Pinellas County

Staff Report

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Subject:
Division of Inspector General, Clerk of the Circuit Court and Comptroller, Report No. 2025-13, dated July 10, 2025, Investigation of Airport Personnel Travel and Conflict of Interest.

DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA
Clerk of the Circuit Court & Comptroller
Pinellas County, FL

INVESTIGATION OF AIRPORT PERSONNEL TRAVEL AND CONFLICT OF INTEREST

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REPORT NO. 2025-13
JULY 10, 2025

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July 10, 2025

Barry Burton, County Administrator

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

- The Respondent used County funds for travel that was not for County business.
- The Respondent used County funds for travel for a non-County employee.
- The Respondent was reimbursed for meals provided during a conference.
- The Respondent accepted gifts from County vendors and/or potential County vendors.
- The Respondent has a conflict of interest with an agency that provides funding to the Airport.

Based on documented evidence, facts, and other evidentiary information, such as testimony, we concluded that the allegations were **unfounded**; they were proved to be false, or there was no credible evidence to support them.

The recommendations presented in this report may not be all-inclusive of areas where improvements are needed; however, we believe implementation of the recommendations will strengthen the current internal controls.

We appreciate the cooperation shown by the staff of County Administration and the St. Pete-Clearwater International Airport during the course of this investigation.

Respectfully Submitted,
Melissa Dondero

Melissa Dondero
Inspector General/Chief Audit Executive

cc: The Honorable Chair and Members of the Board of County Commissioners
Jill Silverboard, Deputy County Administrator and Chief of Staff
Blaine Williams, Assistant County Administrator, County Administration
Ken Burke, CPA, Clerk of the Circuit Court and Comptroller

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ABBREVIATIONS

ACA	Assistant County Administrator
Airport	St. Pete-Clearwater International Airport
BCC	Board of County Commissioners
Clerk's Finance	Clerk of the Circuit Court and Comptroller's Finance Division
County	Pinellas County
CVB	Convention and Visitors Bureau
EDD	Economic Development Department
FAA	Federal Aviation Authority
F.S.	Florida Statutes
FY	Fiscal Year
IG	Division of Inspector General
P-Card	Purchasing Card
Respondent	Airport Executive
VSPC Guidance	Visit St. Pete Clearwater Employee Receipt of Gifts

INTRODUCTION

Predicate

The Division of Inspector General (IG) received a complaint that a St. Pete-Clearwater International Airport (Airport) Executive (Respondent) violated several Pinellas County (County) policies related to their business travel expenditures and a conflict of interest.

Allegations

The Division of Inspector General's Public Integrity Unit investigated the following allegations:

- The Respondent used County funds for travel that was not for County business.
- The Respondent used County funds for travel for a non-County employee.
- The Respondent was reimbursed for meals provided during a conference.
- The Respondent accepted gifts from County vendors and/or potential County vendors.
- The Respondent has a conflict of interest with an agency that provides funding to the Airport.

The Complainant also alleged the Respondent traveled outside the country during hurricane season. The IG reviewed County policies and consulted County Administration and determined that no County policy prohibits foreign travel during hurricane season. This allegation was not included in our investigation because we determined during our preliminary review, if true, it would not be a policy violation.

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 conducted in compliance with the Quality Standards for Investigations found within the *Principles and Standards for Offices of Inspector General* as published by the Association of Inspectors General, and *The Florida Inspectors General Standards Manual* from The Commission for Florida Law Enforcement Accreditation.

Background

The Airport is a financially self-supported department that operates and maintains all Airport operations with 65 full-time equivalent positions. As of the end of Fiscal Year (FY) 2024, the Airport served 64 non-stop destinations. The budget information for FY 2024 and FY 2025 is as follows:

Budget Category	FY 24 Budget	FY 25 Budget
Capital Outlay	$ 34,745,000.00	$ 33,908,000.00
Grants and Aids	265,440.00	265,440.00
Operating Expenses	9,777,000.00	12,014,110.00
Personnel Services	6,950,860.00	7,299,070.00
Reserves	71,912,460.00	91,598,280.00
Grand Total	**$ 123,650,760.00**	**$ 145,084,900.00**

Airport executives are responsible for overseeing ongoing operations while promoting growth through strategic opportunities. As a revenue-generating department, Airport executives have a responsibility to advertise and publicize the Airport. To promote continuous growth, Airport executives may be required to travel to sales conferences or for other promotional/strategic opportunities.

