



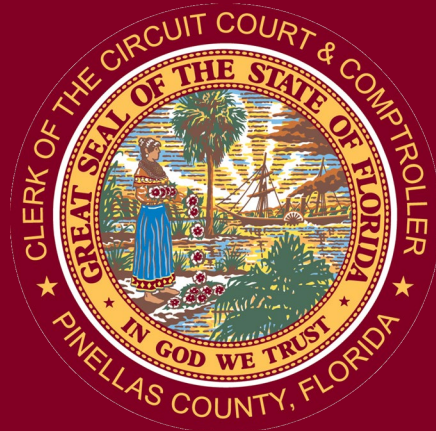
## **DIVISION OF INSPECTOR GENERAL**

Ken Burke, CPA

Clerk of the Circuit Court and Comptroller  
Pinellas County, Florida



# **AUDIT OF PINELLAS CARES SMALL BUSINESS GRANT PROGRAM**

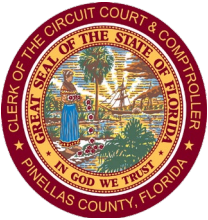


Melissa Dondero, CPA, CIA, CIG, CIGA, CIGI, CITP, CRMA, CFS, CECFE, CGI  
Inspector General/Chief Audit Executive

### **Audit Team**

Robert Poynter, CIGA, CIGI, CISA, CCA, CECFE, CFS - Assistant Inspector General  
Deborah Weiss, CFS, CIGI, CIGA - Senior Inspector General  
Jason Stanley, CFE, CIGA, CIGI, CISA - Inspector General II

REPORT NO. 2020-18  
OCTOBER 7, 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](http://www.mypinellasclerk.org)

October 7, 2020

Michael Meidel, Director, Economic Development Department  
Jeanette Phillips, Chief Deputy Director, Finance Division

We have conducted an audit of the Pinellas CARES Small Business Grant program per management request.

A summary of our audit efforts regarding the Pinellas CARES Small Business Grant program is presented in this report.

We appreciate the cooperation shown by the staff of the Economic Development Department, Office of Management and Budget, and Finance Division 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  
Ken Burke, CPA, Clerk of the Circuit Court and Comptroller  
Bill Berger, Director, Office of Management and Budget



An Accredited Office of  
Inspector General

# TABLE OF CONTENTS

<b>INTRODUCTION</b>	<b>4</b>
<i>Abbreviations</i>	4
<i>Executive Summary</i>	5
<i>Background</i>	7
<b>SCOPE AND METHODOLOGY</b>	<b>11</b>
<b>OBJECTIVES AND OUTCOMES</b>	<b>13</b>
<b>PROGRAM SUMMARY AND OBSERVATIONS</b>	<b>14</b>
<i>Program Statistics</i>	14
<i>Inspector General Efforts</i>	17
<i>Observations</i>	19

# INTRODUCTION

## *Abbreviations*

<b>BCC</b>	Board of County Commissioners
<b>CARES</b>	Coronavirus Aid, Relief, and Economic Security
<b>County</b>	Pinellas County
<b>COVID-19</b>	Coronavirus Disease 2019
<b>DBA</b>	Doing Business As
<b>PCED</b>	Pinellas County Economic Development
<b>Finance</b>	Finance Division
<b>FTE</b>	Full-time Equivalent
<b>OMB</b>	Office of Management and Budget
<b>TIN</b>	Taxpayer Identification Number

## *Executive Summary*

As a result of a management request from the Finance Division (Finance), we conducted a parallel audit of the Pinellas Coronavirus Aid, Relief, and Economic Security (CARES) Small Business Grant program in conjunction with Pinellas County Economic Development (PCED) and Finance. The objectives of the audit were to:

1. Ensure PCED had adequate controls in place to review and approve Pinellas CARES Small Business Grant applications.
2. Ensure Finance had adequate controls in place, in the form of a pre-audit process, to perform a final review of approved Pinellas CARES Small Business Grant applications prior to funds disbursement.
3. Ensure Pinellas CARES Small Business Grant applicants met the application eligibility requirements prior to funds disbursement.
4. Ensure Pinellas CARES Small Business Grant applicants did not attempt to obtain grant funds through fraudulent means.

Overall, the administration of the Pinellas CARES Small Business Grant program was very effective. The Office of Management and Budget (OMB) assumed a lead role in the coordination of budgetary and program eligibility requirements with PCED and Finance. In addition, the OMB was instrumental in acquiring the software used for grant application processing and review. The process to develop grant requirements and customize the software was extremely swift without compromising the integrity and success of the program.

The review process at PCED was also effective in identifying applications with deficient supporting documentation or eligibility questions. The limited PCED and other external agency staff assigned to the project worked diligently to process thousands of applications. This resulted in some processing delays; however, we noted many applicants did not supply the required supporting documentation which necessitated additional communication efforts and review.

