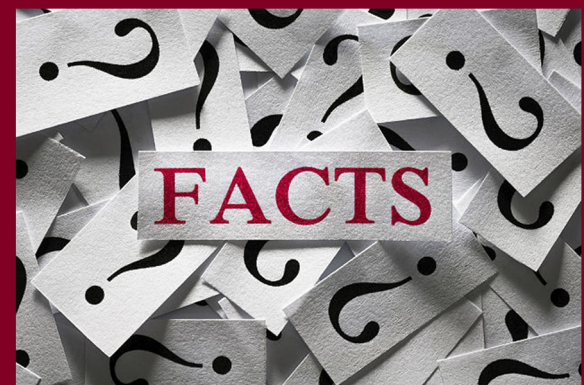




**DIVISION OF INSPECTOR GENERAL**  
Ken Burke, CPA  
Clerk of the Circuit Court and Comptroller  
Pinellas County, Florida



# FOLLOW-UP INVESTIGATION OF BUILDING SERVICES TIME ABUSE



**Hector Collazo Jr. - Inspector General/Chief Audit Executive**

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**REPORT NO. 2020-08**  
**MARCH 18, 2020**



## Ken Burke, CPA

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PINELLAS COUNTY, FLORIDA

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March 18, 2020

Blake Lyon, Director, Building and Development Review Services Department

The Division of Inspector General has conducted a Follow-Up Investigation of Building Services Time Abuse. 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 four recommendations contained in the original investigative report, we determined that one has been implemented, one has been partially implemented, and two have not been implemented. The status of each recommendation is presented in this follow-up report.

We appreciate the cooperation shown by the staff of the Building and Development Review Services Department during the course of this review.

Respectfully Submitted,

Hector Collazo Jr.  
Inspector General/Chief Audit Executive

cc: Melissa Dondero, Assistant Inspector General  
The Honorable Chairman and Members of the Board of County Commissioners  
Barry Burton, County Administrator  
Tom Almonte, Assistant County Administrator  
Evelyn Spencer, Building Services Division Manager, Building and Development Review Services Department  
Ken Burke, CPA, Clerk of the Circuit Court and Comptroller



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# INTRODUCTION

## *Scope and Methodology*

We conducted an investigative follow-up of Building Services Time Abuse. 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:

1. Respondent #1 allowed subordinate employees to misuse or abuse work time.
2. Respondents #2, #3, and #4 misused or abused work time.
3. Respondents #2, #3, and #4 falsified attendance records by reporting time worked when they were not present at their job, consequently violating County policies and Florida Statutes.
4. Respondents #1 and #3 used their purchasing cards for the purchase of Christmas gifts for the department Christmas party.

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

Our investigative follow-up was conducted in accordance with the *Principles and Standards for Offices of Inspector General* and *The Florida Inspectors General Standards Manual* from The Commission for Florida Law Enforcement Accreditation and, accordingly, included such tests of records and other investigative procedures, as we considered necessary in the circumstances. Our follow-up testing was performed during the month of February 2020. The original investigative period was November 2017 through December 2018. However, transactions and processes reviewed were not limited by the investigative period.

## *Overall Conclusion*

Of the four recommendations in the original report, we determined that one was implemented, one was partially implemented, and two were not implemented. We commend management for implementation of one recommendation and encourage management to implement the remaining three recommendations.

## Implementation Status Table

FIC NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
<b>1</b>	<b><i>Timecards Are Not Completed Properly.</i></b>					
<b>A</b>	Educate staff on the importance of accurately reporting time in OPUS.				✓	
<b>B</b>	Develop and document policies and procedures for employees and supervisors to use when reporting and reviewing time.			✓		
<b>2</b>	<b><i>A County Laptop Was Not Accounted For Appropriately.</i></b>					
<b>A</b>	Review and update inventory records to ensure records are complete and accurate.	✓				
<b>B</b>	Educate staff on the importance of ensuring all assets are accounted for.				✓	