The Airport has authority granted by Florida Statutes to exercise certain promotional and advertising activities. Per § 331.20, F.S., Publicizing, advertising, and promoting airports and related facilities:

> *"The board of county commissioners of every county owning and operating an airport shall have the right, power, and authority to publicize, advertise, and promote the activities of its airport: to make known the advantages, facilities, resources, products, attractions, and attributes of its airport: to create a favorable climate of opinion concerning its airport: to cooperate with other agencies, public and private, to accomplish these purposes: and in furtherance thereof, to authorize expenditures for the purposes here enumerated, including meals, hospitality, and entertainment of persons in the interest of promoting and engendering goodwill toward its airport."*

Business travel is an integral job requirement of the aviation industry. It allows professionals to connect with others in the field and stay current on the latest trends and best practices. Airport executives are responsible for building key relationships with new vendors and strengthening existing partnerships. The Airport's strategy for fostering these relationships is to conduct face-to-face meetings, which tend to provide a more personalized approach than an online platform.

The documentation reviewed by the IG throughout this investigation included international, national, and statewide industry conferences where executives were provided the opportunity to discuss and observe industry standards and best practices. These conferences also provided the executives with valuable networking and marketing opportunities. The expense documentation showed vendors or potential vendors visited the Airport or local restaurants and attended a lunch or dinner hosted by the Airport executives to discuss a strategic business opportunity.

INVESTIGATION ACTIVITY AND CONCLUSIONS

The Division of Inspector General uses the following terminology for the conclusion of fact/findings:

- **Substantiated** – An allegation is substantiated when there is sufficient evidence to conclude 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.
- **Justified** – An allegation is justified when it is proved to be true. However, the actions were appropriate in the circumstances.

As noted above, the Complainant reported six allegations. During our preliminary review of Allegation 6, we noted there was no policy prohibiting the Respondent from traveling outside the country during hurricane season. Therefore, Allegation 6 was not included in our investigation . We performed the investigative work as outlined under the allegations below.

Allegation # 1. The Respondent used County funds for travel that was not for County business.
Allegation # 2. The Respondent used County funds for travel for a non-County employee.
Allegation # 3. The Respondent was reimbursed for meals provided during a conference.
Allegation # 4. The Respondent accepted gifts from County vendors and/or potential County vendors.

The Complainant alleged the Respondent expended County funds for business travel that did not serve a business purpose. Specifically, the Complainant alleged that trips out of the country were unwarranted, and that the Respondent and a family member were reimbursed inappropriately for portions of the travel. In addition, the Complainant alleged County vendors funded some of the trips, which was not allowable.

We reviewed the County's Travel Policy and determined the following:

- All appointed officials must have both pre-approval and post-approval for actual travel expenses incurred.

- Reimbursement for expenses not referenced in the County's Travel Policy are addressed on a case-by-case basis, requiring written justification for the expense and the department director's approval.
- The post-travel approver is responsible for thoroughly reviewing each transaction, supporting documentation, and verifying that all transactions are allowable expenses.
- Travelers should enter all known and anticipated expenses for items into iExpense to obtain pre-approval for travel. This includes expenses prepaid by the County purchasing card (P-Card).
- When travelers return from trips, the iExpense created for the pre-approval should be reconciled against actual costs from the trip, updated as appropriate, and submitted for post-approval.
- There will be no reimbursement for meals and/or lodging or airline tickets that are included in convention or conference registration fees.
- Non-reimbursable expenses: Alcoholic beverages, costs pertaining to spouse or other non-County personnel, etc.

We requested and reviewed all travel records for the Respondent's travel for the years 2019, 2023, and 2024 since the Complainant specifically mentioned travel in those years. We reviewed the supporting documentation provided for meals, lodging, transportation, and conferences. Initially, we noted several inconsistencies with the County's Travel Policy:

- One trip was paid for by the host (hotel and some meals), and the host was a current County vendor.
- One trip to a resort and casino to meet with resort executives included a mailed advertisement for a free stay as the supporting documentation.
- There were several trips without documented purposes to show how they benefited the Airport.

We also noted several P-Card transactions intermingled with the travel reimbursements for meals both locally and during travel.

During interviews with management and the Clerk of the Circuit Court and Comptroller's Finance Division (Clerk's Finance), we learned the following:

- The Airport is allowed much broader travel allowances in order to promote the Airport and attract additional business.
- The Assistant County Administrator (ACA) who oversees the Airport has the ultimate authority and responsibility to approve the Respondent's travel.
- Clerk's Finance uses historical guidance from a prior Finance Director that included resolutions and statutes for the County's Convention and Visitors Bureau (CVB) and the Economic Development Department (EDD) that have similar expense allowances. However, absent any specific policies, the historical guidance includes another county's administrative directive and another agency's entertainment expense policy.

