

Do's and Don't's


INSPECTOR GENERAL AUDITS

Family Guardian Expo

January 24, 2020





DIVISION OF INSPECTOR GENERAL
KEN BURKE, CPA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA



Hector Collazo Jr.
Inspector General/Chief Audit Executive
Division of Inspector General
Office of Ken Burke
Clerk of the Circuit Court and Comptroller
Pinellas County, Florida
(727) 464-8375
hcollazo@mypinellasclerk.org

Questions



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PASCO COUNTY
HAS SIMILAR
PROCESSES BUT NOT
EXACTLY THE SAME AS
PINELLAS COUNTY

THIS WORKSHOP
REPRESENTS THE
OPINIONS AND AUDIT
STANDARDS OF THE
DIVISION OF INSPECTOR
GENERAL

**WE ARE NOT HERE
REPRESENTING**

CLERK'S PROBATE
AND/OR THE
SIXTH JUDICIAL CIRCUIT
COURT

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PINELLAS COUNTY
GUARDIANSHIP
STRUCTURE/PARTNERSHIP

Sixth Judicial Circuit Court
Probate, Guardianship and Mental Health Division

Clerk of The Circuit Court And
Comptroller's Probate Court Records

Clerk of The Circuit Court And Comptroller's
DIVISION OF INSPECTOR GENERAL


DIVISION OF INSPECTOR GENERAL
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INSPECTOR GENERAL'S FRAUD PERSPECTIVE

MOTIVE + OPPORTUNITY + JUSTIFICATION

PRESSURE + RATIONALIZATION





= **FRAUD**

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DIVISION OF
INSPECTOR
GENERAL
GUARDIANSHIP
HOTLINE





REPORT

FRAUD OR WASTE OF A WARD'S ASSETS
 CALL THE GUARDIANSHIP FRAUD HOTLINE
 (727) 453-FRAUD
 (727) 453-3728
 CALLS ARE CONFIDENTIAL





REPORT FRAUD OR WASTE OF A WARD'S ASSETS

Write:
Public Integrity Unit
Division of Inspector General
Fraud Hotline

Call: (727) 453-3728
 Fax: (727) 464-8386
 Email: fraudhotline@pinellascounty.org
 Internet: www.myspinetackler.org

THE INSPECTOR GENERAL'S PRIMARY CONCERN IS THE WELL-BEING OF
THE WARDS AND THEIR ASSETS

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AUDITING ANNUAL ACCOUNTINGS

Clerk of the Circuit Court and Comptroller
Probate Court Records
Level I Audits

Clerk of the Circuit Court and Comptroller
Division of Inspector General
Reviews Level I Audits
Conducts Level II and Level III Audits



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**IG AUDITS LOOK AT
THE WHOLE PICTURE**



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ANNUAL ACCOUNTING				Page 1 of 37
GUARDIANSHIP OF		Name		
PERIOD	Date from		Date to	
UNIFORM CASE NUMBER	14-digit number			
AMENDED FORM?		(Enter "YES" or "NO")		
AUDITOR	Name - Auditor's initials		Date of Annual Accounting	
SUMMARY, AS AUDITED				
Page 1 of 3				

ANNUAL ACCOUNTING COMMON PROBLEMS

D BTR FIELD	SCHEDULE	PAGE	DESCRIPTION	ORIGINAL	AMOUNT
WORK PROGRAM	REFERENCE	REF	ASSETS & LIABILITIES AT END OF ACCOUNTING PERIOD	AMOUNT	AS AUDITED
8	D-1	21	CASH ASSETS	\$0.00	\$0.00
9	D-2 (A) & (B)	22 & 23	REAL ESTATE AND REAL PROPERTY (Combined - Section 6)	\$0.00	\$0.00
10	D-2 (C)	24	PERSONAL PROPERTY	\$0.00	\$0.00
11	D-2 (D)	25	INTANGIBLE ASSETS	\$0.00	\$0.00
12	D-3	26	MORTGAGED LIABILITIES	\$0.00	\$0.00
TOTAL NET ASSETS AT END OF ACCOUNTING PERIOD				\$0.00	\$0.00
** BALANCES MUST EQUAL					
XX ADDITION, DELETION, CORRECTION, CHANGE, ADJUSTMENT					

(CONTINUED)

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ANNUAL ACCOUNTING COMMON PROBLEMS

- **Accounts not titled in the name of the guardianship**
- **Accounts listed on prior annual accountings are not listed on the current accounting**
- **Disbursements exceed the court orders**

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ANNUAL ACCOUNTING

COMMON PROBLEMS

Questionable Disbursements



- No Receipts For **Unusual** Expenditures
- Missing Checks
- Purchase Of A Car And/Or Car Insurance When Ward Has No Drivers License
- No Court Orders When Required



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IG CONCERNS/ISSUES

COMMON PROBLEMS

Lack of budgets when there are multiple people living with the ward



- Housing expenses are not prorated based on the number within the household
- Food costs are not prorated based on the number within the household
- Expenses exceed approved court budget or there is no approved budget



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*CASE STUDIES

**Facts changed to protect confidentiality of the sealed records*

Sister - GDN for Brother

- Withdrew \$2,500 to go on a cruise.
- The ward died three days prior to the cruise.