We identified initial grant application reviewers from the following 11 County departments or offices:

- Administrative Services
- Building & Development Review Services
- Clerk of the Circuit Court and Comptroller
- Convention and Visitors Bureau
- County Administration
- PCED
- OMB
- Office of Technology and Innovation
- Planning
- Public Works
- Utilities

Subsequent to grant application approval, Finance performed a pre-audit prior to payment processing. This review was also effective in identifying additional documentation needs or concerns.

We performed a daily independent review of approved Pinellas CARES Small Business Grant applications on a sample basis. We used various resources to perform an additional layer of validation for all application criteria. Our goal was to add value to the process and not duplicate efforts. A by-product of this review was the detection of ineligible applications or ones where additional documentation was required. For example, we identified multiple businesses with federal or state tax liens filed in official records. Those businesses were required to prove they had satisfied the liens prior to application approval.

In addition, we performed daily analytical procedures on the cumulative population of approved applications to detect potential issues such as duplicate applications or unsatisfied tax liens. This review resulted in the detection of ineligible applications or ones where additional documentation was required. We found the Neighborly application to have an extremely user friendly report builder function which allowed us to customize our reports and efficiently execute them to produce data populations for daily testing. We generated the reports at off-peak times to avoid unnecessary strain on the system.

We also generated a daily grant payment report from the Oracle Project Unified System in order to evaluate payment timeliness and identify potential duplicate payments. This review identified holds or voided checks, which we found to be necessary due to instances of insufficient documentation or applicant ineligibility determinations.

Throughout our review process, we were in frequent communication with PCED, Finance, and OMB staff to discuss specific cases and request additional documentation. All communication was efficient and effective and established a successful partnership.

This report will detail the following:

- A statistical summary of the Pinellas CARES Small Business Grant program
- The audit procedures we performed
- Examples of our observations



## Background

### Pinellas CARES Small Business Grants



Pinellas County (County) received \$170 million from the Coronavirus Aid, Relief and Economic Security (CARES) Act federal stimulus package. Of that sum, the County initially identified an estimated \$35 million in emergency relief funds to support the small businesses hardest hit by the Coronavirus Disease 2019 (COVID-19) pandemic. The Pinellas Board of County Commissioners (BCC) voted unanimously to approve the Pinellas CARES Small Business Grant program at its meeting on April 28, 2020.

Among other emergency financial support programs, the County provided support through the Pinellas CARES Small Business Grant program for qualified small businesses that were negatively impacted by the COVID-19 pandemic due to orders to close or limit operations. This program was intended to help offset the significant, temporary loss of revenue to these qualified businesses during this pandemic and to assist businesses in retaining and paying employees.

The program offered one-time \$5,000 grants to qualifying small businesses to cover expenses such as employee wages, vendor bills, and rent. The emergency relief was targeted specifically to help local brick and mortar businesses cover immediate financial needs. Grants were strictly limited to businesses located physically within the County. Funds could only be used to reimburse the costs of business interruption caused by required closures provided those costs were not paid by insurance or by another federal program.

A business was eligible for a \$5,000 grant from the County, if it:



- Suffered from business interruption caused by required closures resulting from the COVID-19 public health emergency.
- Suffered economic damages from business interruption caused by COVID-19 exceeding the grant award since March 1, 2020, excluding those covered by insurance or reimbursement from any federal program.
- Occupied commercial space within the County.
- Had at least 1, but no more than 25, full-time equivalent (FTE) employees, including the business owner. The firm could have many more part-time employees as long as the total weekly hours of all employees did not exceed 1,000 (25 FTE x 40-hour work week).

- Had been operating since at least October 1, 2019, and was still in operation on February 29, 2020.
- Was expected to return to full operations after local and state emergency guidelines during COVID-19 were rescinded.

Eligible business types included the following:



- “Food Service Establishments” as defined in Chapter 500, Florida Statutes, and “Public Food Service Establishments” as defined in Chapter 509, Florida Statutes.
- Bars, pubs, and nightclubs as described in Governor’s Executive Order 20-68.
- Short-term lodging establishments and vacation rental management companies that collected and remitted Tourist Development Taxes.
- Non-essential businesses covered under Section 5 of the “State of Florida & Pinellas County ‘Safer-at-Home’ Guidance” document.
- Places of public and private assembly covered under Section 2 of the “State of Florida & Pinellas County ‘Safer-at-Home’ Guidance” document.

Ineligible businesses included the following:

- Firms with more than 25 FTE employees.
- Publicly traded companies.
- Home-based businesses.
- Non-profit organizations.
- Firms with unpaid code enforcement liens against them or otherwise in violation of local, state, or federal law.
- Firms with an owner, officer, partner, or principal actor who had a felony or financial mismanagement conviction within the last two years for which he or she was still serving a sentence (including prison, parole, and probation).

