They still reviewed invoices and associated documentation in order to maintain knowledge of the Lealman area; however, the staff member delegated their approval authority. In October 2023, the Respondent terminated the staff member's employment. For purposes of this report, we refer to this staff member as the "Prior Staff." Throughout the Contract, another staff member assisted in invoice review and was responsible for ensuring completion of work related to the Contract. The Respondent appointed this staff member to review and approve invoices after the Prior Staff's employment was terminated. We will refer to that staff member as the "Current Staff."

Reduction in Permit Fees (Allegation # 2)

In April 2022, a Combination Building Permit (CBP) was issued as an after-the-fact permit to construct a steel storage building, which resulted in after-the-fact fees being assessed. The permit fees were subsequently reduced, which the Complainant alleged the Respondent approved, constituting an abuse of authority.

Allegations

The Division of Inspector General (IG) received a complaint alleging the Respondent abused their position in the County to:

1. Approve alley Contract invoices that did not meet Contract requirements.
2. Reduce permit fees related to a Combination Building Permit.

Investigative Activity

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

- Reviewed Contract documents, invoices, and supporting documentation for the work performed
- Reviewed permit documentation related to the CBP
- Reviewed County policies and procedures and the County's Land Development Code (LDC)
- Interviewed County management, County staff, Contractor staff, the Complainant, and the Respondent

INVESTIGATIVE CONCLUSIONS

The IG uses the following terminology for the conclusion of fact/findings:

- **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.

1. The Respondent abused their position in the County to approve alley Contract invoices that did not meet Contract requirements.

The Complainant alleged the Respondent used intimidation to force staff to approve invoices for the Contractor, which did not comply with Contract terms. There were five invoices submitted during the contract period. Contract invoices were reviewed and approved by County Administration staff, with final approval from the Respondent.

During the investigation, we interviewed the Prior Staff, who indicated that they informed the Respondent of invoices that violated Contract terms and that the Respondent directed them to approve the invoices anyway. Contract terms were allegedly violated with regard to the following:

- Equipment billing
- Notices to proceed (NTP)

Equipment Billing

The Prior Staff indicated that, while reviewing documentation related to the third invoice received during the contract period, they noticed an increase in billing by the Contractor. The Contractor explained the increase via email and stated the Respondent, *“approved the billing of dumpster costs at 8hrs of ‘Category 1’ billing per 30-yard dumpster filled.”* Category 1 is a labor code for optional services as authorized by the County described in the Contract as *“Cleanup of illegal dumping on an as needed basis,”* charged at an hourly rate of \$60.00. During an interview with the IG, the Prior Staff said the Contractor had been receiving a donation of dumpsters from the County’s Lealman sanitation vendor and that after a change in vendor ownership, they were no longer receiving the donations. However, the Prior Staff was not certain exactly when the change occurred. During an interview with the IG in March 2024, the Contractor confirmed the change in vendor ownership resulting in the additional equipment billing.

Category 1 labor was billed at \$60 per hour, resulting in the following formula to be used for dumpster billing:

8 Hours * Category 1 Labor rate (\$60) = 30-Yard Dumpster Filled (\$480)

Investigative Conclusions
Investigation of County Administration Abuse of Authority

We could not verify exactly when the Contractor began billing the County for dumpsters because the expense was comingled with labor on the invoices. However, we confirmed that the vendor providing the dumpsters changed ownership in April 2023.

We reviewed emails between the Contractor, the Prior Staff, and the Respondent, confirming that the Respondent approved the Contractor to bill the County for dumpster costs. However, there was no explicit approval of the formula reported above. When the Prior Staff requested specific terms of the verbal agreement between the Respondent and the Contractor to aid in invoice review, the Respondent directed the Prior Staff to resolve it with the Contractor. The Prior Staff did not want to rely on the Contractor's statement that the formula had been approved, which resulted in the Prior Staff consulting with the County's Purchasing and Risk Management Department (Purchasing) to seek a resolution.

The Prior Staff confirmed they discussed the Contractor's non-compliance with Contract terms with Purchasing at various times but did not obtain a resolution. During the IG's interview with the Respondent, the Respondent indicated they could not recall exact details of the Prior Staff's concerns regarding adherence to Contract terms, and when those concerns were addressed, but stated there was a need for flexibility in the Contract to accomplish its objectives. The Respondent had the Prior Staff confirm with Purchasing at some point that the new billing process was allowable. The Respondent stated they assumed the Prior Staff had resolved the concerns with Purchasing; however, the IG observed emails between the Respondent and the Prior Staff which indicated the concern was ongoing after the meeting with Purchasing. The Respondent was not able to explain the ongoing communications.

We interviewed Purchasing management who confirmed they frequently communicated with the Prior Staff about the concerns and directed the Prior Staff to notify the Contractor of the need to adhere to Contract terms. Purchasing management also confirmed that in August 2023, they met with the Respondent and the Current Staff to discuss another Contract issue (see below under Notices to Proceed), but no changes were made to the Contract.

