Florida Commission on Ethics

P. O. Drawer 15709, Tallahassee, Florida 32317-5709
"A Public Office is a Public Trust"

FLORIDA
COMMISSION ON ETHICS
APR 27 2020
RECEIVED
ORIGINAL

COMPLAINT

20-063

1. PERSON BRINGING COMPLAINT:

Name: Mike Stewart, as Chair of the Wakulla County BOCC Telephone Number: (850) 926-0919

Address: 3093 Crawfordville Hwy

City: Crawfordville County: Wakulla State: Florida Zip Code: 32327

2. PERSON AGAINST WHOM COMPLAINT IS BROUGHT:

Use a separate complaint form for each person you wish to complain against:

Name: Homer Bradley Harvey Telephone Number: (850) 926-0500

Address: Wakulla County Property Appraiser 3115-A Crawfordville Highway

City: Crawfordville County: Wakulla Zip Code: 32327

Title of office or position held or sought: Wakulla County Property Appraiser

3. STATEMENT OF FACTS:

Please provide a full explanation of your complaint, describing the facts and the actions of the person named above and why you believe he or she violated the law. Include relevant dates and the names and addresses of persons whom you believe may be witnesses. Please do not submit more than 15 pages, including this form. Please do not submit video or audio tapes, CDs, DVDs, flash drives or other electronic media; such material will not be considered part of the complaint and will be returned.

4. OATH

I, the person bringing this complaint, do swear or affirm that the facts set forth in the foregoing complaint and attachments thereto are true and correct to the best of my knowledge and belief.

SIGNATURE OF COMPLAINANT

STATE OF Florida
COUNTY OF Wakulla

Sworn to (or affirmed) and subscribed before me by means of ☑ physical presence or ☐ online notarization, this 22nd day of April, 20 20, by Mike Stewart.
(name of person making statement)

(Signature of Notary Public)

Notary Public State of Florida
Brandy Raye King
My Commission FF 982677
Expires 06/17/2020

(Print, Type, or Stamp Commissioned Name of Notary Public)

Personally Known X OR Produced Identification ___
Type of Identification Produced: _____

CE FORM 50—Effective January 9, 2017
Incorporated by reference in Rule 34-7.010(1)(b), F.A.C.

WAKULLA
COUNTY

BOARD OF COUNTY COMMISSIONERS

Mike Stewart
Chairman, District 3

Ralph Thomas
Vice-Chairman, District 1

Randy Merritt
District 2

Quincee Messersmith
District 4

Charles Hess, Ph.D.
District 5

J. David Edwards
County Administrator

Heather J. Encinosa
County Attorney
(850) 224-4070

Administration
Post Office Box 1263
Crawfordville, FL 32326
(850) 926-0919 x 707
(850) 926-0940 FAX

April 22, 2020

Florida Commission on Ethics
P.O. Drawer 15709
Tallahassee, FL 32317

Re: Statement of Facts Concerning Suspended Wakulla County Property Appraiser Homer Bradley Harvey

To Whom It May Concern,

Wakulla County ("County") was recently made aware by its external auditor of potential waste or theft of public moneys by suspended Wakulla County Property Appraiser Homer Bradley Harvey, which was discovered during the recent countywide audit for FY 2018-19, which included an audit of all County constitutional offices. Mr. Harvey was elected to the office of Property Appraiser in November 2016 for a four-year term expiring in November 2020. On April 17, 2020, Mr. Harvey was arrested on charges of engaging in an organized scheme to defraud over $50,000, a first-degree felony, and engaging in an organized scheme to defraud over $20,000 but less than $50,000, a second-degree felony. The redacted affidavit of probable cause and warrant for Mr. Harvey issued on April 17, 2020 (collectively referred to as the "Warrant") is available from the County upon request. On said day, Mr. Harvey was also suspended from the office of Wakulla County Property Appraiser pursuant to Executive Order 20-105 issued by Governor Ron DeSantis.

Attached hereto as Exhibit "A" are excerpts from the County's Comprehensive Annual Financial Report for FY 2018-19 ("CAFR"), summarizing a number of findings pertaining to the Property Appraiser's financial audit, which includes alleged improper excess salary payments, improper usage of the Property Appraiser office's credit card for personal purchases, and other improper expenditures of public funds. These are very serious allegations and the County has a duty to do all in its powers to safeguard public funds and ensure that government functions are conducted with integrity.