- Clerk's Finance reviews travel expenditures using the County's Travel Policy (for example, for airplane seat ticket upgrades); however, the ACA may approve travel that is not referenced in the County's Travel Policy, and therefore, Clerk's Finance relies on the ACA's determination for the appropriateness of certain expenditures.

We also obtained draft guidance from the County Attorney's Office for the Visit St. Pete Clearwater Employee Receipt of Gifts (VSPC Guidance), which outlines various scenarios that may include allowable acceptance of certain items.

For travel prior to April 2024, a prior ACA approved the travel. We contacted the prior ACA to request an interview and they were not responsive. The current ACA reviewed the travel after that point and indicated it was reasonable and expected for the Respondent's position.

For the items above that we initially noted as concerns, we determined the following:

<u>One trip was paid for by the host (hotel and some meals), and the host was a current County vendor.</u>

When reviewing this trip, we used the VSPC Guidance, which lists the following comparable example:

> *"You plan to attend a conference, convention, luncheon, or other similar event hosted or sponsored by a VSPC Partner to represent VSPC and the County. There is no registration fee but other tourism industry stake holders are invited and are in attendance. You may attend the event and may accept any offered Gifts such as a meal or swag in accordance with this Policy. There will be no reimbursement for any meals provided by a VSPC Partner or as part of a conference event."*

The trip referred to above meets the requirements set in this example; therefore, we determined that acceptance of the trip was allowable.

<u>One trip to a resort and casino to meet with resort executives included a mailed advertisement for a free stay as the supporting documentation.</u>

The IG reviewed supporting documentation for this trip and found a vendor offered a gratis trip to the Respondent and another Airport executive; however, the offer was declined. The documentation also showed a strategic business purpose for the meeting with a County business partner.

<u>There were several trips without documented purposes to show how they benefited the Airport.</u>

For all trips without supporting documentation stating a clear business purpose, we interviewed the Respondent, other Airport staff, and County Management to determine appropriateness. In addition to interviews, we requested and reviewed additional supporting documentation as necessary. We determined all trips had a business purpose.

We reviewed the supporting documentation for the trips and noted no reimbursements for non-County employees or any inappropriate meal reimbursements. In addition, we noted no inappropriate gifts from County vendors or potential County vendors.

We concluded allegations 1 through 4 were **unfounded**.

Allegation # 5. The Respondent has a conflict of interest with an agency that provides funding to the Airport.

We reviewed the County's Administrative Directive 2-14: Conflict of Interest Disclosure Requirement and noted that the effective date of July 28, 2020, was after the alleged activity by the Respondent and, therefore, was not applicable. However, we noted the County's Statement of Ethics required the disclosure of any real or perceived conflict of interest during the time period when the alleged agency relationship occurred.

We interviewed the Respondent, who indicated they had a prior relationship with a Federal Aviation Authority (FAA) employee (an Engineer) from approximately November 2018 through November 2019. We reviewed the County's budget documents and noted that the Airport received three FAA grants in 2018 and four in 2019.

We interviewed the Airport staff responsible for managing FAA grants and noted the following related to the grant process:

- The FAA has three members assigned to the Airport who meet with the Airport's executives to determine whether a project is eligible for grant funding (an Engineer, an Environmentalist, and a Planner).
- Eligibility is based on the Airport Improvement Program Handbook, which assigns a predetermined point value to projects.
- The group of three FAA employees make recommendations for grants to their management and do not have any decision-making authority.
- In 2018, the group met in October to discuss projects eligible for grant funding. The next group discussion occurred in November 2019.

The Respondent indicated that the other party in the relationship disclosed the relationship to the FAA, and the FAA reassigned the other party to another airport. The Respondent provided supporting documentation from the FAA, which confirmed the reassignment of the other party in April 2019. Based on the timeline noted above, we determined there was no conflict of interest since the professional interactions with the FAA were outside the

period of the relationship, and the FAA employee took steps to be reassigned to another airport prior to meeting with Airport executives again.

We concluded allegation 5 was **unfounded**.

INVESTIGATION FINDINGS

1. There Is No Written Policy Documenting The Airport's Expense Allowances To Promote Its Activities.

During our review of the Respondent's travel documentation, we noted the County has no written policy for allowable expenses for Airport-specific business. Airport executives may spend funds on activities that would typically be prohibited by the County's Travel and/or P-Card policies; however, since there is no documentation to clarify what is and is not allowable, there have been inconsistencies in how expenses are reviewed and approved.