Pinellas County Economic Development (PCED) used listings of businesses that paid unemployment compensation tax to identify an estimated 6,500 businesses that could be eligible for the grant based on industry code.

The County began accepting applications for small business grants on May 4, 2020, using the Neighborly web-based application. The County accepted grant applications through June 30, 2020, and finalized its review of all applications, including ones where additional information was required of the applicants, by August 31, 2020. Small business owners submitted required documentation in Neighborly to support the following:





- Business location.
- Business status and employee count.
- Recent business income and expenses.

Neighborly required applicants to digitally sign the application and attest that all information submitted was truthful.

PCED staff, with the assistance of employees from other County agencies, performed the initial review of applications to ensure the submission of all required documentation and adherence to all eligibility requirements. Following PCED approval for payment, the Finance Division (Finance) received the approved application and performed a pre-audit review of the application prior to payment.

We performed a parallel daily review of PCED approved applications to ensure applicant eligibility requirements were met and no fraudulent activity was identified prior to funds disbursement. The following diagram shows the Division of Inspector General's placement in the review process:



### ***Pinellas CARES Local Business Grant Programs***

The BCC unanimously approved an expanded set of business grant programs, the Pinellas CARES Local Business Grant programs, during its meeting on July 7, 2020. The program requirements changed to allow businesses with more than 25 FTE employees assuming gross

receipts of \$3 million or less. Therefore, the name of the expanded programs has been altered to reflect local businesses without a size qualifier.

The expanded programs for local businesses include approximately \$20.7 million to provide grants for those impacted by COVID-19 and fund program administrative costs (e.g., program administrator services and the Neighborly application). This brings the total Pinellas CARES amount to \$36.9 million while including the approximate \$16.2 million already disbursed in the Pinellas CARES Small Business Grant program. See further discussion in the Program Statistics heading of the report.

Documentation requirements are simpler than those in the small business program. In addition, the new programs include a sliding scale to award grants ranging from \$2,500 to \$10,000 to businesses that earned between \$17,000 and \$3 million in gross receipts in tax year 2019.

Eligibility has been expanded to include businesses with more than 25 FTE employees, businesses that do not occupy commercial space, such as home-based businesses, and it extends eligibility to more industries.

The Pinellas CARES Local Business Grant programs include four, separately administered types of grants intended to target specific needs and gaps:

- Sliding-scale Local Business Grants of \$2,500 to \$10,000 for business types most impacted by the COVID-19 local or state safer-at-home orders with between \$17,000 and \$3 million in gross receipts in tax year 2019.
- Business diversity micro-grants, which will combine financial assistance and capacity building, for businesses impacted by COVID-19 with barriers to participation in the sliding-scale Local Business Grant (e.g., technological deficits, a lack of business acumen or record-keeping, and other barriers).
- Arts micro-grants via Creative Pinellas (designated countywide arts agency) to support professional artists and arts/creative businesses experiencing COVID-19 caused losses but which are not eligible for the sliding-scale Local Business Grant.
- Reimbursement matching grants up to \$10,000 to assist target industry businesses (those that create high wage jobs in targeted, high value-added industries) implement COVID-19 related health and safety precautions.

Our focus in the Pinellas CARES Local Business Grant programs is the sliding-scale Local Business Grants. Unlike the small business program, CliftonLarsonAllen LLP provides applicant support and performs the initial application review prior to PCED and Finance review. Application acceptance commenced on August 31, 2020.

We will issue a separate report to document our audit efforts in the Pinellas CARES Local Business Grant programs.

# SCOPE AND METHODOLOGY

We have conducted a parallel audit of the award and disbursement of CARES Act emergency grant funds to small businesses in the County in conjunction with PCED and Finance.

The scope of the audit included the controls over the award and disbursement of grant funds. Our review determined if the controls in place at PCED and Finance were adequate to prevent ineligible applicants from obtaining Pinellas CARES Small Business Grant funds. We also performed specific procedures to detect ineligible applications prior to funds disbursement and report, as applicable, any instances of fraudulent activity in accordance with governing statutory provisions.

The audit period was May 4, 2020, through August 31, 2020.