## ***Background***

Building Services is responsible for providing building permits, building inspections, and code reference for unincorporated sections of Pinellas County (County), as well as other communities that contract for services. These communities include the City of Belleair Beach, the City of Belleair Bluffs, the Town of Belleair Shore, and the City of Oldsmar. The County requires a permit for any of the following:

- New buildings
- Additions
- Remodels
- Demolition
- Work valued in excess of \$500
- Work that requires an inspection

Building Services reviews construction plans according to the Florida Building Code, which includes provisions related to building, electrical, plumbing, gas, mechanical, energy, and safety codes. Building Services issues construction permits following a successful review of the plans. Once construction begins, code-required site inspections are conducted to ensure compliance. These inspections continue until construction is completed and the building is certified for occupancy.

The IG initiated an investigation upon receiving the following allegations of fraud, waste, and abuse related to four employees within Building Services:

- Respondent #1, Prior Building Services Division Manager, allowed subordinate employees to misuse or abuse work time.
- Respondent #2, Administrative Support Supervisor; Respondent #3, Prior Accountant 1; and Respondent #4, Administrative Support Specialist, misused or abused work time.
- Respondents #2, #3, and #4 falsified attendance records by reporting time worked when they were not present at their job, consequently violating County policies and Florida Statutes.
- Respondents #1 and #3 used their purchasing cards for the purchase of Christmas gifts for the department Christmas party.

As part of our investigation, we reviewed personnel files, timecards, video recordings, County identification badge access logs, computer logs, County policies and procedures, Florida Statutes, and conducted interviews with staff, Management, and the Respondents, as needed.



The original IG investigation concluded the following:

Allegation	Respondent	Conclusion
Allegation #1 - Respondent allowed subordinate employees to misuse or abuse work time.	Respondent #1	<b>Unsubstantiated</b>
Allegation #2 - Respondents misused or abused work time.	Respondent #2	<b>Unfounded</b>
	Respondent #3	<b>Unfounded</b>
	Respondent #4	<b>Unsubstantiated</b>
Allegation #3 - Respondents falsified attendance records by reporting time worked when they were not present at their job, consequently violating County policies and Florida Statutes.	Respondent #2	<b>Unfounded</b>
	Respondent #3	<b>Unfounded</b>
	Respondent #4	<b>Unsubstantiated</b>
Allegation #4 - Respondents used their purchasing cards for the purchase of Christmas gifts for the department Christmas party.	Respondent #1	<b>Unfounded</b>
	Respondent #3	<b>Unfounded</b>

Allegation #1 was unsubstantiated for Respondent #1, and Allegations #2 and #3 were unsubstantiated for Respondent #4, as there was not sufficient evidence to prove or disprove the allegations. During investigative activities, we noted that time cards were not always completed properly. In addition, the department could not initially account for a County laptop during the investigation. Based on the information gathered during the investigation, applicable recommendations are presented below.

# 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 Building Services Time Abuse. The recommendations contained herein are those of the original investigative report, followed by the current status of the recommendations.

## ***1. Timecards Are Not Completed Properly.***

We noted multiple instances of employees inaccurately reporting time on their timecards. During a review of the Respondents' time, we noted discrepancies between the time Respondent #4 worked and the time they reported on their timecard. In addition, Respondent #3 did not always code actual time worked on each day, and Respondent #2 coded compensatory time incorrectly.

For Respondent #4, we reviewed one pay period in June 2018 and verified, through surveillance and other investigative methods, the hours the Respondent worked. The Respondent typically works nine hours each day on Monday through Thursday, and four hours on Friday, for a total of 40 hours per week and 80 hours per pay period. During the pay period we reviewed in June, due to approved personal time taken, the Respondent worked approximately 68 hours. However, the Respondent reported approximately 72 regular hours on their timecard.