In an attempt to quantify the dumpster costs the Contractor incurred and subsequently charged the County, the IG requested the Contractor provide all invoices for dumpsters that were used in relation to the Contract after the donations ceased. The Contractor provided the IG with five third-party invoices for dumpsters. These invoices contained dumpster costs paid by the Contractor to a third-party vendor for dumpster equipment. The IG reviewed the invoices to see if they corresponded with the invoices the Contractor billed to the County.

The third-party vendor dumpster invoices were for services from November 2023 through February 2024 and totaled \$2,194.70. However, email communication showed the Prior Staff member questioned increased costs on Contractor invoices to the County starting in July 2023, and the Contractor stated it was due to the dumpster costs. Based on the lack of complete and itemized supporting documentation, it is unclear how much the Contractor billed the County related to dumpster costs or for how long the billing occurred. Although the IG was unable to quantify the exact dollar amount of the dumpster costs, the overpayment caused by the inclusion of dumpster costs resulted in a financial loss to the County.

See Investigative Finding #1 below for more details.

Notices to Proceed

The Contract required the Contractor to receive a written NTP from the County before commencing work on each alley. The level of work required varied for each alley. Estimates and before photos were supposed to be submitted in order to obtain an NTP. The Contractor did not always submit estimates or before photos, and the NTPs were not always issued before work was performed. The IG reviewed all five invoices submitted during the Contract period, associated NTPs (formal NTP documents and emails), and other supporting documentation. The IG also consulted the Current Staff member to validate the results of the review. The IG noted 34 of 65 occurrences, or approximately 52%, when work was performed in an alley without an NTP.

The Prior Staff indicated that in June 2022, when the Contractor submitted the first invoice associated with the Contract, there were three alleys out of 13 included on the invoice without an NTP. Prior Staff notified the Contractor that it was a violation of the terms of the Contract to perform work without an NTP. The Prior Staff also indicated they informed the Respondent of the violation, and the Respondent directed Prior Staff to allow the Contractor more flexibility and to communicate that flexibility to the Contractor. County Administration staff approved the invoices, and the Respondent provided the final approval.

When the IG interviewed the Contractor in March 2024, the Contractor stated that no alleys were cleared without an NTP. However, the IG reviewed email communication between the Current Staff and the Contractor from July 2023 related to missing NTPs. After the Contractor submitted the third invoice against the Contract for services performed, the Current Staff member compared the invoice to the outstanding NTP for that time period and noted 22 alleys were included on the invoice that were not associated with an NTP. The Current Staff member emailed the Contractor to let them know the invoice contained 22 alleys that were not listed on an NTP. The Current Staff member informed the IG that they subsequently rejected that invoice due to unrelated corrections, and the Contractor resubmitted it as Invoice 3 with 21 alleys (as indicated on Table 1 on page 21).

As part of the Current Staff member's job duties, they compiled all Contract-related information, which included invoices, NTPs, emails, pictures, and other documentation. During the Current Staff member's review they attempted to find an NTP associated with Invoice 3, but they were unsuccessful. The IG reviewed the invoice and all NTPs, whether communicated with formal documentation or by email, and observed 21 alleys submitted on the invoice and not listed on an NTP, formal or otherwise. In an email on July 23, 2023, the Contractor told the Current Staff that the Prior Staff verbally authorized the work to be completed. However, the Prior Staff notified the Contractor that they never authorized the work and reminded the Contractor that approvals must be in writing. The Contractor continued to submit invoices for work that was not approved to be completed in advance.

During an interview with the Respondent, the Respondent indicated they met with the Prior Staff and Purchasing, and that Purchasing was okay with changing the process as long as the work

Investigative Conclusions
Investigation of County Administration Abuse of Authority

was completed and documented. The Respondent could not recall the timing of the meeting with Purchasing.

We interviewed Purchasing management, and they indicated that in August 2023, they met with and informed the Respondent and the Current Staff that the Contractor was required to have an NTP for work completed; Purchasing had previously informed Prior Staff of the requirement for an NTP, as well. Purchasing indicated that the NTP did not have to be a formal document. An NTP could be documented through email as long as the Contractor submitted the proposal and the County approved the proposal in writing. NTPs had already been occurring via email as opposed to a formal document, but not all properties where services were performed were on the NTPs (emails). One formal NTP document was executed throughout this Contract. Specifically, on April 28, 2022, a formal NTP was issued regarding Invoice 1. All other NTPs on file were emails approving the work.

See Investigative Finding #2 below for more details.

In an interview with the IG, the Respondent explained that the Contract was the first of its kind in the County, and pilot programs often require adjustments after initialization. Although the Respondent was aware of and directed staff to process Contract invoices that did not adhere to Contract terms, he believed it was reasonable and necessary to allow flexibility given the objective of the Contract to maintain a superior appearance of the alleyways in the Lealman CRA.