During the audit, we performed the following:

1. Analyzed the PCED and Finance review checklists to ensure the amount of required review performed was sufficient to detect ineligible applicants.
2. Performed daily random sampling of grant applications approved for payment by PCED the prior business day and used government and third-party research tools to ensure:
  - a. The applicant's business was classified as one of the following:
    - i. A "Food Service Establishment" as defined in Chapter 500, Florida Statutes, and "Public Food Service Establishment" as defined in Chapter 509, Florida Statutes.
    - ii. A bar, pub, or nightclub as described in Governor's Executive Order 20-68.
    - iii. A short-term lodging establishment or vacation rental management company that collected and remitted Tourist Development Taxes.
    - iv. A non-essential business covered under Section 5 of the "State of Florida & Pinellas County 'Safer-at-Home' Guidance" document (e.g., bookstores, clothing and shoe retail, spas and beauty salons, gyms, furniture stores, jewelry stores, sporting goods stores, etc.).
    - v. A place of public and private assembly covered under Section 2 of the "State of Florida & Pinellas County 'Safer-at-Home' Guidance" document (e.g., water parks, pools, zoos, museums, movie and other theaters, bowling alleys, social clubs, etc.).
  - b. The applicant's business was not home-based and had a commercial location.
  - c. The applicant's business was located in the County.
  - d. The applicant's business employed 1-25 FTEs, including the owner.
  - e. The applicant's business was operational on October 1, 2019, and February 29, 2020.
  - f. The applicant's business was expected to return to full operations after the crisis.
  - g. The applicant's business was not publicly traded.
  - h. The applicant's business was for-profit.
  - i. The applicant's business had no unpaid code enforcement liens or other violations of local, state, or federal law.

- j. The applicant's business had no owner, officer, partner, or principal actor who had a felony or financial mismanagement conviction within the last two years for which he or she was still serving a sentence (including prison, parole, and probation).
  - k. The PCED review and approval process for each application, as documented in the Neighborly application, was sufficient.
3. Used analytics software to apply specific fraud detection processes to the cumulative daily population of applications approved for payment by PCED.
  4. Performed a more detailed application review in the case of suspected fraudulent activity.

# OBJECTIVES AND OUTCOMES

The objectives of the audit were to:

1. Ensure PCED had adequate controls in place to review and approve Pinellas CARES Small Business Grant applications.
2. Ensure Finance had adequate controls in place, in the form of a pre-audit process, to perform a final review of approved Pinellas CARES Small Business Grant applications prior to funds disbursement.
3. Ensure Pinellas CARES Small Business Grant applicants met the application eligibility requirements prior to funds disbursement.
4. Ensure Pinellas CARES Small Business Grant applicants did not attempt to obtain grant funds through fraudulent means.

As a result of the audit, we determined:

1. PCED had adequate controls in place to review and approve Pinellas CARES Small Business Grant applications. Overall, the review process was thorough and communication with applicants was effective in obtaining required supporting documentation to verify eligibility. PCED staff was instrumental in developing a comprehensive eligibility spreadsheet used as a reference document throughout the program. Multiple levels of review at PCED facilitated collaboration from diverse perspectives and resulted in the identification of questionable applications that were denied or required to submit additional documentation.
2. Finance had adequate controls in place, in the form of a pre-audit process, to perform a final review of approved Pinellas CARES Small Business Grant applications prior to funds disbursement. Finance consistently identified issues with taxpayer information that prevented payment processing. Finance also ensured no duplicate invoices were paid.
3. Overall, Pinellas CARES Small Business Grant applicants met the application eligibility requirements prior to funds disbursement. Due to the timing of one analytical test, we identified an instance of an ineligible application after it had been paid. However, the applicant returned the funds upon notification. We identified another application with outstanding liens, as recorded in public records, where payment was made before we had an opportunity to review the application and PCED had an opportunity to discuss with the applicant. The applicant was unresponsive to subsequent PCED inquiry. See additional detail in the Observations heading of this report.
4. No confirmed fraudulent activity occurred during the Pinellas CARES Small Business Grant application process. Denied applications were generally the result of uncertainty regarding eligibility requirements.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General* and accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances.