In order to verify the hours worked, we reviewed video recordings obtained from cameras located in the entrance and exit areas of the Respondent's work location. We also reviewed the Respondent's County identification badge access logs, which showed the employee's activity within their work location. As additional support, we reviewed activity from the Respondent's computer in order to ascertain when work began or ended on each day. We then compared the data obtained with time reported on the Respondent's timecard and noted the variances. We were unable to review prior pay periods at that time, as historical video recordings were not available.

Upon the conclusion of our review, some Building Department staff transferred to another department, resulting in an open position, which Respondent #4 has since been offered and accepted. The Respondent continues to perform their previous duties, and therefore, has worked overtime on a consistent basis since July 2018, while fulfilling both roles. Based on the results of our review in June, we examined an additional pay period in July for Respondent #4, and noted the variances between time worked and time reported were negligible.

During a review of Respondent #3's timecards, we noted one timecard included a comment that time was worked on a Monday to make up for going home early the previous Friday. While making up time on alternate days is typically an acceptable practice with a supervisor's approval,



the Fair Labor Standards Act (FLSA) dictates overtime pay requirements, which results in alternate schedules being restricted depending on an employee's service type.

According to the FLSA, "Overtime must be paid at a rate of at least one and one-half times the employee's regular rate of pay for each hour worked in a workweek in excess of the maximum allowable in a given type of employment." During the review period, Respondent #3 was in a classified service position. Pinellas County Personnel Rule 3. Compensation, states the following in accordance with the FLSA:

*"All hourly Classified Service employees... paid on an hourly basis will be compensated at time and one half for any hours worked over 40 in any workweek in accordance with the Fair Labor Standards Act. Any hours worked over 40 in a workweek shall be considered overtime hours."*

Therefore, it is imperative that classified service employees make up missed time within the same workweek so any overtime hours worked are appropriately paid or accrued as compensatory time. Additionally, actual time worked on each day must be recorded in Oracle Project Unified Solution (OPUS), the County's timekeeping system. This ensures overtime hours are calculated properly. After reviewing the hours Respondent #3 coded on the days noted above, which included two hours of annual leave on Friday, it was not clear what hours were actually worked on each day. Interviews with the Respondent and their supervisor did not provide clarity, as neither could recall what occurred. Therefore, we cannot conclude if an FLSA violation occurred. However, Respondent #3 stated actual hours worked would not necessarily have been reflected in OPUS, as department practice did not require it.

We also noted Respondent #2 coded compensatory time inappropriately. Compensatory time is coded when an employee has worked overtime and wishes to accrue leave time in lieu of being paid overtime. The leave time is accrued at a rate of one and one-half times the employee's regular rate of pay, which complies with the FLSA. Respondent #2's service is classified excluded. Pinellas County Personnel Rule 3. Compensation, states the following in accordance with the FLSA:

*"Salaried Classified Service employees, those certified by the Appointing Authority through the County Attorney to the Director of Human Resources as excluded from the overtime provisions of the Fair Labor Standards Act ("Classified Excluded"), will be compensated at time and one half for any hours worked over 80 in a pay period if approved by the Appointing Authority."*

Therefore, compensatory time should be coded only after Respondent #2 works 80 hours in a pay period. In Fiscal Year 2016-17, Respondent #2 coded compensatory time in 12 of 26 pay periods. In all 12 pay periods, the compensatory time was coded before they worked 80 hours, or before reaching the threshold to record such compensatory time.

For all 12 pay periods, we calculated the total regular hours and total compensatory time coded, and we noted Respondent #2 did not accrue inappropriate amounts of compensatory time. When

compensatory time was coded prematurely, 80 hours of regular time was coded in the pay period. Therefore, the correct number of compensatory hours was accrued, and there was no FLSA violation. However, inappropriate timekeeping practices may result in errors in the future.