Specifically, I am writing today to bring your attention to potential ethics violations committed by Mr. Harvey in connection with the above-described findings contained in the CAFR and the allegations described in the Warrant. Initially, there are serious discrepancies with respect to Mr. Harvey's salary as described in the CAFR and what he has reported on the Full and Public Disclosure of Financial Interests forms ("Form 6") filed annually with the Commission on Ethics. As a constitutional officer, Mr. Harvey was required to annually file a Form 6 with the Commission on Ethics pursuant to Article II, Section 8, Florida Constitution.

As described in Finding No. 2019-04 in the CAFR (page 203), Mr. Harvey's salary for FY 2018-19 as listed in the Property Appraiser's accounting system was $180,560. As further reflected within Finding No. 2019-04, the Form W-2 obtained from Mr. Harvey for the prior three tax years showed Mr. Harvey's income associated with his position as Property Appraiser as follows:

W-2, 2017	$190,299.73
W-2, 2018	$163,826.86
W-2, 2019	$176,382.17

Form 6, Part D includes disclosure of all sources of income received by the filer exceeding $1,000 during the year. The Form 6 filed by Mr. Harvey for tax years 2017 and 2018, which are available upon from the County upon request, show vastly different income amounts associated with Mr. Harvey's position as Property Appraiser:

Form 6, 2017	$107,501
Form 6, 2018	$108,336

The amounts listed by Mr. Harvey on his Form 6 statements appear consistent with the statutorily prescribed salary for property appraisers set forth in Section 145.10, Florida Statutes. However, when compared with information concerning Mr. Harvey's income described in the CAFR and on his W-2 statements, it would appear that Mr. Harvey did not disclose true and accurate information concerning his income on his Form 6 for the above-described years, in violation of Chapter 112, Part III, Florida Statutes (the "Code of Ethics for Public Officers and Employees"), and Article II, Section 8, Florida Constitution.

It appears that on April 14, 2020, Mr. Harvey filed a Form 6X, Amendment to Full and Public Disclosure of Financial Interests for tax years 2017 and 2018, which amended forms include the excess payments Mr. Harvey made to himself above and beyond the statutorily prescribed salary for property appraisers. However, such amended forms were only filed after the discrepancies concerning Mr. Harvey's salary were revealed in the CAFR.

Additionally, findings contained within the CAFR and the Warrant indicate that Mr. Harvey may have committed other violations of the Code of Ethics for Public Officers and Employees. The excess compensation Mr. Harvey paid himself above and beyond the statutorily prescribed salary for property appraisers would appear to constitute a misuse of public position (Section 112.313(5), Florida Statutes), as would Mr. Harvey's use of the Property Appraiser office's credit card for personal purchases (Finding No. 2019-03, CAFR at page 202), and his use of public funds for repairs to vehicles that were not owned by the Property Appraiser's office (Finding No. 2019-05, CAFR at page 204). The investigation of these matters is ongoing and may uncover additional ethical violations as well.

If you would like to discuss these matters in further detail or if you require copies of any of the documents or materials referenced herein, please feel free to contact me at your convenience.

Very truly yours,

Mike Stewart, Chairman

Attachments

Cc: Commissioner Charles Hess (w/att)
Commissioner Ralph Thomas (w/att)
Commissioner Randy Merritt (w/att)
Commissioner Quincee Messersmith (w/att)
David Edwards, County Administrator (w/att)
Heather Encinosa, County Attorney (w/att)

Exhibit A

WAKULLA COUNTY PROPERTY APPRAISER

Schedule of Findings

Fiscal Year Ended September 30, 2019

INTERNAL CONTROL OVER FINANCIAL REPORTING

2019-01 – Lack of Segregation of Duties

In prior years, the present Property Appraiser was employed in the Property Appraiser's Office and served as the finance director of the Office. Once elected as Property Appraiser, he did not fully relinquish those financial duties or enact other internal controls or procedures to provide adequate internal controls over the financial processes of the Office. This created a situation where the Property Appraiser was approving expenditures and payroll, signing checks and recording transactions and making entries in the accounting records, which are incompatible accounting duties and constitute a material weakness in internal control.

Recommendation:

We recommend that the Property Appraiser enact changes to the financial processes of the Office to increase to the extent feasible separation of functional accounting duties.