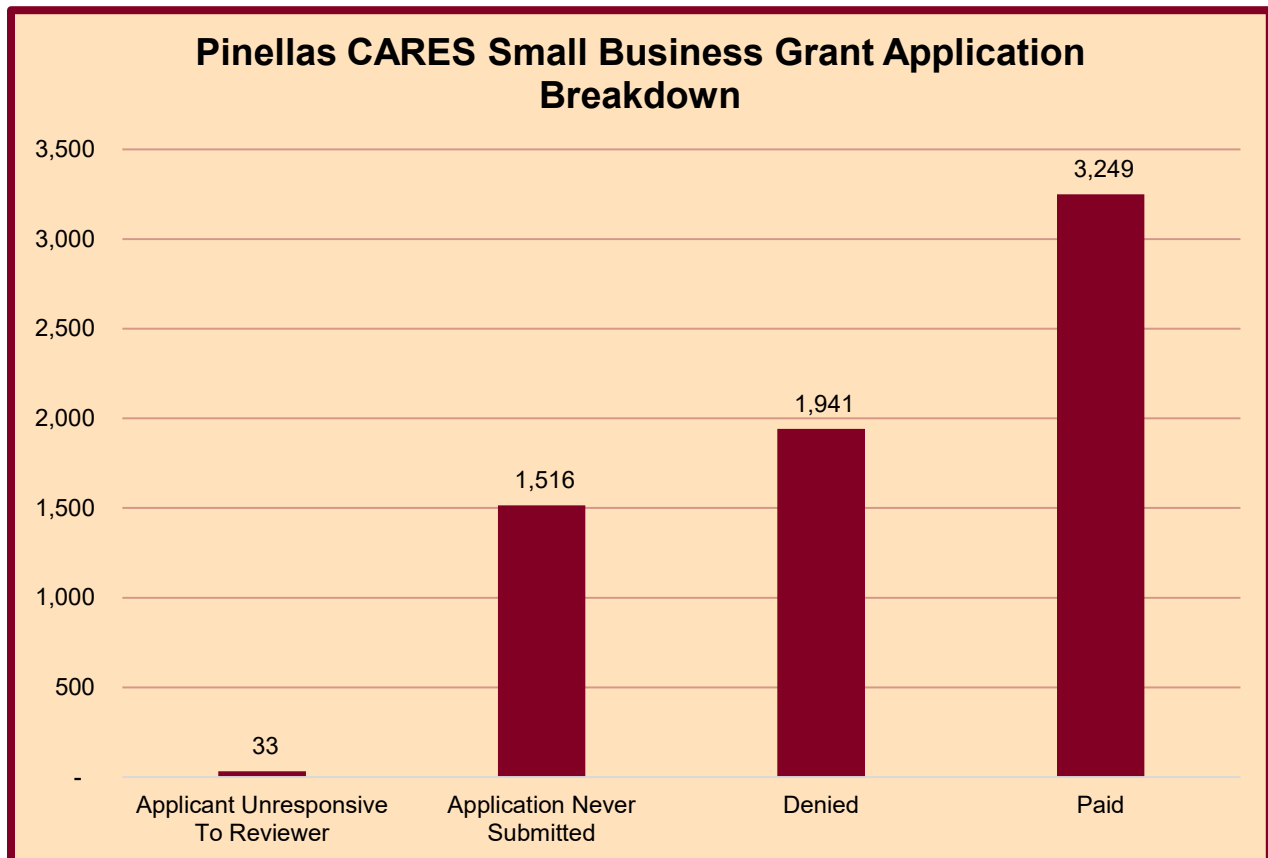
# PROGRAM SUMMARY AND OBSERVATIONS

Since our audit was performed in parallel with the review at PCED and Finance, it was intended to be a real-time review of the grant application program and not a traditional audit of internal controls. Therefore, we did not identify specific opportunities for improvement in the internal controls.

This portion of the report will be dedicated to summarizing the Pinellas CARES Small Business Grant program statistics, our audit efforts, and observations made during the audit.

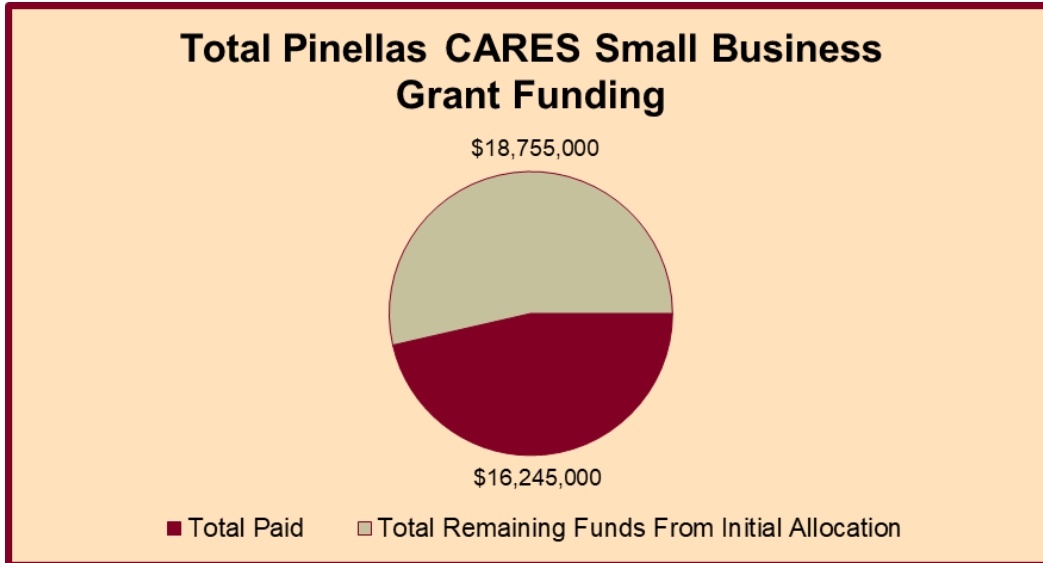
## ***Program Statistics***

A total of 6,739 applications were created in the Neighborly application during the Pinellas CARES Small Business Grant program. Of that number, 5,223 applications were submitted and 3,249 were paid. Following is a status of all grant applications as of the close of the program:





