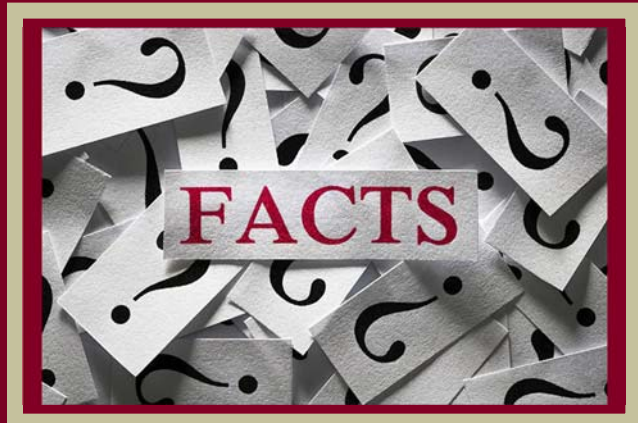




DIVISION OF INSPECTOR GENERAL
Ken Burke, CPA
Clerk of the Circuit Court and Comptroller
Pinellas County, Florida



FOLLOW-UP INVESTIGATION OF MISAPPROPRIATION OF COUNTY LAPTOP

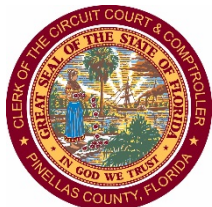


Hector Collazo Jr. – Inspector General/Chief Audit Executive

Investigation Team

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REPORT NO. 2020-01
JANUARY 8, 2020



Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

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January 8, 2020

Megan Ross, Director, Utilities Department
Georges Gonzalez, Customer Service Section Manager, Utilities Department

The Division of Inspector General has conducted a Follow-Up Investigation of Misappropriation of County Laptop. 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 three recommendations contained in the original investigative report, we determined that all three 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 Utilities Department during the course of this review.

Respectfully Submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive

cc: The Honorable Chairman and Members of the Board of County Commissioners
Barry Burton, County Administrator
Rahim Harji, Assistant County Administrator
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 the misappropriation of a County laptop. 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:

1. Determine if a Utilities Department, Customer Service Section, employee violated the written rules, regulations, or policies as it pertains to the use and return of County property.
2. Determine if a Utilities Department, Customer Service Section, employee illegally disposed of County property by placing the equipment within a garbage dumpster area at a residential location.

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 December 2019. The original investigative period included reviewing records dating back to 2011. However, transactions and processes reviewed were not limited by the investigative period.

Overall Conclusion

Of the three recommendations in the original report, we determined that all three 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>The Respondent Did Not Safeguard County Property As Required.</i>					
A	Establish a tracking system for non-asset items based on management best practices and risk analysis.	✓				
B	Ensure equipment that has the capacity to store electronic data and/or have some form of memory chip, including laptops, be disposed of appropriately.	✓				
C	Provide training to staff on the proper procedures for disposing of assets, as well as procedures for reporting lost or stolen items.	✓				

Background

Utilities manage the water and wastewater treatment facility operations, the monitoring and laboratory functions, and the maintenance of the distribution and collection systems. Utilities customers receive drinking water from sources managed by the regional water supplier, Tampa Bay Water. Utilities bills and collects nearly \$200 million annually for water, sewer, and reclaimed services. The structure of Utilities includes the following divisions:

- Plant Operations
- Maintenance
- Water Quality
- Engineering
- Customer Services

The Respondent in this investigation works for the Utilities Customer Services Division. The Customer Services Division maintains electronic account data and manages 112,900 water meters. The Customer Services Division includes:

- Billing and invoicing
- Revenue analysis
- Collections
- Integrated account services
- Call center
- Field operations (meter reading)
- Water compliance

The IG initiated an investigation upon receiving information about County property that may have been improperly disposed of. A citizen found a laptop bag on top of a recycle bin in the Recycle Refuse Center at a condominium complex. The citizen reviewed the contents of the bag, and noted what appeared to be a County laptop, and several County business cards. The citizen reported the items to the IG, which resulted in the IG investigating the following allegations:

- The Respondent violated the written rules, regulations, or policies as it pertains to the use and return of County property.
- The Respondent illegally disposed of County property by placing the equipment within a garbage dumpster area at a residential location.

As part of our investigation, we reviewed personnel files, the Pinellas County Personnel Handbook and Manual, Utilities fixed assets inventory records, Business Technology Services (BTS) Help Desk service logs, County policies and procedures, Florida Statutes, computer images, compact discs, and conducted interviews with staff, management, and the Respondent.

The IG concluded that the Respondent violated their duty to safeguard County property, which resulted in the disposal of the equipment in a recycling center within their home community.

Although there was not sufficient evidence to prove or disprove that the Respondent disposed of the property in person, it is clear that the Respondent's neglect of County property resulted in the improper disposal of the property. Therefore, we concluded that both allegations are substantiated.