Sister - GDN for Brother

- Withdrew \$20,000 to purchase a car for their uncle.
- Felt the uncle deserved it.

Mother - GDN for Son

- Withdrew \$2,000 from a casino ATM.
- Felt she deserved it.

The fiduciary relationship, which exists between the guardian and the ward, **may not be used for the private gain of the guardian.**

The **guardian may not** use the person's income and assets to support or benefit other individuals directly or indirectly.



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*CASE STUDIES

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Sister - Guardian for Brother

- Dental Bills?



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FRAUDULENT DOCUMENT

Patient Code	Description	UNIT	UNIT PRICE	PAID
3310	ROOT CANAL ANY. ONE CANAL	TOOTH 27	816.00	22,963.00
3310	ROOT CANAL ANY. ONE CANAL	TOOTH 27	816.00	22,963.00
4360	PERIO AID (SONICAIR)		139.00	24,326.00
9630	MEDICAMENT		15.00	24,341.00
Acct Paymt	DEPOSIT RECD Check: Nt		17,000.00	7,341.00

REAL DOCUMENT

CM	PM Note	STMT OFFICE VISIT	PAID	PAID
CM	PM Note	Prim Insurance Claim From May 19, 2003 was closed.	0.00	\$7,341.00
CM	PM Note	Statement Processed	0.00	\$7,341.00
CM	PM Note	Statement Processed	0.00	\$7,341.00
CM	PM Note	Recall Processed on Laser Postcard	0.00	\$7,341.00
CM	PM Note	Statement Processed	0.00	\$7,341.00
CM	PM Note	Statement Processed	0.00	\$7,341.00
KS	PM Note	Statement Processed	0.00	\$7,341.00
KS	PM Note	Statement Processed	0.00	\$7,341.00
Q2	PM Note	Statement Processed	0.00	\$7,341.00
Acct Pmt	Check: Number 1278		7,341.00	\$0.00

The image displays two Bank of America checks. The top check is dated 2/24/11 and is payable to a redacted name for \$1,500.00. The bottom check is dated 2/8/11 and is payable to 'Bank of America' for \$560.00. Both checks have their memo fields redacted. Red circles are drawn around the payee names and the memo fields on both checks. A large, bold, red diagonal text overlay across the center of the image reads 'DO YOU SEE ANY PROBLEMS WITH THESE CHECKS?'. At the bottom right, there is a small image of a Lightning McQueen toy car. The background of the checks is white with black text and a red Bank of America logo.



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\$300,000 Promissory Note

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*CASE STUDIES

**Facts changed to protect confidentiality of the sealed records*

Brother - Guardian for Sister

- Borrowed \$1,500; no court approval

Daughter - Guardian for Mother

- Borrowed \$3,000; no court approval

Sister - Guardian for Brother

- Borrowed \$25,000; no court approval

May not loan or give money or objects of worth from the person's estate unless specific prior approval is obtained



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*CASE STUDIES

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Attorney

- Successor Guardian files a petition to sell the ward's house to the attorney of record.
- The Attorney of Record withdraws the request to purchase the ward's home.

Grandmother - Guardian for Grandson

- Withdrew \$25,000 from a restricted bank account.
- Guardian dies, money missing.
- Attorney does not notify the court of the Guardian's death for 2 months.
- Bank and Attorney repaid the monies to the ward.

Guardian Attorney

- \$400,000 In Trust Account
- 25 Months
- **Moved \$400,000 and Paid Lost Interest**

The guardian of the estate shall provide competent management of the property and income of the estate. In the discharge of this duty, **the guardian shall exercise intelligence, prudence and diligence, and avoid any self-interest.**

The **guardian may not** profit from any transactions made on behalf of the person's estate at the expense of the estate, nor may the guardian compete with the estate, unless prior approval is obtained from the court.



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*CASE STUDIES

**Facts changed to protect confidentiality of the sealed records*

The money should have been given to me!



I have no intentions of paying it back!



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*CASE STUDIES

**Facts changed to protect confidentiality of the sealed records*

**REIMBURSED
GUARDIANSHIP
\$70,000**



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*CASE STUDIES

**Facts changed to protect confidentiality of the sealed records*

Grandmother - Guardian for Granddaughter

- Received lump sum settlement amount of \$55,000 from Life Insurance Company.
- Refused to transfer the monies to the ward.
- Refused to account for the monies.
- **Referred to State Attorney's Office for prosecution.**

The **guardian may not** profit from any transactions made on behalf of the person's estate at the expense of the estate, nor may the guardian compete with the estate, unless prior approval is obtained from the court.