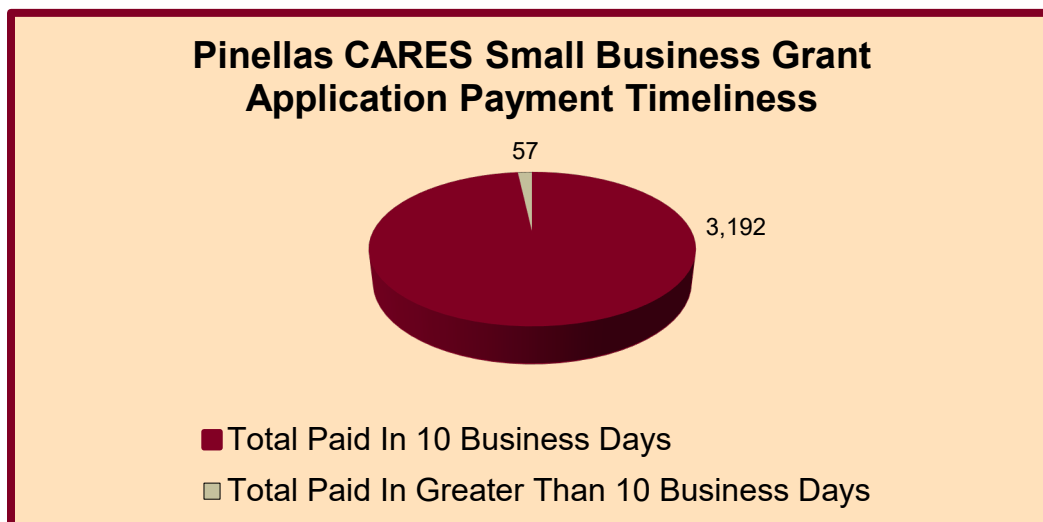
The County initially allocated \$35 million to the Pinellas CARES Small Business Grant program based on a preliminary estimate of 6,500 eligible businesses. Approximately half of this initial allocation was expended on the 3,249 paid applications. The following chart depicts the amount paid and the amount remaining at the close of the program:



The remaining funds were reallocated to the Pinellas CARES Local Business Grant programs which were discussed in the Background section of this report.

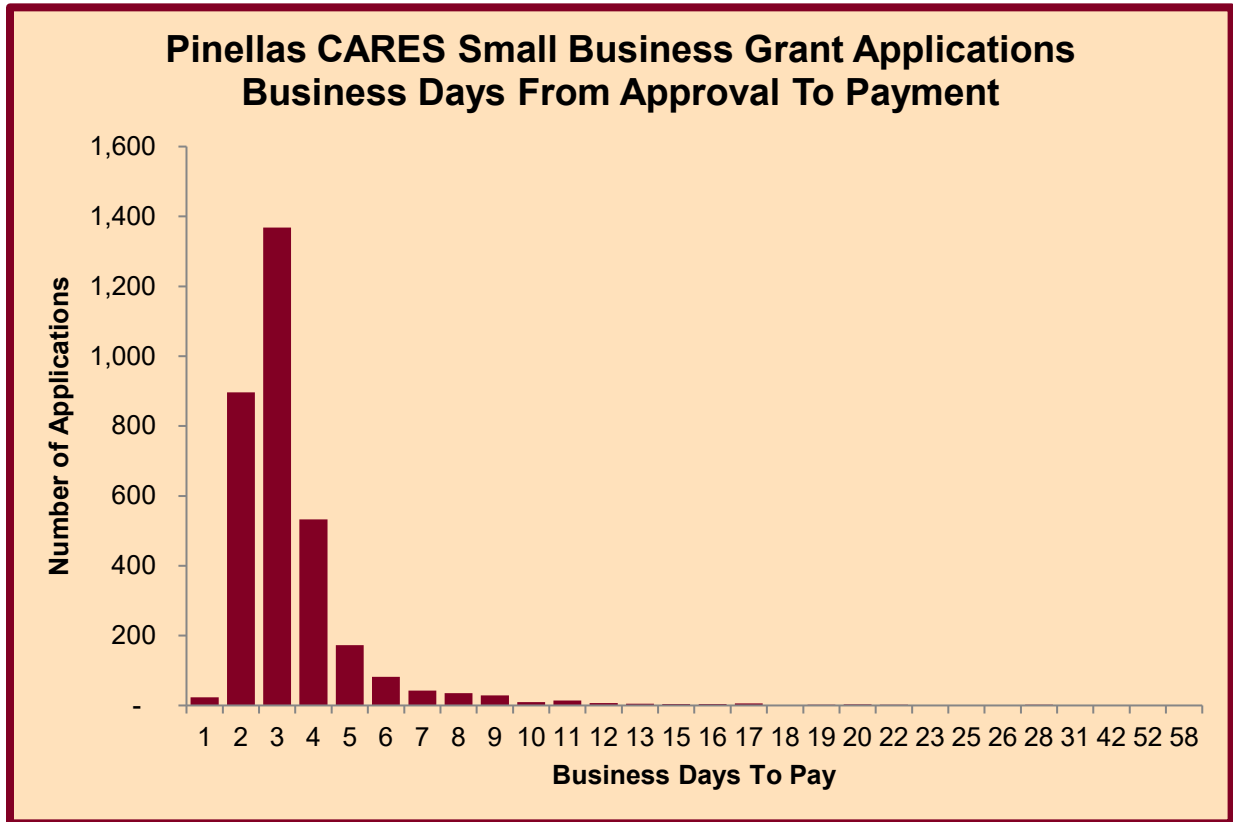
In addition, we calculated the average number of business days from application signature to approval for the 3,249 paid applications. The average approval time for each application was 20.5 business days.