The County's Ethics Guide addresses the misuse of public position by stating, "*County employees are prohibited from corruptly using or attempting to use their official positions to obtain a special privilege for themselves or others.*"

The IG's Fraud, Waste, and Abuse Policy describes "abuse" as "*the misuse of authority or position for personal gain and includes violations and circumventions of laws, rules, contracts, departmental or agency regulations, or best practices, which impair the effective and efficient execution of operations.*"

We did not find evidence that the Respondent misused their authority for personal gain. Although the Contractor did obtain a benefit from receiving reimbursement for dumpster costs, we did not find evidence that the Respondent intentionally altered Contract terms to obtain a special privilege for the Contractor. We did not find sufficient evidence to prove that noncompliance with the Contract terms impaired the effective and efficient execution of the Contract. The Respondent did not follow written procedures and should have confirmed the Contract changes with a formal Contract amendment (discussed below in Investigative Finding #3).

Since the IG did not find sufficient evidence to prove or disprove the allegation, the IG determined that the allegation was **unsubstantiated**.

2. The Respondent abused their position in the County to reduce permit fees related to a Combination Building Permit.

We reviewed the CBP permit documentation for a storage unit to be built and noted that on October 1, 2020, Building & Development Review Services (BDRS) cited the property for failure to obtain a permit. The customer subsequently applied for an after-the-fact permit, which resulted in an assessment of after-the-fact fees. The customer's after-the-fact permit was initially approved; however, during the inspection process, it was determined that the placement of the storage unit did not comply with the 20-foot setback required by the County's LDC. In order to obtain the permit, the customer requested a variance to allow for a 5-foot setback. The variance was approved on December 2, 2020.

In an interview with BDRS staff, the IG learned the permit mentioned above did not include the required variance. The customer canceled the original permit in December 2020, and the customer submitted a new permit application, which incorporated the recently approved variance. The after-the-fact fees were added to the new permit. The new permit application was submitted in January 2021, but did not receive final approval until April 27, 2022. During the IG's review of permit files, an email from the Building Official to BDRS staff stated the reason for the delay was problematic communications throughout the process between the customer and the project's professionals, County technological deficiencies, and other obstacles.

The County's LDC Section 138-232 (a) - Variances, Waivers, and Administrative Adjustments for After-the-Fact Construction, Installation or other Development Activity states:

"Under no circumstances shall the county accept an application for a variance, waiver or administrative adjustment that arises from a request for after-the-fact relief from the provisions of the code where a building, fence, or other structure or development activity has been built, installed, or otherwise occurred in violation of the code and no permit, or zoning clearance where applicable, was issued for such construction, installation or other development activity."

Since this project had been determined to be an after-the-fact project, prior to the December 2, 2020, meeting of the Board of Adjustment and Appeals, BDRS staff asked the BDRS Director to review the details related to the after-the-fact permit. The LDC did not define the term "after-the-fact." County LDC Chapter 138-51 Administrative authority states, *"The County Administrator, or authorized designee shall interpret, administer, and enforce the permitting provisions of this Code."* The BDRS Director is responsible for interpreting the LDC, when required. The BDRS Director had the authority to determine at what point an after-the-fact permit was required during project completion.

The BDRS Director determined that the building permit was not an after-the-fact permit because, although a concrete slab was present on the site, the storage unit was incomplete. This determination meant the permit, which had been approved, was no longer an after-the-fact permit. After this determination, the customer applied for a variance related to the setback. On December 2, 2020, the County's Board of Adjustment and Appeals approved the variance. When

Investigative Conclusions
Investigation of County Administration Abuse of Authority

the first permit was canceled and the new permit was submitted for the same project, the related after-the-fact fees were transferred to the new permit.

In April 2022, after the final site plan approval, the Respondent requested the after-the-fact fees be removed from the customer's account. The determination made by the BDRS Director was that the building permit was not an after-the-fact permit, which would render the after-the-fact fees no longer applicable. An email from the Building Official to BDRS staff on April 6, 2022, stated per the Respondent, the fees should be removed, and included the following:

“The justification stems from problematic communications throughout the process of the customer with the project’s professionals, County technological deficiencies, and other obstacles. The determination was that on this project, the best course of action was to remove any hindrances.”

The permit followed the process as required by the County's LDC. Therefore, there were no violations in how it was processed. The IG determined the allegation was **unfounded**.

INVESTIGATIVE FINDINGS

1. Invoices Submitted For Payment Did Not Meet Contract Requirements.

As noted above in Allegation #1, the Contractor did not comply with Contract requirements when submitting invoices. The Contractor submitted a total of five invoices over the two-year Contract period. The Contract required the Contractor to provide equipment, which included dumpsters for debris removal when clearing the alleyways. When the Contract began, the Contractor was using dumpsters that were donated by another vendor.

