



**OFFICE OF INSPECTOR GENERAL
CITY OF JACKSONVILLE**

**REPORT OF INVESTIGATION
CASE NUMBER: 2017-0005
ISSUE DATE: DECEMBER 6, 2017**

James R. Hoffman
Inspector General

"Enhancing Public Trust in Government"

**MISUSE OF JEA RESOURCES AND
FALSIFICATION OF TIME & ATTENDANCE RECORDS BY A JEA EMPLOYEE**

EXECUTIVE SUMMARY

On January 20, 2017, JEA Audit Services notified the Office of Inspector General (OIG) about an anonymous complaint (JEA-17-01-0001) regarding JEA employee, Russell "Darren" Moses (Moses), Systems Technician (civil service position), Electric Services. The anonymous complaint asserted Moses may have used his JEA-assigned computer and vehicle in support of his personal business.

On March 6, 2017, JEA Audit Services notified the OIG that Moses may have falsified his time and attendance submissions to JEA. The JEA Audit Services review found numerous days where Moses' timesheet submissions differed from his JEA-assigned vehicle's Global Positioning System data and JEA badge access records. The review found from December 27, 2016, through March 30, 2017, Moses received compensation from JEA in the amount of **\$2,186.76** for 54.93 falsely reported hours.

A review of Moses' JEA e-mail account revealed that between October 13, 2015 and June 30, 2016, he sent and received numerous e-mails related to his personal business, Coastal Boat Lift Service by Darren Moses (Coastal Boat Lift). In addition, Moses' vehicle usage revealed that between December 27, 2016 and March 30, 2017, he misused his JEA-assigned vehicle on several occasions. The misuse included stopping at locations outside of the normal route for his work assignments, such as his residence.

On April 25, 2017, the OIG referred this matter to the JEA Interagency Detective to investigate criminal allegations relating to Florida Statute §812.014, Theft. During the criminal investigation, Moses admitted to driving his JEA-assigned vehicle to a medical facility to visit a relative and possibly to drop off invoices or receive checks in support of his personal business. On June 29, 2017, the JEA Interagency Detective referred this matter to the Office of the State Attorney, Fourth Judicial Circuit (SAO). The SAO declined prosecution.

On July 27, 2017, Moses resigned from JEA. The OIG did not interview Moses as part of our investigation.

As a result of the review done by JEA Audit Services, the criminal investigation, and the OIG investigation, the allegation Moses used his JEA-assigned computer and vehicle in support of his personal business was **substantiated**.

On September 28, 2017, JEA sought reimbursement in the amount of **\$2,007.62**¹ from Moses for the falsely reported hours.

¹ The initial review by JEA Audit Services resulted in a documented amount of \$2,007.62. Further review determined the amount was \$2,186.76. JEA sought reimbursement for the amount initially identified.

INVESTIGATIVE REPORT

ALLEGATION

Russell “Darren” Moses (Moses), Systems Technician (civil service position), Electric Services, JEA, misused JEA resources in support of his personal business.

GOVERNING DIRECTIVES

Florida Statutes:

- §112.313(6), Standards of Conduct for Public Officers, Employees of agencies, and local government attorneys (Misuse of Public Position)

Ordinance Code for the City of Jacksonville:

- § 601.101, Use of Public Property

JEA Policies and Procedures:

- Secondary Employment Policy (EWS A0202 LR607 effective May 1, 2013);
- Secondary Employment Policy (EWS A0210 009 effective November 21, 2016);
- Electronic Messaging Policy (TS B0010 007 effective May 1, 2008);
- Acceptable Use Policy (TS B0010 IS 002 effective January 13, 2016); and
- Fleet Services Procedure (SCM A0800 FS 001 Fleet Customer Services Policy, C. Authorized Use of JEA Vehicles effective January 20, 2015)

CONCLUSION

A joint investigation by the OIG; JEA Audit Services; and the JEA Interagency Detective, Jacksonville Sheriff’s Office (JEA Interagency Detective), established Moses used his JEA e-mail to send and receive e-mails related to his personal business, Coastal Boat Lift Service by Darren Moses (Coastal Boat Lift). Additionally, Moses’ JEA-assigned vehicle’s Global Positioning System data revealed numerous occasions where Moses stopped at locations not related to his official JEA duties.

The JEA Interagency Detective conducted a criminal investigation related to time and attendance fraud. A review of secondary employment forms by the JEA Interagency Detective found none on files for Moses. During the investigation, Moses admitted to not completing the required secondary employment forms for his personal business. Additionally, Moses admitted to using his JEA-assigned vehicle to visit Coastal Boat Lift customers and an additional trip unrelated to JEA business.

