

OFFICE OF THE INDEPENDENT ADVOCATE
REPORT OF INVESTIGATION

K #:10-013

Date Opened: January 21, 2010

Date Closed: April 26, 2010

Name of investigator: Kennedy Rosario

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Allegation:

Information received via a Coral Gables online news service article, cggazette.com, authored by George Volsky (Volsky), alleged that Ms. Lori St. John (St. John), Chief Compliance Officer for the City of Coral Gables (the City), paid for her personal State of Colorado attorney registration fees using a City credit card (P-card). This act may constitute a violation of the Miami-Dade County Conflict of Interest Ordinance specifically Sec 2-11.1 (g) Exploitation of official position prohibited.

Investigation:

The article in question chronicled that St. John "asked" Joe V. Rodriguez (Rodriguez), a City "Controller/Buyer" in the Finance Department, to facilitate the \$800.00 payment utilizing his assigned P-card. Further, as stated in the article, Rodriguez' immediate supervisor, Michael Pounds (Pounds) and City Finance Director Don Nelson were unaware of the \$800.00 payment.

The COE contacted City Attorney Elizabeth Hernandez and through her received the following documents:

1. Purchasing Card (P-Card)... City Departments... Standard Operating Procedure
2. Exhibit A....SunTrust VISA Purchasing Cardholder Information
3. Exhibit B....Agreement To Accept the VISA Purchasing Card

4. Exhibit C....City of Coral Gables....Purchasing Card...Missing Receipt Documentation Form
5. Exhibit D....SunTrust Visa Purchasing Card Dispute Form
6. P-card transactions January to December 2009

A review of these documents indicates that the City has in place a comprehensive procurement procedure as it pertains to the usage of the P-Cards, delineating card holder use, stipulation and conditions for City purchases.

On February 3, 2010 Chief Procurement Officer Michael Pounds (Pounds) was interviewed.

Pounds stated that among his duties he is the Procurement Division Supervisor, which encompasses the supervision of the P-Cards. Procurement is part of the Finance Department..

St. John is a staff member of the Office of the City Manager.

Pounds stated that he had made an accommodation with St. John to be able to utilize Procurement staff in those relatively few instances where St. John needed to make City related purchases.

St. John's office is also housed in close proximity to Procurement and away from the City Hall City Manager's office.

St. John does not have an assigned Office of City Manager P-Card.

Pounds asserts that he was unaware of the exact nature of this particular P-Card transaction stating only that St. John "may have mentioned" it to him.

Pounds was questioned in regards to the P-Card SOP and, while he obviously was aware of the policy and procedure, this accommodation/transaction deviated from the rule.

On February 4, 2010 Joe V. Rodriguez (Rodriguez), Procurement Contract Specialist was interviewed.

Rodriguez has been a City employee for seven years and as a Contract Specialist is involved in requisitions, RFPs, as well as formal solicitations for the Procurement Division of the Finance Department.

Rodriguez was assigned a P-Card for the last 3-4years.

There are four other employees within his division that are also assigned P-Cards.

Rodriguez is fully aware of the SOP governing the P-Cards.

Rodriguez received training in the usage of the P-Card from Supervisor Danny Benedit.

Rodriguez, as it pertains to St. John, operated under the belief, as stated above by Pounds, that he was authorized to assist St. John with City related purchases.

As to the P-Card transaction in question, Rodriguez recalled St. John asked to use his P-Card asserting the "need to do a certification". He responded to St. John's office and observed an item on her computer, inputted the necessary information to complete the transaction.

Rodriguez said "Ms. St. John did not fully state that it (the transaction/purchase) was for the Colorado Bar re-certification". According to Rodriguez, St. John is a Division Head and has authority over her budget and therefore he did not question the transaction's validity.

COE did receive a copy of an E-Mail from Rodriguez to Pounds (cc to St. John) dated January 21, 2010 in which Rodriguez cites the Coral Gables Gazette and writes "if I recall correctly you (Pounds) had mentioned to Ms. St John and to me (Rodriguez) that when she needs to purchase something with a P-Card to come and see me, apparently Mr. Volsky quoted you incorrectly here"

On February 23, 2010 COE Investigators met with St. John.

St. John has been employed by the City since April 2008 and is the Chief Compliance Officer and City Auditor.

St. John was hired by the Former City Manager David Brown.

St. John's duties include "responsibility for the City's assets".

St. John states that she was hired "due to her Juris Doctor" background, which she believes "brings great benefit to the city".

St. John was fully debriefed as regards the Colorado transaction, her statement coincides with both Rodriguez / Pounds recollection of the event, differing only in that she believed the transaction was fully transparent to all parties involved.

St. John acknowledged not obtaining prior authorization from the City Manager but states in her defense that, as the City Auditor, she had transactional authority.

St. John made full re-payment to the City of the \$800.00 P-Card transaction.

COE Investigator Rosario asked that she fully explain her actions via a written statement, said statement, dated February 24, 2010 is incorporated in this report as Exhibit A.

A review of Exhibit A by the COE indicates no variance from St. John's February 23, 2010 verbal statement.

St. John also attached with Exhibit A, a copy of the above noted P-Card SOP with handwritten linear notes.

CONCLUSION:

Ms. St. John had some sort of reasonable agreement with City management concerning the use of the P-Card. Her usage of the P-Card, in this instance, giving Ms. St John the benefit of the doubt, could arguably be seen as within the purview of what she understood the P-Card usage to be.

Ms. St. John has subsequently been counseled by City management and reimbursed the City for money spent on the P-Card.

Since this matter has been addressed administratively and the situation rectified, the COE is closing the investigation with no further action.