The Prior Staff indicated that while reviewing documentation related to the Contractor's third invoice, they noticed an increase in billing by the Contractor. The Contractor explained the increase via email and stated the Respondent, *"approved the billing of dumpster costs at 8hrs of 'Category 1' billing per 30-yard dumpster filled."* Category 1 is a labor code. During an interview with the IG, the Prior Staff said the Contractor had been receiving a donation of dumpsters from the County's Lealman sanitation vendor and that after a change in vendor ownership, they were no longer receiving the donations. During an interview with the IG in March 2024, the Contractor confirmed the information the Prior Staff reported.

As noted above, per the Contractor, the Respondent approved the Contractor to bill Category 1 labor at \$60 per hour, resulting in the following formula to be used for dumpster billing:

8 Hours * Category 1 Labor rate (\$60) = 30-Yard Dumpster Filled (\$480)

Invoices the Contractor submitted did not have sufficient detail to differentiate actual labor costs from dumpster costs billed as labor. The following figures are from an invoice the Contractor submitted on September 2, 2023, shown as Invoice 3 in Table 1 below. Figure 1 shows the total labor invoiced by labor code (first description line is Labor Code 1). Figure 2 shows an example of the worksheet the Contractor submitted with alley numbers, hours, cost, and comments pertaining to those alleys. In Figure 2, the Contractor noted multiple dumpsters were required, and based on the communication noted above, the costs were included on the invoice. However, the costs were billed as Category 1 labor without itemization for the dumpster and labor components. The IG's review noted comments on the worksheet did not always match with amounts billed.

Investigative Findings
Investigation of County Administration Abuse of Authority

Performed multiple alley clean-up activities		
NOTES		TERMS
Standard Purchase Order 449851		45 Net
QUANTITY	DESCRIPTION	TOTAL
43	Cleanup of illegal dumping on an as needed basis at \$60 an hour.	\$2,580.00
23	Clearance of various alleyways with brush/debris on an as needed basis at \$50 an hour.	\$1,150.00
76	Trim trees/shrubbery that are obstructing alleyways at \$42.10 an hour.	\$3,199.60
	TOTAL DUE	\$6,929.60

Figure 1- Contractor Invoice Total

Investigative Findings
Investigation of County Administration Abuse of Authority

Alley	Proposed Labor Code 1 Hours (1/2 hour increments; \$60/hour)	Proposed Labor Code 2 Hours (1/2 hour increments; \$50/hour)	Proposed Labor Code 3 Hours (1/2 hour increments; \$42.10/hour)	Proposed Labor Code 1 Cost	Proposed Labor Code 2 Cost	Proposed Labor Code 3 Cost	Total Proposed Alley Labor Cost	Date of Clearing/Debris Removal	Actual Labor Code 1 Hours (1/2 hour increments)	Actual Labor Code 2 Hours (1/2 hour increments)	Actual Labor Code 3 Hours (1/2 hour increments)	Actual Labor Code 1 Cost	Actual Labor Code 2 Cost	Actual Labor Code 3 Cost	Total Actual Alley Labor Cost	Comments
112	8		12	\$ 480.00	\$ -	\$ 505.20	\$ 985.20	2/4/2023	8		12	\$ 480.00	\$ -	\$ 505.20	\$ 985.20	Client complaint, county stopped work after partial clearing OPEN BILLING 06/2023
113	24			\$ 1,440.00	\$ -	\$ -	\$ 1,440.00	1/11/2023	24			\$ 1,440.00	\$ -	\$ -	\$ 1,440.00	OPEN BILLING_06/28/2023 - This area had three alleys connected with large amount of brush included where they connected. It took 4 dumpsters to clear all of this added waste
114			2	\$ -	\$ -	\$ 84.20	\$ 84.20	1/11/2023			2	\$ -	\$ -	\$ 84.20	\$ 84.20	OPEN BILLING_06/28/2023
125			5	\$ -	\$ -	\$ 210.50	\$ 210.50	12/30/2022			5	\$ -	\$ -	\$ 210.50	\$ 210.50	OPEN BILLING_06/28/2023
136	4	4	8	\$ 240.00	\$ 200.00	\$ 336.80	\$ 776.80	1/20/2023	4	4	8	\$ 240.00	\$ 200.00	\$ 336.80	\$ 776.80	OPEN BILLING_06/28/2023 a lot fo debris took up half a dumpster
137			2	\$ -	\$ -	\$ 84.20	\$ 84.20	1/4/2023			2	\$ -	\$ -	\$ 84.20	\$ 84.20	OPEN BILLING_06/28/2023
138		5	8	\$ -	\$ 250.00	\$ 336.80	\$ 586.80	1/20/2023		5	8	\$ -	\$ 250.00	\$ 336.80	\$ 586.80	OPEN BILLING_06/28/2023 A lot of overgrown shrubery took half a dumpster
TOTALS	73	62	180	\$ 4,380.00	\$ 3,100.00	\$ 7,578.00	\$ 15,058.00	9/17/8281	43	23	76	\$ 2,580.00	\$ 1,150.00	\$ 3,199.60	\$ 6,929.60	
Proposed Total Labor Amount:							\$ 4,167.70	Total Invoice Amount:							\$ 4,167.70	
*Labor codes									*Color codes							
1: Cleanup of illegal dumping on an as needed basis = \$60.00 hourly rate									White rows mean that the alley was previously billed							
2: Clearance of various alleyways with brush/debris on an as needed basis = \$50.00 hourly rate									Yellow rows mean the alley is part of the current billing							
3: Trim trees/shrubbery that are obstructing alleyways = \$42.10 hourly rate									Light Blue rows mean the alley has not been cleared or billed yet							