Interviews with Respondent #1, who is the supervisor of Respondents #2, #3, and #4, revealed the supervisor approved flexible schedules for Respondents #2 and #4, and Respondent #3 did not have a set schedule. However, the supervisor had a level of trust in their employees that resulted in not overseeing the employees' work time directly. During an interview with Respondent #4, the Respondent was unable to justify the time variances reported. Interviews with the Clerk's Finance Division indicated supervisors are responsible for ensuring their subordinates code time worked correctly.

The absence of appropriate oversight creates a lack of accountability for employees and their daily activities. Additionally, failing to accurately record hours worked in OPUS can result in inaccurate pay, which can lead to FLSA violations.

***We Recommended Building Services Management:***

- A. Educate staff on the importance of accurately reporting time in OPUS.
- B. Develop and document policies and procedures for employees and supervisors to use when reporting and reviewing time.

***Status:***

- A. **Not Implemented.** Although management expressed its intention to inform staff about the importance of accurately reporting time in OPUS, management did not do so. We continue to encourage management to implement our recommendation, as it runs the risk of inaccurate time reporting in OPUS, which can lead to inaccurate pay and FLSA violations.
- B. **Partially Implemented.** Management drafted a policy on OPUS timekeeping; however, it has not been approved or distributed to staff. We continue to encourage management to implement our recommendation, as it runs the risk of inaccurate time reporting in OPUS, which can lead to inaccurate pay and FLSA violations.

## ***2. A County Laptop Was Not Accounted For Appropriately.***

We were unable to locate a laptop assigned to Respondent #3 during the investigation. While reviewing time records, it became necessary to locate Respondent #3's laptop. A review of computer logs revealed the Respondent had recently logged into two computers, one of which was subsequently disconnected from the County network and not traceable.

According to Building Services' inventory records, the laptop was a spare assigned to Respondent #3. According to the County's Business Technology Services' records, the Respondent last logged into the laptop on September 6, 2018. Respondent #3 transferred from Building Services to the Contractor Licensing Department (CLD) in July 2018, but continued to perform work for Building Services, and thus, had a business need to login to the computer. However, Building Services maintained ownership of the laptop.

When a Building Services employee responsible for inventory asked Respondent #3 for the laptop on September 28, 2018, the Respondent was not aware of the laptop's location. After investigative fieldwork concluded, on October 8, 2018, the Building Services employee responsible for tracking inventory reported to the IG that the laptop had been placed on their desk while they were away. It was not clear who placed the laptop on their desk. Although the laptop was located prior to this report's issuance, the Department should implement controls to ensure it accounts for County property appropriately.

Per the Finance FA 300 Dept. Fixed Asset Processing Manual, dated 2014:

*"It is the responsibility of the department to help ensure that asset records are complete and accurate."*

Per Florida Administrative Code 69I-73 - Tangible Personal Property Owned by Local Governments:

*"Governmental units shall maintain adequate records of property in their custody."*

Respondent #3 indicated some CLD employees used Building Services' laptops while waiting for new laptops to be delivered to the CLD. It is not clear if the missing laptop was used for this purpose, but it is possible the movement of laptops was not tracked and resulted in the department losing track of this laptop. County property that is not accounted for represents a loss to the County as a resource to carry out the department's activities.

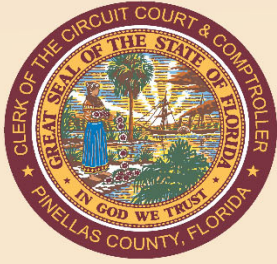
***We Recommended Building Services Management:***

- A. Review and update inventory records to ensure records are complete and accurate.
- B. Educate staff on the importance of ensuring all assets are accounted for.

***Status:***

- A. **Implemented.** Building Services staff completed a full asset inventory on February 21, 2020.
- B. **Not Implemented.** Although management expressed its intention to inform staff about the importance of maintaining accurate inventory records, management did not do so. We continue to encourage management to implement our recommendation, as it runs the

risk of County property that is not accounted for presenting a loss to the County as a resource to carry out the department's activities.



# DIVISION OF INSPECTOR GENERAL

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