Based upon the JEA policies and records reviewed along with statements obtained, the allegation Moses used his JEA-assigned computer and vehicle in support of his personal business was **substantiated**.

On July 27, 2017, Moses resigned from JEA. The OIG did not interview Moses as part of our investigation.

INVESTIGATIVE FINDINGS

Background

On January 20, 2017, JEA Audit Services notified the Office of Inspector General (OIG) about an anonymous complaint (JEA-17-01-0001) regarding JEA employee, Russell “Darren” Moses (Moses), Systems Technician (civil service position), Electric Services. The anonymous complaint asserted Moses may have used his JEA-assigned computer and vehicle in support of his personal business.

OIG began an investigation into the allegation and requested JEA Audit Service’s assistance in reviewing Moses’ time and attendance. On March 6, 2017, JEA Audit Services notified the OIG that Moses may have falsified his time and attendance submissions to JEA.

On April 25, 2017, the OIG referred this matter to the JEA Interagency Detective to investigate criminal allegations relating to Florida Statute §812.014, Theft.

OIG Records Review

The OIG reviewed the applicable state and municipal statutes and JEA internal procedures and found the following:

Florida Statute §112.313(6), Standards of Conduct for Public Officers

No public officer, employee of an agency, or local government attorney shall corruptly use or attempt to use his or her official position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit, or exemption for himself, herself, or others.

§601.101, Ordinance Code, Use of Public Property

It is unlawful for an officer or employee of the City or an independent agency to knowingly use property owned by the City or an independent agency for his or her personal benefit, convenience or profit, except in accordance with policies promulgated by the council or by the governing body of the independent agency owning the property.

Secondary Employment

(JEA Procedure: EWS A0202 LR607 effective May 1, 2013)

The above states in part:

Secondary employment refers to a second job held by a full time employee;

This secondary employment includes contract, self-employment and part-time work...;

Secondary employment includes.....operating a business....and employment that generates any taxable income on a W-2 form or a 1099 form...; and

All fulltime employees have the responsibility for adhering to this policy and procedure.

Secondary Employment

(JEA Procedure EWS A0210 009 effective November 21, 2016)

JEA's Secondary Employment Procedure was updated and added a "Violation" section which provides:

Not reporting secondary employment or any violations of the Secondary Employment Directive may result in disciplinary action, up to an (sic) including termination and/or preventing rehire, if deemed appropriate.

Additional Records Reviewed

Per the Duval County Tax Collector's Office website, a local business tax receipt is provided to a business to show the required annual tax was paid. On October 13, 2015, Moses opened an account for a local business tax receipt for Coastal Boat Lift. A review of the account determined Moses never paid any of the required fees to obtain the local business tax receipt.

A review of the Florida Division of Corporations (FDC) website revealed Moses did not file any documentation with the FDC regarding Coastal Boat Lift. The FDC is the State of Florida's central repository for filing business entities and fictitious name registrations. However, the review disclosed Moses filed an application for fictitious name and/or business entities as follows:

- Brite-Wash Pressure Washing, on June 12, 2003 (application for fictitious name only);
- The Dock Doctors, Inc. on September 24, 2004;
- A Bounce Above, LLC. on March 2, 2007; and
- ATM Solutions of the First Coast, Inc. on August 10, 2009.

Electronic Messaging Policy

(JEA Corporate Policy TS B0010 007 effective May 1, 2008)

The above states in part:

Users are forbidden from using JEA electronic messaging systems for private business activities . . . [and for] the operation of a business or for any undertaking for personal gain.

Acceptable Use Policy
(JEA Corporate Policy TS B0010 IS 002 effective January 13, 2016)

The above states in part:

All ICT (Information and Communications Technology) systems...are to be used for business purposes and serving the interest of the company, and of our clients and customers in the course of normal operations;

Users are forbidden from using JEA electronic messaging systems for private business activities...the operation of a personal or a non-JEA business or for any undertaking for personal gain;

Excessive personal use may result in disciplinary action, including but not limited to the loss of email privileges and/or termination; and

Do not use company provided email addresses for any activity that is not explicitly business related including merchants, registrations, postings and social media providers.