Figure 2 - Tracking Spreadsheet Submitted By Contractor With Labor Codes and Comments (Proposed Total Labor Amount and Total Invoice Amount represent totals for examples displayed in this report only. The Actual Total Invoice Amount was \$6,929.60)

Investigative Findings
Investigation of County Administration Abuse of Authority

In an attempt to quantify the dumpster costs the Contractor incurred and subsequently charged the County, the IG requested the Contractor provide all invoices for dumpsters that were used in relation to the Contract after the donations ceased. The Contractor provided the IG with five third-party invoices for dumpsters. These invoices contained dumpster costs paid by the Contractor to a third-party vendor for dumpster equipment. The IG reviewed the invoices to see if they corresponded with the invoices the Contractor billed to the County.

The third-party vendor dumpster invoices were for services from November 2023 through February 2024, totaling \$2,194.70. However, email communication showed the Prior Staff member questioned increased costs starting in July 2023, and the Contractor stated the increased costs were due to the dumpster costs. Based on the lack of complete and itemized supporting documentation, it is unclear how much the Contractor billed the County related to dumpster costs or for how long the billing occurred. Although the IG was unable to quantify the exact dollar amount of the dumpster costs, the overpayment caused by the inclusion of dumpster costs resulted in a financial loss to the County.

During an interview with the Contractor on March 29, 2024, the Contractor provided a worksheet used to calculate the labor and equipment costs for work performed on 35 alleys and translate them to labor costs. The Contractor indicated it was the supporting documentation for the most recent invoice submitted; however, we were unable to verify the statement because the 35 alleys listed on the worksheet were not listed on the most recent invoice submitted on March 6, 2024.

Figure 3 below is from the worksheet provided by the Contractor and shows 19 of the 35 alleys mentioned above. During the interview, the Contractor explained that the worksheet is used internally to track work and prepare invoices. Three handwritten columns are shown on the worksheet: column 1 is the alley number, column 2 is the number of labor hours, and column 3 is the number of dumpster hours used. The 2 projects on the top right of the worksheet are shown as addresses instead of alley numbers because they were special projects assigned to the Contractor by the County. Although the alleys shown on the worksheet below did not require the use of a full dumpster, the Contractor explained that the number of hours was charged equal to the proportion of the dumpster that was filled from each alley. The Contractor stated there was an agreement with the County that the dumpster could be billed in this manner.