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 Misappropriation of County Laptop. The recommendations contained herein are those of the original investigative report, followed by the current status of the recommendations.

1. The Respondent Did Not Safeguard County Property As Required.

The Respondent's County laptop was found at their residence on top of a recycling receptacle. The laptop was inside a laptop bag, along with various laptop accessories and other electronic media. The IG reviewed the contents of the laptop bag and noted the following:

- The laptop contained sensitive information related to the Utilities Department's customers, employees, and other community partners. Sensitive information included names, addresses, telephone numbers, email addresses, and user identifications and passwords for training websites.
- Compact discs contained County budget information, and Utilities Department performance measures, which is public information, and therefore, not sensitive.

It should be noted that while the IG reviewed a sample of documents from the laptop's hard drive, there is potentially other sensitive and/or confidential information contained on the laptop that was not reviewed. In addition, the IG did not review two Maxwell MC-60UR microcassettes due to resource constraints.



Further review of the laptop revealed a current County employee had logged into the laptop in the past, and the employee's home address matched the address where the laptop was found. We interviewed the County employee to determine why the laptop was in the Recycle Refuse Center at their residence.

The Respondent confirmed that they lived at the address where the laptop was found, but was unaware how the laptop bag came to be at the Recycle Refuse Center. The Respondent theorized that they must have brought the laptop bag home, and a family member may have disposed of it while packing in preparation of their move to a new address.

The Respondent used the laptop for a special assignment from approximately 2005 – 2007, and stated that they contacted the BTS Help Desk to pick up the laptop when the assignment concluded. However, BTS did not pick up the laptop and the Respondent did not continue efforts to return the laptop to BTS. The IG verified that BTS did not have a record of the Respondent requesting BTS to retrieve the laptop.

We reviewed all available inventory records, dating back to 2011. Since the laptop was not located on the inventory records, and it was not affixed with an asset tag, we concluded that it was a non-asset item. However, it is possible the laptop was an asset in the past. The Department should track assets and valuable non-asset items in a similar fashion to ensure it is protecting County property. County policies and Florida Statutes dictate a responsibility to safeguard County assets and confidential information.



The County's Statement of Ethics includes the following:

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

The County Administrator's Electronic Media Use Policy states:

"In the event of a lost or stolen PDA, blackberry, lap top computer, tablet type computer, or any other device of this type that has or could have access to County information the individual responsible for the equipment will IMMEDIATELY contact the Support Center at 727-453-4357 (3-HELP) or E Mail at: supportctr@pinellascounty.org so that the unit may be locked. Once locked, multiple failed password attempts will result in all data being wiped clean from the device."

Florida Statutes, Chapter 119, Public Records, 119.01, addresses classification of all state, county, and municipal records as public records. Providing access to public records is a duty of each agency. However, it also states the agency has the responsibility to ensure that exempt and/or confidential records are not disclosed and/or released except as permitted by law.

Finally, the County's Information Technology, Customer Service Field Support, created a "Stolen/Missing Laptop" procedure, which directs departments to immediately file a police report, file a claim with Risk Management, notify various County personnel, and if CompuTrace (software tracking the stolen computer) is installed on the laptop, to notify the Support Center.

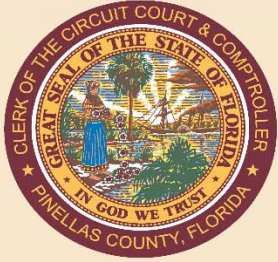
While the Respondent did contact BTS initially to retrieve the laptop, neither the Respondent nor the Department followed up to ensure the laptop was appropriately disposed of. While the laptop did have an access control in place requiring a user to login to the computer with a password, a prudent attacker might be able to bypass the control. If an individual with malicious intentions found the hard drive or media storage on the laptop, they could produce fraudulent official government records, and/or engage in identity fraud. This is made easier because the records are in electronic format. It is imperative that sensitive equipment be safeguarded at all times, including during the destruction and disposal process.

We Recommended Management:

- A. Establish a tracking system for non-asset items based on management best practices and risk analysis.
- B. Ensure equipment that has the capacity to store electronic data and/or have some form of memory chip, including laptops, be disposed of appropriately.
- C. Provide training to staff on the proper procedures for disposing of assets, as well as procedures for reporting lost or stolen items.

Status:

- A. **Implemented.** Management tracks non-asset items using the items' serial numbers and the credentials of employees who are assigned the items. Management reviews the records and performs an inventory of the non-asset items every six months.
- B. **Implemented.** Management has set up a disposal schedule with Business Technology Services to dispose of equipment that can store electronic data and/or have some form of memory chip, including laptops, appropriately. This process requires authorization by the Utilities Department Computer Custodian.
- C. **Implemented.** In a quarterly meeting after the issuance of the original investigative report, management advised staff on the procedures of tracking and disposing of assets that can store electronic data and/or have some form of a memory chip, including laptops, appropriately.



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