A review of JEA's records disclosed the only available User Agreement on file for Moses was the JEA's Electronic Messaging User Agreement form dated October 18, 2004, which bears the signature of "Russell D. Moses." Per the form, the employee signing this agreement is agreeing that the employee has reviewed and understands the following (in part):

I recognize and understand that the company's electronic messaging and Internet systems are to be used for conducting the company's business only;

I understand that the use of this equipment for personal gain is strictly prohibited; and

As part of the JEA organization and use of JEA's gateway to the Internet and e-mail system, I understand that this JEA Electronic Messaging Policy applies to me.

A review of Moses' JEA training history disclosed Moses completed on-line JEA General Information Security training on the following dates: April 15, 2014; March 3, 2015; March 28, 2016; and March 28, 2017. Per the JEA General Information Security training slides, JEA employees are required to acknowledge they have read the Acceptable Use Policy and Information Security Policy and agree to follow the guidelines noted in the aforementioned policies in order to complete the training.

A review of Moses' JEA e-mail account revealed there were 65 e-mails related to Coastal Boat Lift from October 13, 2015 through June 30, 2016. These e-mails included Moses responding to potential customers, as well as drafts of invoices for several locations and various photographs of

docks. In addition, some of the documents attached to these e-mails had originally been scanned using a JEA photocopier and then sent to Moses' JEA e-mail account.

Fleet Customer Services

(JEA Fleet Services Procedure: SCM A0800 FS 001 Fleet Customer effective January 20, 2015)

This procedure states JEA vehicles are only to be used for the direct performance of JEA business, duties, and functions; personal use is prohibited.

A review of GPS data determined that on at least **56** separate occasions Moses misused a JEA-assigned vehicle in violation of the Fleet Services Procedure. A further analysis of the GPS data for JEA vehicle #5553-50 (assigned to Moses), JEA e-mails and JEA permit records, revealed that between December 27, 2016 and March 30, 2017, Moses' JEA-assigned vehicle was located at his personal residence on 22 separate occasions. The GPS data showed on these 22 occasions each trip to his residence required a deviation from his work route to his next work assignment while being compensated by JEA. During this same time frame, Moses' JEA-assigned vehicle was stopped at a location on a route inconsistent with his next work site on 34 occasions. Of those 34 occasions, there were 5 occasions where Moses's JEA-assigned vehicle was stopped at or near a residence located by a body of water such as a creek or river, also while being compensated by JEA.

JEA Interagency Detective's Criminal Investigation Results

The JEA Interagency Detective confirmed Moses never reported any secondary employment. However, during an interview with Moses' supervisor, Gerald Donsky (Donsky), Manager, Electric Services, JEA, Donsky advised he (Donsky) and Gabor Acs, Director, Electric Services, JEA, spoke with Moses about Coastal Boat Lift. Donsky stated Moses was told not to conduct his personal business during work hours.

On June 20, 2017, the JEA Interagency Detective interviewed Moses. During this interview, Moses admitted to failing to complete the required secondary employment forms but stated he spoke with Donsky in March 2017 about his secondary employment.

Moses described Coastal Boat Lift as a business he only used to help provide his son with work. Once the JEA Interagency Detective confronted Moses with the contents of the aforementioned e-mails, he (Moses) explained how he had a difficult year due to a family member's health issues, as well as his own personal expenses. When Moses turned over his JEA identity badge at the conclusion of the interview, business cards for Coastal Boat Lift and another individual's business were discovered behind his JEA identity badge.

Regarding his usage of the JEA-assigned vehicle, Moses stated he had stopped at customers of Coastal Boat Lift, possibly during his lunch break, to deliver invoices or receive payments.

ADDITIONAL FINDING

Russell “Darren” Moses (Moses), Systems Technician (civil service position), Electric Services, JEA, falsified his time and attendance records to receive payments for time not worked.

GOVERNING DIRECTIVES

Florida Statutes:

- §812.014(2)(c)(1), Theft; and
- §838.022(1)(a), Official Misconduct

COJ Civil Service Rules (effective September 2016):

- Section 9.05, Reduction in Compensation, Demotions, Suspensions without Pay and Dismissals for cause including willful violation of the provisions of law or department rules; conduct unbecoming a public employee and misconduct.

CONCLUSION

A review of various JEA records to include JEA Audit Services’ analysis (reflecting Moses’ GPS data, time and attendance data, and badge access data) for the period of December 27, 2016 through March 30, 2017, revealed Moses stopped at several locations for personal (non-JEA business) reasons while he was working and receiving compensation from JEA.

On April 25, 2017, the matter was referred to the JEA Interagency Detective, who conducted a criminal investigation pertaining to time and attendance fraud.