Investigative Findings
Investigation of County Administration Abuse of Authority

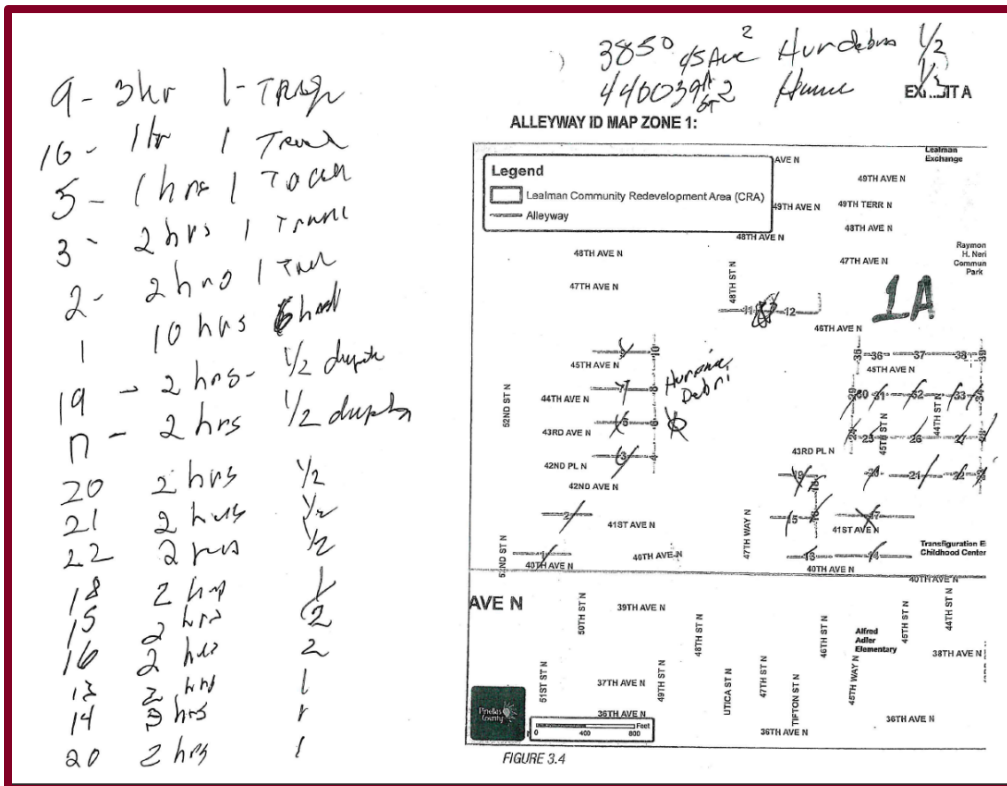


Figure 3 Contractor Worksheet Page 1 of 2 (19 projects shown)

The Contractor’s worksheet included actual labor costs to be billed and a separate listing of the equipment to labor calculations. We could not correlate the worksheet to any particular invoice, but we calculated the labor and dumpster costs noted in the worksheet, which totaled \$4,830 for labor and \$2,340 for dumpster costs, for a total of \$7,170.

In addition to the equipment billing, we noted various other issues during our review of the Contract invoices. The invoices were not clear and contained errors. Per the Contract, the Contractor was required to submit invoices directly to the Clerk of the Circuit Court and Comptroller’s Finance Division (Finance). In December 2022, after Finance rejected the Contractor’s second invoice due to an incorrect purchase order number, the Current Staff instructed the Contractor to submit the invoices directly to the department, and the department would submit the invoices to Finance.

The supporting documentation for the invoices contained communication from Finance and Purchasing, which addressed concerns such as duplicate invoice numbers and expenditures not allowed by the Contract, such as the dumpster costs shown above. The supporting documentation for the invoice with duplicate invoice numbers confirmed it was not actually a duplication but a correction to the previous invoice. The original invoice submitted in June 2022 for \$1,622 was replaced by an invoice dated in August 2022 for \$2,548. Finance received no communication to cancel the first invoice until Finance flagged the invoice for having a duplicate

invoice number. No changes were made to the supporting documentation to support the increased cost.

After the Prior Staff reviewed the invoices, another staff member reviewed them for accuracy and appropriateness and signed the invoices before sending them to Finance. The staff member responsible for signing the invoices and verifying work performed expressed that the invoices were unclear, resulting in additional work to understand what was being billed. However, staff did ensure that the work billed was complete.

The Respondent could not recall the exact methodology they approved for the equipment billing but confirmed they wanted to be flexible with the Contractor to complete the Contract objectives. However, the Contract did not allow for equipment billing and specifically stated that the cost to remove debris was the responsibility of the Contractor, as stated in Exhibit A.

Contract EXHIBIT A – STATEMENT OF WORK states:

“1. EQUIPMENT AND MATERIALS

A. Contractor and/or subcontractors shall provide all required materials and equipment needed to accomplish all work pertaining to this contract...

2. PERSONNEL

A. Provide all labor, transportation, equipment necessary to perform the specified services and meet the requirements specified herein. Cost overruns are to be absorbed by Contractor when adding personnel or equipment to meet requirements of the contract.

Technical Specifications –

K.II. Disposal of litter and debris shall be made in accordance with applicable local and state laws, and any cost incurred for disposal shall be the responsibility of the Contractor.”

The PINELLAS COUNTY PURCHASING PROCEDURE MANUAL SECTION 9: CONTRACTS, 11. ADMINISTRATION states the following:

“It is the responsibility of the originating department to take the necessary steps to ensure implementation of the contracts with which they are involved. These contracts should be continually monitored for compliance with contract terms and conditions.”

County management must display an ethical attitude towards internal controls that reflects the County’s commitment to safeguarding its assets. Noncompliance with contract terms can indicate weak contract management, increase the risk of fraud and unethical behavior in an organization, and lead to contractual disputes.

County management is responsible for setting a moral tone at the top and for ensuring proper internal controls are implemented and monitored. The County paid for work that was not authorized to be paid for in the Contract. Although the IG was unable to quantify the exact dollar amount of the dumpster costs due to a lack of clarity in the supporting documentation, the overpayment caused by the inclusion of dumpster costs resulted in a financial loss to the County and could result in a loss of public trust.

We Recommend Management:

- A. Develop and implement a documented invoice review process to ensure invoices are in compliance with contract terms and conditions so that any services that are billed can be verified as appropriate.
- B. Determine if the County can recoup overpayments from the Contractor and recoup the funds, if warranted.
- C. Consider disciplinary action for the Respondent for authorizing the Contractor to receive payment for equipment costs billed as labor costs.