We analyzed the timeliness of payments from Finance to applicants based on subtracting the PCED approval date from the Finance payment date. As a result, we determined Finance paid 98% of applications within its goal of 10 business days as depicted in the chart below.



During the audit, we evaluated applications that took over 10 business days to pay. In all cases, the application had been placed on hold pending additional review or documentation.

On average, it took three business days for Finance to pay each approved application as illustrated in the chart below.



## *Inspector General Efforts*

We performed the following procedures on a daily basis during the audit period to validate eligibility criteria on a sample of grant applications:

Inspector General Sample Review	
<u>Criteria</u>	<u>Sample Testing Review</u>
Eligible business type	Reviewed business documentation in Neighborly and performed online research of the business
Business suffered from COVID-19 interruption	Reviewed financial documentation in Neighborly
Business suffered economic damages exceeding \$5,000	Reviewed financial documentation in Neighborly
Business employed 1-25 FTEs	Reviewed financial documentation in Neighborly and performed online research of the business
Business occupied commercial space	Reviewed business documentation in Neighborly and performed online research of the business
Business operational since October 1, 2019	Reviewed business and financial documentation in Neighborly
Business had ongoing operations as of February 29, 2020	Reviewed business and financial documentation in Neighborly
Business expected to be fully operational after emergency restrictions lifted	Reviewed business and financial documentation in Neighborly and reviewed the Public Access to Court Electronic Records system to ensure no active bankruptcy proceedings
Business had no unpaid code enforcement liens or other violations of local, state, or federal law	Reviewed County official records
Business management has no active financial mismanagement felonies	Reviewed County public records and the Comprehensive Case Information System

We performed the following automated analytical tests daily on the cumulative population of approved applications using analytical software:

Inspector General Analytical Review	
<u>Analytical Test</u>	<u>Purpose</u>
<b><i>Duplicates:</i></b>	
Case name	Identified different cases with same name
Home address	Identified different cases with same home address
Business address	Identified different cases with same business address
Business name	Identified different cases with same business name
Phone number	Identified different cases with same phone number
Doing Business As (DBA) names	Identified different cases with same DBA name

**Program Summary And Observations**  
**Audit of Pinellas CARES Small Business Grant Program**

Taxpayer Identification Number (TIN)	Identified different cases with same TIN
Created by	Identified different cases created by same user
<b>Company Type:</b>	
Publicly traded companies	Identified cases with companies listed as publicly traded companies with the National Association of Securities Dealers Automated Quotations
Not-for-profit Companies	Identified cases with not-for-profit companies as identified by the Internal Revenue Service
<b>Finance:</b>	
Days to issue check	Calculated the number of days it took Finance to issue checks after cases were approved to determine if Finance issued checks within 10 business days
Outstanding approved cases	Calculated the number of days since a case was approved by PCED but not yet paid by Finance
Duplicate check names	Identified multiple checks that were issued to the same named business or individual
Duplicate case checks	Identified cases where multiple checks were issued
<b>Keywords:</b>	
Case name	Identified cases where the case name field contents matched a list of keywords
Specify non-essential	Identified cases where the non-essential business type field contents matched a list of keywords
Business name	Identified cases where the business name field contents matched a list of keywords
Website	Identified cases where the business website field contents matched a list of keywords
DBA name	Identified cases where the DBA name field contents matched a list of keywords
<b>Liens:</b>	
Business name	Identified business names with unsatisfied liens as reflected in County official records
Owner name	Identified owner names with unsatisfied liens as reflected in County official records
DBA name	Identified DBA names with unsatisfied liens as reflected in County official records

In addition to the automated analytical tests, we analyzed case reviewer productivity daily to identify trends in the number of cases reviewed and approved. We also used the Neighborly application's geographic mapping functionality to plot the daily approved cases on a map and review to ensure all associated businesses were within the County.