County Administration indicated that the Airport, along with two other departments (the CVB and EDD), have different budgets and greater promotional expense allowances than other departments. Their budgets are derived from revenues earned as opposed to the general fund. They have large marketing expenses to support their functions within the County. The executives of these departments submit their travel to their respective ACA, and if it is approved, then it is considered allowable.

For example, Airport executives may take other industry personnel out for meals and cover the expense. Per Clerk's Finance and Airport Management, there is an unwritten rule that business cards of all attendees should be attached to the meal receipt, with a stated purpose, but it is not strictly followed or enforced.

We interviewed Clerk's Finance about their review of travel expenses for executives of the three departments mentioned above, and reviewed historical documentation for all three departments. The Board of County Commissioners (BCC) adopted resolutions for CVB and EDD in 1998, and 1999, respectively, which adopt §§ 125.0104(9) and 159.47(1) Florida Statutes (F.S.) [F.S.125.0104(9) for CVB and F.S.159.47(1) for EDD] as the policies for the agencies. The BCC has never adopted a resolution for the Airport; however, a similar F.S. exists (§ 331.20).

In November 2000, Clerk's Finance provided a memo to the County's Purchasing Department with the two resolutions noted above. This included a Lee County Administrative Directive regarding entertainment expenditures and an Enterprise Florida Corporate Travel Policy regarding meals and entertainment. Clerk's Finance uses this guidance in conjunction with the County's Travel Policy to review travel expenses for the Airport, CVB, and EDD. Clerk's Finance also relies upon the traveler's supervisor for the appropriateness of certain travel allowances.

County Administration and Clerk's Finance were unsure of why there was no historically documented policy for the Airport's allowable expenses. The guidance used for CVB and EDD is from 1998-2000, and there have been no updates to the process since then.

Written policies provide necessary guidance to perform departmental activities properly and consistently. The development of written policies provides management with the opportunity to ensure adequate processes and internal controls are established.

The Airport has authority granted by Florida Statutes to exercise certain promotional and advertising activities. Per § 331.20, F.S., Publicizing, advertising, and promoting airports and related facilities states:

> *"The board of county commissioners of every county owning and operating an airport shall have the right, power, and authority to publicize, advertise, and promote the activities of its airport: to make known the advantages, facilities, resources, products, attractions, and attributes of its airport: to create a favorable climate of opinion concerning its airport: to cooperate with other agencies, public and private, to accomplish these purposes: and in furtherance thereof, to authorize expenditures for the purposes here enumerated, including meals, hospitality, and entertainment of persons in the interest of promoting and engendering goodwill toward its airport."*

Since the Airport must expend funds to promote its activities that may not be included in the County's Travel Policy, it is necessary to document what additional expenses are allowable.

A lack of documented policies related to entertainment expenses and travel may lead to inconsistent application of unwritten rules. In addition, management does not have a reference for handling unusual circumstances that may occur.

We Recommend Management:

A. Develop a written policy for allowable Airport travel and entertainment expenditures.
B. Develop and implement procedures for documenting and reviewing Airport travel and entertainment expenditures. This could include a template that captures the purpose of the travel and/or expenditure, the names of the attendees, and any other information deemed pertinent for the approver to review.
C. Consult with the County Attorney to establish department-specific guidelines regarding gifts or free trips.

Management Response and Action Plan:

A. **Management Concurs.** A policy should be developed for allowable Airport entertainment/dinner expenditures. By implementing a policy and the template suggested in Recommendation B, this will provide consistency in Airport submissions and streamline Airport travel expenditures.

    - ✓ ***Individual(s) Responsible for Implementation:*** Thomas R. Jewsbury, Airport Director

- ✓ ***Planned Implementation Completion Date:*** August 30, 2025

B. **Management Concurs.** Airport will develop a template for any entertainment/dinner expenses to include the name and title of all attendees, as well as include documentation provided by the conference on the benefits of attendance.

   - ✓ ***Individual(s) Responsible for Implementation:*** Thomas R. Jewsbury, Airport Director
   - ✓ ***Planned Implementation Completion Date:*** August 30, 2025

C. **Management Concurs**. Airport will meet with the County Attorney's Office to develop specific guidelines and regulations pertaining to non-gratis travel offers and gifts.

   - ✓ ***Individual(s) Responsible for Implementation:*** Thomas R. Jewsbury, Airport Director
   - ✓ ***Planned Implementation Completion Date:*** August 30, 2025

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