Management Response:

- A. **Management Concurs.** We will conduct a thorough review of our current processes to ensure that all invoices adhere strictly to contract terms. This review will include process, training and oversight.
- B. **Management Concurs.** On page 11, the report found no evidence of the Respondent misusing authority for personal gain. Although the Contractor received reimbursement for dumpster costs, there's no proof the Respondent intentionally altered Contract terms for their benefit. The noncompliance did not affect the Contract's effectiveness, but a formal amendment was needed.

On page 19, the report noted that invoices, after initial staff review, were checked for accuracy by another staff member before being sent to Finance. Despite some confusion, the billed work was confirmed as complete.

The Respondent discussed the dumpster cost with Purchasing. Although the Respondent consulted Purchasing about the cost, the Respondent did not follow up to ensure that proper amendment procedures were followed.

Dumpster charges were not processed correctly, but the work was performed and completed appropriately. A new review process will be implemented to add extra layers of accountability and enhance oversight.

- C. **Management Concurs.** Management will take this comment under advisement.

2. Work Submitted For Reimbursement Did Not Meet Contract Requirements.

During the two-year Contract period, the Contractor performed services on at least 34 properties not listed on an NTP. The Contract required the Contractor to receive a written NTP from the County before commencing work on each alley. The level of work required varied for each alley. Estimates and before photos were supposed to be submitted in order to obtain an NTP. The Contractor did not always submit estimates or before photos, and the NTPs were not always issued before work was performed. The IG reviewed the invoices, formal NTPs, and emails related to the Contract and found 34 of 65 occurrences, or 52%, when work was performed without an NTP.

The Prior Staff indicated that in June 2022, when the Contractor submitted the first invoice associated with the Contract, there were three alleys without an NTP. Staff notified the Contractor that it was a violation of the terms of the Contract to perform work without an NTP. The Prior Staff also indicated they informed the Respondent of the violation, and the Respondent cited the need for flexibility to complete alleys.

We noted the following regarding the Contract invoices submitted for this project:

Invoice	Invoice Date	Invoice Amount	# of Alleys Billed	# of Alleys No NTP
1	08/15/2022	2,548.20	13	3
2	12/06/2022	3,711.80	10	2
3	09/02/2023	6,929.60	21	21
4	09/27/2023	3,198.80	9	8
5	03/06/2024	2,909.80	12	0
Total		\$ 19,298.20	65	34

Table 1- Invoice Totals

When the IG interviewed the Contractor in March 2024, the Contractor stated that no alleys were cleared without an NTP. However, the IG reviewed email communication between the Current Staff and the Contractor from July 2023, which stated the Contractor's original submission related to Invoice 3 (in Table 1 above) included billing for services performed on 22 alleys that were not listed on an NTP. The Current Staff member informed the IG they subsequently rejected that invoice due to unrelated corrections, and the Contractor resubmitted it as Invoice 3 above with 21 alleys. The Contractor told the Current Staff that the Prior Staff verbally authorized the work to be completed. However, the Prior Staff notified the Contractor that they had never authorized the work and reminded the Contractor that approvals must be in writing.

During an interview with the Respondent, the Respondent indicated they met with the Prior Staff and Purchasing, and Purchasing was okay with changing the process as long as the work was completed and documented. The Respondent could not recall the timing of the meeting with Purchasing.

We interviewed Purchasing management, and they indicated that in August 2023, they met with and informed the Respondent and the Current Staff that the Contractor was required to have an NTP for work completed. Purchasing indicated that the NTP did not have to be a formal document. An NTP could be conducted through email as long as the Contractor submitted the proposal and the County approved the proposal in writing, which the department had already implemented. One formal NTP document was executed throughout this Contract. Specifically, on April 28, 2022, a formal NTP was issued regarding Invoice 1. All other NTPs on file were emails approving the work. However, services were performed on 34 alleys not included on the NTPs.

Contract Exhibit A Statement of Work: Section 7: Technical Specifications states:

“C. Work will be established as authorized by the County on an as needed basis. Contractor will be provided an alleyway location requiring optional services. Contractor will provide a detailed scope of work including the number and type of hours and total fee estimate, along with photos of the alley’s current condition. Contractor shall not commence work without County approval in the form of a written Notice to Proceed (NTP). Contractor shall provide photos of completed work along with an invoice for payment to be processed.”

The Respondent expressed to staff that they wanted to provide flexibility to the vendor in order to complete the contract objectives. When we interviewed the Respondent, they confirmed that direction and indicated that the first term of the Contract was intended to be a learning experience for future terms. However, no changes were made to the terms and conditions when the Contract was amended for an additional 12 months.

Contract controls help ensure that work performed was approved and completed sufficiently and that only work completed was billed to the County. Without ensuring the contract controls were in place, there was a risk that work submitted for reimbursement was not completed or not completed appropriately. This could have resulted in a loss to the community if the alleyways were not well kept and a financial loss to the County for payments made when services were not obtained.