The JEA Audit analysis revealed from December 27, 2016 through March 30, 2017, Moses received compensation from JEA in the amount of \$2,186.76 for 54.93 falsely reported hours. During an interview with the JEA Interagency Detective, Moses initially stated he had worked all of the hours reported. Later in the interview, Moses admitted to pulling over in his JEA-assigned vehicle to rest on occasion because he did not feel well.

Based upon the records reviewed and the criminal investigation, the allegation Moses falsified his time and attendance records and received payment for time not worked was **substantiated**.

On July 27, 2017, Moses resigned from JEA. Due to his resignation, the OIG did not interview Moses in conjunction with the OIG investigation.

INVESTIGATIVE FINDINGS

OIG Records Review

OIG reviewed the applicable Florida Statutes and Civil Service Rules and found the following:

Florida Statute §812.014(2) (c) (1), Theft

The above states in part:

(1) A person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or to use, the property of another with intent to, either temporarily or permanently:

(a) Deprive the other person of a right to the property or a benefit from the property.

(b) Appropriate the property to his or her own use or to the use of any person not entitled to the use of the property.

It is grand theft of the third degree and a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if the property stolen is: 1. Valued at \$300 or more, but less than \$5,000.

Florida Statute §838.022(1) (a), Official Misconduct

The above states in part:

It is unlawful for a public servant or public contractor, to knowingly and intentionally obtain a benefit for any person or to cause unlawful harm to another, by: (a) Falsifying, or causing another person to falsify, any official record or official document.

COJ Civil Service Rules (effective September 2016), Section 9.05, Reduction in Compensation, Demotions, Suspensions without Pay and Dismissals

The above states in part:

Except for voluntary demotions or demotions resulting from reduction in force or reduction in compensation, for other than disciplinary reasons, employees with permanent status in the Civil Service may only have their compensation reduced, be demoted, suspended without pay or dismissed for cause.

(1) Cause shall include, but is not limited to;... willful violation of the provisions of law or department rules; conduct unbecoming a public employee which would affect the employee's ability to perform the duties and responsibilities of the employee's job; willful falsification of records (false statements, misrepresentation or fraud of official documents, such as application, attendance and leave records or work and production records); misconduct...

JEA Audit Services Review

JEA Audit Services reviewed Moses' time and attendance records, JEA vehicle usage, JEA badge access records, JEA permits, and JEA emails for the period of December 27, 2016 through March 30, 2017. The JEA Audit Services review found numerous days when Moses' timesheet submissions differed from his JEA-assigned vehicle's GPS data, JEA badge access records, JEA permit records, and his JEA e-mail records.

Based on the records reviewed Moses received compensation from JEA in the amount of **\$2,186.76** for **54.93** falsely reported hours, all of which were submitted and approved in the JEA electronic Time and Attendance System (Oracle).

JEA Time and Attendance Records

These records reflected Moses' time and attendance was approved by his supervisor, Gerald Donesky (Donesky), Manager, Electric Services, JEA. According to Donesky's time and attendance submissions, Donesky was on annual leave from February 21, 2017 through February 24, 2017. A review determined that while Donesky's was on leave, Moses submitted 10.42 hours, which could not be corroborated by GPS or badge access records.

Moses received \$2,186.76 in compensation from JEA for 54.93 falsely reported hours.

JEA Interagency Detective's Criminal Investigation Results

During Moses' interview with the JEA Interagency Detective, Moses claimed he had worked all of the hours he reported working. Later in the interview, Moses admitted to pulling over in his JEA-assigned vehicle to rest on occasion because he did not feel well. In addition, Moses stated he had not been sleeping well and had come to work late on occasion as a result.

Moses admitted he occasionally visited some of his personal business customers to either deliver invoices or receive checks; although, Moses stated this may have been done during his lunch break.

JEA Request for Reimbursement

On September 28, 2017, JEA requested reimbursement of **\$2,007.62²** from Moses for hours falsely claimed as worked.

RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends the following corrective actions:

² The initial review by JEA Audit Services resulted in a documented amount of \$2,007.62. Further review determined the amount was \$2,186.76. JEA sought reimbursement for the amount initially identified.

1. Establish written policies and procedures regarding obtaining reimbursement and/or restitution from employees, who have obtained money or goods from JEA through fraud and/or theft, prior to separating the employee from JEA.
2. Provide an update concerning the request for reimbursement from Moses of **\$2,007.62** in overpaid compensation to include verification of recovery.