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Pinellas County

Arrest Information

Full Name: Geraldine Tearitt
 Date: 10/02/2013
 Arresting Agency: N/A
 Total Bond: \$10000

Time: 9:10 AM

Personal Information

Arrest Age: 60
 Current Age: 62
 Gender: Female
 Birthdate: 12/23/1952
 Block: 5400 Highland St S
 City: St. Petersburg, Florida
 Height: 6'04"
 Weight: 125 lbs
 Hair Color: BLK
 Eye Color: BLK
 Place of Birth: [REDACTED]

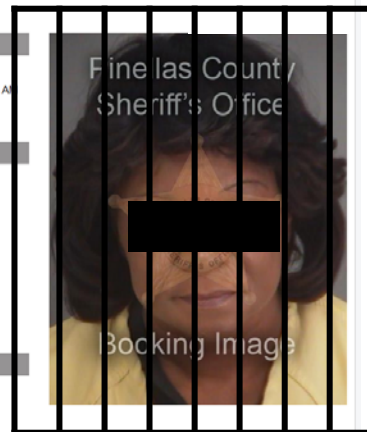
Tag Information

Beal Up
 Celebrity
 Handicap
 Grills
 Hair
 Hunk
 Hollies
 Scary
 Tatted up
 Transgender
 Wino
 WTF

Charges

1. THEFT OVER \$20,000 BUT LESS THAN \$100,000
 STATUTE: 817.02(2)(b)1F
 BOND: \$10000

GUILTY VERDICT



Full Restitution
15 years Probation



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*CASE STUDIES

**Facts changed to protect confidentiality of the sealed records*

Mother - Guardian for Son and Daughter

- Annual Accounting Filed Late
- Bank Statements Did Not Reconcile
- Wanted to Maintain Lifestyle **\$250,000**
- **Referred to State Attorney's Office for prosecution.**

The guardian of the estate shall provide competent management of the property and income of the estate. In the discharge of this duty, **the guardian shall exercise intelligence, prudence and diligence, and avoid any self-interest.**



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Posted Transactions			
FRAUDULENT DOCUMENT			
Posting Date	Transaction	Debit(-) Credit(+)	Balance
	Interest Earned	BALANCE	\$36.48 \$101,829.32
Detail			
Symbol	Quantity	Price	Market Value
sy Market, and Deposit Accounts	3,5100 L	\$ 1	\$ 3.51
Total			REAL DOCUMENT
			BALANCE
Transaction	Description	Withdrawal	Deposit
	Opening Balance (X,2)		\$ 0.00
Total Activity		\$ 0.00	\$ 0.00





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Referred to State Attorney's Office for prosecution



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**REIMBURSED GUARDIANSHIP
\$250,000**

**PLEADED GUILTY
FINED \$650 (ALL COSTS)
TWO YEARS PROBATION**



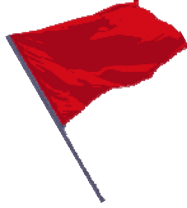


**State Attorney Charged Guardian (MOM) with Two Counts of
PERJURY BY FALSE DECLARATION**
CRC0921439CFANO

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RED FLAGS



- Missing or incomplete documentation
- Takes too long to provide documents
- Formatting differences with invoices from the same provider/vendor
- Large expenditure for vacations
- Unusual transactions/patterns



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RED FLAGS



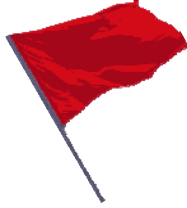
- Loans made from the guardianship without the court order
- Reverse Mortgages
- Personal Service Contract
- Withdrawal from restricted bank accounts without court order
- House sold, proceeds of transactions/sale not reported on AACT



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RED FLAGS



- Large disbursements – without court order, more than \$1,000, example: purchase of a car
- Checks made out to “cash”
- Large medical bills – no invoices or without court order, more than \$1,000
- Credit Card/Debit Card transactions – without court order, more than \$1,000



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What Guardians Buy Using Wards' Assets



- Cars
- Houses
- Motor Homes
- Entertainment
 - Dinners
 - Movies
 - Gambling
- Computers
- Vacations
- Anything they want!



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METHODS USED TO CONCEAL FRAUD



- Delaying tactics
- No records provided
- Altered checks
- Altered receipts (manufactured)
- Altered invoices (manufactured)
 - Dental bills
 - Hospital invoices
- Altered brokerage statements (manufactured)



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KEY TAKE AWAY IS TO

DOCUMENT

DOCUMENT

DOCUMENT

& SAVE ALL THE RECORDS.


DOCUMENTATION WILL

PROTECT YOU AND THE WARD



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Write: Fraud Hotline
Public Integrity Unit
Division of Inspector General
510 Bay Avenue
Clearwater, FL 33756

Phone: (727) 4SFRAUD (453-7283)
Fax: (727) 464-8386

E-Mail: fraudhotline@pinellascounty.org
Internet: www.mypinellasclerk.org

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