As stated above, effective February 16, 2024, a new vendor was awarded a contract to perform these services. The new contract removed the terminology regarding a formal NTP. However, the terms of the contract state that all optional services are to be performed on an as-needed basis, and a quote is required and must be approved prior to the commencement of work, which effectively renders the terms of the contract unchanged. No changes were made to the contract terms pertaining to equipment.

We Recommend Management:

- A. Develop and implement a process to document effective monitoring of contracts to ensure compliance.
- B. Ensure management and staff are trained on the contract dispute resolution process and document the training. When there are disputes, follow the dispute resolution process as outlined in the contract and in accordance with the County's Purchasing and Risk Management Standard Services Agreement. Consult with Purchasing and the County Attorney's Office, as needed.

Management Response:

- A. **Management Concur.** We will develop and implement a process that includes:
 - a. Outlining contract requirements and compliance standards of the contract.
 - b. Tracking and Documentation: We will track progress and document performance.
 - c. Regular Reviews: Conduct periodic review meetings to assess contract adherence and resolve any issues.

This process will ensure effective monitoring and adherence to contract terms.

- B. **Management Concur.** We will ensure that both management and staff are thoroughly trained on the contract dispute resolution process and will document all training activities. We will adhere to the dispute resolution process and consult with the Purchasing Department and the County Attorney's Office as necessary to resolve any issues.

3. Management Did Not Execute A Proper Contract Amendment.

During the two-year Contract term, there were two changes to the Contract, as detailed in Investigative Findings #1 and #2 above, but neither was formally documented. The Respondent directed staff to authorize the amended processes and payment terms but did not formally document the terms.

The Respondent indicated they directed Prior Staff to work with Purchasing to ensure the changes were allowed. The Respondent indicated they were involved in a meeting with Purchasing and the staff member responsible for reviewing invoices, and when the Respondent never heard otherwise from Prior Staff, assumed the changes were allowed.

We interviewed the Prior Staff and Purchasing staff. The Prior Staff indicated the Respondent was aware that any changes to the terms of the Contract must be made in writing. Purchasing indicated they met with the Respondent and Prior Staff and informed them the Contractor could

not bill the County for work not authorized in the Contract. Purchasing also stated the importance of contract controls to ensure protection for the County.

Contract SECTION 22 AMENDMENT states the following regarding contract amendments:

“22. Amendment. This Agreement may be amended by mutual written agreement of the Parties hereto.”

The PINELLAS COUNTY PURCHASING PROCEDURE MANUAL SECTION 9: CONTRACTS contains the following language regarding changes to contract requirements:

“9. CONTRACT ADMINISTRATOR/MANAGER RESPONSIBILITIES

The contract administrator/manager shall be responsible for the development of draft contract scope of work in conjunction with the County Attorney; monitoring the contract; negotiating with the Contractor any proposed contract modifications; and the processing of any required Change Orders. The contract administrator manager shall also ensure that the Contractor complies with the terms and conditions of the RFP or ITB including appropriate insurance requirements.

In fulfillment of this responsibility, the contract manager shall ensure that the proposed change order is market/price competitive; does not materially change the original scope of work unless given prior approval by the appropriate official has been granted.

10. CONTRACT CHANGE ORDER/AMENDMENT

A. Justification for Change Order/Amendment

The need for a change order/amendment is typically associated with a change in scope of work, scheduling, field conditions, errors in plans, undetected site conditions, adjustments, and materials to be used.

B. Change Order/Amendment Approval Process

Once it has been determined a change order/amendment is required, the contract/administrator manager shall process the request for change order/amendment approval consistent with policy authority level.

All change orders/amendments for capital and non-capital projects shall be reviewed, approved by the responsible department director. In most cases change orders/amendments shall be approved by the County Attorney’s Office prior to being submitted to the Board for approval.”

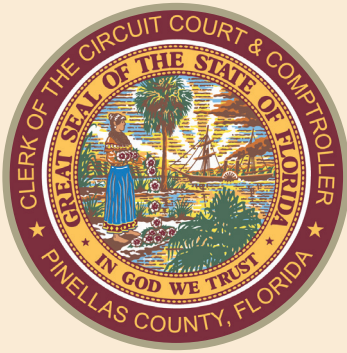
A proper amendment ensures that all parties have agreed to changes made and protects each party in the event of a dispute. The absence of a proper amendment may lead to disagreements, disputes, or lawsuits.

We Recommend Management:

- A. Ensure proper training for staff regarding the County's contract change order/amendment process and document the training.
- B. Ensure that when changes are required on future projects, a proper contract change order/amendment is executed.
- C. Ensure change orders/amendments are reviewed and approved by the appropriate County officials and agreed to by the contractor.

Management Response:

- A. **Management Concur.** We will ensure staff are properly trained to understand contract change order and amendments.
- B. **Management Concur.** We will ensure that any required changes to future projects are executed through a proper contract change order or amendment.
- C. **Management Concur.** We will ensure that all change orders and amendments are reviewed and approved by the appropriate County officials and are agreed to by the contractor.



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