## Observations



Pinellas CARES Small Business Grant

Our review supplemented the review performed by PCED and Finance and was designed to identify applications that were potentially ineligible based on the established application criteria or instances where the applicant provided insufficient documentation to make this determination. We performed our review as efficiently as possible to ensure we did not delay the processing of payments for eligible applicants.

One of our audit procedures designed to ensure businesses were not in violation of any local, state, or federal laws resulted in the discovery of multiple businesses with unpaid state or federal taxes. The following summarizes actions that occurred because of this discovery:



- One business satisfied a state reemployment tax lien after our identification of the lien by paying the \$1,317.99 due.
- One applicant was denied due to failure to satisfy a federal tax lien for income tax withholding and unemployment taxes totaling \$10,123.56.
- One applicant was approved for payment on July 2, 2020. On July 6, 2020, following a holiday weekend, we identified a state sales and use tax lien totaling \$9,566.78 recorded in public records. PCED staff contacted the applicant to discuss the lien on July 7, 2020. The applicant's payment was processed the same day, and the applicant did not respond to PCED staff's contact attempt. Based on identifying some liens where we were unable to locate the corresponding lien satisfactions in public records despite the liens being paid, we cannot with certainty state this specific lien remained unsatisfied.
- The following three applicants were approved by the program administrator due to the applicants inheriting the liens from a previous business owner:
  - One applicant had an outstanding lien for unpaid state sales and use taxes totaling \$3,626.00.
  - One had an outstanding lien for unpaid state unemployment taxes totaling \$302.69.
  - One applicant had two outstanding liens for unpaid state sales and use taxes and unemployment taxes totaling \$984.05.

- One applicant was approved by the program administrator after our identification of four outstanding liens for unpaid state sales and use taxes and unemployment taxes totaling \$1,307.80. PCED staff made contact with the applicant who confirmed resolution of two of the liens and an attempt to resolve the remaining two. Based on the relatively small lien amounts in comparison to the grant award, the applicant's responsiveness, and the necessity to close grant application processing, the decision was made to approve the application.

Another observation we made in the initial stages of the program was the necessity to obtain proper rental or lease documentation from hair stylists, barbers, or similar professionals who rented or leased a chair or suite from a shop or suite owner. In those instances, the only connection to the shop or suite was often the application affirmation itself. By requiring the appropriate supporting documentation, review staff could be certain the business met the operational stipulations in the application.

In one instance, we learned of a complaint filed by a suite owner who stated a former tenant was falsely claiming to lease a suite. Further research, in conjunction with PCED staff, revealed the applicant had a sublease agreement in place with another salon tenant. However, the applicant did not meet minimum hourly requirements and was subsequently denied. In this case, our analytical tests did not flag the application until after it had been paid since the case individually did not meet all test criteria. After PCED notified the applicant of the ineligibility determination, the applicant repaid the \$5,000 grant.

Although the PCED and Finance reviews were very effective in detecting and denying ineligible applications, our sample and analytical testing procedures identified seven additional ineligible applications as follows:

- An ineligible scrap yard business type.
- An instance where a business was sold and both the new and previous owners submitted a grant application.
- We questioned the status of one applicant's barber license. We subsequently confirmed with the state Department of Business and Professional Regulation the applicant's barber license was suspended April 2, 2016.
- An applicant failed to provide a current municipal business tax receipt.
- Two applicants submitted duplicate applications.
- A business reorganized, and the owners applied as both the previously organized and newly organized business.

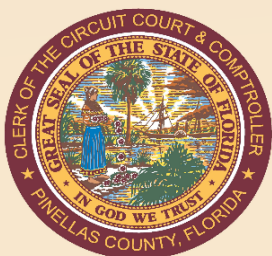
We forwarded each instance of an ineligible business to PCED for review and denial of the associated applications. In the case of the applicants who submitted duplicate applications, there was insufficient evidence to substantiate it was done intentionally.

Overall, we found PCED and Finance to be very diligent in their review efforts despite being limited in the amount of staff dedicated to application review. We identified 37 total staff across 11 departments and offices assigned as reviewers. The review process was lengthened by



applicants not providing all required supporting documentation and applicant contact attempts that often went unanswered.

Our communication with PCED and Finance was extremely effective and established a good partnership. Communication was prompt, courteous, and thorough while balancing the integrity of the review function and the necessity for eligible applicants to receive their grant payments as promptly as possible.



# 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](http://www.mypinellasclerk.org)

 [www.twitter.com/pinellasig](https://www.twitter.com/pinellasig)

 [www.facebook.com/igpinellas](https://www.facebook.com/igpinellas)



**Write:**

Division of Inspector General  
510 Bay Avenue  
Clearwater, FL 33756