In addition, OIG requests that JEA advise the OIG if any subsequent personnel action(s) (including all outcomes) are taken as a result of this investigation.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Identified Costs/Recoverable Funds: \$2,186.76

MOSES' RESPONSE

On November 13, 2017, the OIG mailed a certified copy of the draft Report of Investigation to Moses' residence address on file with JEA. Moses was provided the opportunity to submit a written explanation or rebuttal to the findings in the draft Report of Investigation within ten (10) calendar days, due on or before November 23, 2017.

On November 20, 2017, OIG received a telephone call from Moses, who advised he would email a response by the due date for inclusion in the final Report of Investigation. During this telephone call, Moses acknowledged receipt of JEA's collection letter and stated he would contact JEA to discuss repayment. Moses did not submit a response to the OIG.

MANAGEMENT COMMENTS AND CORRECTIVE ACTIONS

On November 13, 2017, the OIG provided the Chief Executive Officer, JEA, the opportunity to submit a written explanation or rebuttal to the findings in the draft Report of Investigation within twenty-one (21) calendar days, due on or before December 4, 2017. On December 4, 2017, the OIG received a written response from the Chief Compliance Officer. The JEA response is attached in its entirety to this report, without enclosures.

Based on the OIG recommendations, JEA is developing a procedure within the employee out-processing to ensure monies identified as a result of an investigation and owed to JEA are collected prior to termination of JEA employees. As of December 1, 2017, Moses had not made contact with JEA concerning the prior collection notice dated September 28, 2017. On December 1, 2017, JEA sent a second collection notice to Moses for \$2,007.62.

Attachment: Management's Response, dated December 4, 2017 (without enclosures)

cc: IG Distribution B

This investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.

21 West Church Street
Jacksonville, Florida 32202-3139

December 4, 2017

Ms. Lisa A. Green
Deputy Inspector General
Office of Inspector General, City of Jacksonville
231 E. Forsyth Street, Suite 470
Jacksonville, FL 32202



Subject: JEA's Management Response Pursuant to OIG Report of Investigation
Number 2017-0005

ELECTRIC

Dear Ms. Green:

WATER

We are herein providing our management response to your DRAFT Report of Investigation dated November 13, 2017, which includes a summary of all corrective action plans, the status of each, and any supporting documentary evidence.

SEWER

Recommended Corrective Actions

1. Establish written policies and procedures regarding obtaining reimbursement and/or restitution from employees, who have obtained or goods from JEA through fraud and/or theft, prior to separating the employee from JEA.

Management's Response

When an employee terminates, there is a process, known internally as the POP (Personnel Out Process), which involves several departments to ensure the employee's rights and privileges for payroll, benefits, system and physical access, etc., are reconciled, settled and closed out satisfactorily. Any monies owed by the employee would be part of the second phase of the POP, a reconciliation of the employee's accrued Leave balance.

Human Resources will develop an enhancement of the second phase of the POP to ensure that any monies due by the employee that are attributable to an open investigation are identified and included in the Leave balance reconciliation. This will require an inquiry of knowledgeable parties, such as Labor Relations and Audit Services' Ethics Investigations & Audit.

In the short term, Human Resources will contact Labor Relations and/or Audit Services' Ethics Investigations & Audit regarding any such monies owed on terminating employees. Automating this notification enhancement within the POP will require coordination with Technology Services. If automation is feasible, we estimate completion by June 30, 2018.

2. Provide an update concerning the request for reimbursement from Moses of \$2,007.62 in overpaid compensation to include the verification of recovery.

In addition, OIG requests that JEA advise the OIG if any subsequent personnel action(s) (including all outcomes) are taken as a result of this investigation.

Management's Response

The OIG notified us on November 20, 2017 that Mr. Moses called their office in response to this investigation. He acknowledged that he had received the letter from JEA regarding a request for repayment and further advised that he would be contacting JEA to set up a repayment plan. However, we are not aware of any such communication from Mr. Moses, so on December 1, 2017 we mailed a follow-up letter to him; a copy of the letter is enclosed.

We will advise you if any subsequent personal actions and the outcomes are necessary. To date, there has been none.

We thank you for your insightful recommendations. Please contact me if you need additional information regarding our corrective action plans.

Sincerely,



Ted Hobson
Chief Compliance Officer
JEA
21 W. Church Street, T16
Jacksonville, 32202
(904) 665-7126; hobste@jea.com

Cc: Mr. Paul E. McElroy, Managing Director and Chief Executive Officer

Enclosure (Two pages)