2019-02 – Payroll Related General Ledger Accounts

During the current year the general ledger of the Property Appraiser contained the following accounts for payroll-related expenditures:

Account	Description	Amount
51100	Property Appraiser Salary	$ 103,822.00
51200	Employee Salaries	427,573.49
51500	Special Pay	10,166.68
		541,562.17
5560	Payroll Expenses	88,424.06
52261	Official's Retirement	60,457.63
52262	Retirement - Employees	12,469.62
52263	Retirement - Senior	41,535.71
52300	Life and Health Insurance	152,368.46
52152	FICA Regular	43,804.32
52153	FICA Other	5,431.39
		$ 946,053.36

Other corroborating information documented total salaries at $600,527.39. It was thus very difficult to properly reconcile the various salary and benefit amounts actually paid with the above-related financial records.

Recommendation:

We recommend that the payroll-related general ledger accounts be properly configured and utilized to accurately reflect the various amounts paid and that these accounts be regularly reconciled to the payroll tax returns and benefit payment made by the Office.

2019-03 – Credit Card Usage

The Property Appraiser maintains one credit card in the name of the "Wakulla County Property Appraiser". In accordance with the Office "Purchasing Procedures" the credit card may be used to pay for "office supplies, vehicle repairs, educational events for employees and travel expenses for employees". All payments made must be approved by the Property Appraiser.

From our review of credit card billings, we found the following deficiencies:

1. Receipts or other documentation for charges made were not always attached to the associated credit card billings and there was no indication that all charges were fully reconciled to the associated documentation.

2. Charges were made for non-reimbursable employee travel expenses that were subsequently reimbursed by employees. Although this did not result in a net expense to the Office, this practice was not specifically allowed in the Office "Purchasing Procedures".

3. During 2018 and through September 2019, approximately $671 in interest and late fees were incurred on the credit card.

Recommendation:

We recommend the following regarding credit card transactions and usage:

1. **Full documentation of monthly charges should be attached to each credit card billing. Documentation should include the nature and business purpose of each charge made.**

2. **The "Purchasing Procedures" should be amended to prohibit personal charges to the credit card, even if subsequently reimbursed by employees.**

3. **Procedures should be amended so as to prevent and otherwise minimize the incurrence of interest and late fees on credit card balances.**

4. **A maximum effort should be made to secure documentation for all charges on the Office credit card. Such documentation is generally obtainable from the related vendors.**

COMPLIANCE AND OTHER MATTERS

2019-04 – Property Appraiser Salary

Based upon an "Employee Earnings Summary Report" prepared by the Property Appraiser from the QuickBooks accounting system, the Property Appraiser was paid the following salary amount for the fiscal year ended September 30, 2019.

Category	Amount
Official's salary	$ 103,822.00
Salary	31,598.00
Special assessment allocation	45,140.00
	$ 180,560.00

This is corroborated by his Forms W-2 for the past three calendar years as follows:

2017	$ 190,299.73
2018	$ 163,826.86
2019	$ 176,382.17

During the period the present Property Appraiser served as finance director of the Office, prior to being elected as Property Appraiser, he received a salary supplement to prepare and maintain the County's non-ad valorem assessment roll. This supplement was approved by the past Property Appraiser and was documented in his personnel file.

Once ascending to the position of Property Appraiser, Mr. Harvey has continued to supplement his statutory salary with additional compensation. He has asserted that in his opinion the duties relating to special assessment administration fell outside the duties of Property Appraiser and are deserving of additional compensation. This does not account for all of the additional compensation due to the fact that only $30,701.60 of the assessment funding was allocated to personnel related services during the year ended September 30, 2019.

The salary for the Property Appraiser is prescribed by Section 145.10 *Florida Statutes*, which provides a state-wide formula based on county populations. Other sections of this statute provide similar formulas for County Commissioners and other Constitutional Officers. Based upon this statute, the official salary of the Property Appraiser for the fiscal year ended September 30, 2019 was $108,336, which included an additional $2,000 for being designated a Certified Florida Property Appraiser. This provision of law has been upheld by the courts and Attorney General Opinions to prohibit officials from either increasing or reducing the official salary for the Office.

Recommendation:

We recommend that the Property Appraiser seek legal counsel to determine the appropriateness of the salary amounts he has received while serving as Property Appraiser. Any amounts determined to be in excess of the amounts allowable should be refunded proportionately to those governmental entities funding the budget of the Property Appraiser. Associated payroll taxes and retirement payments should also be refunded.

7

2019-05 – Non-Office-Related Expenditures

Faircloth Automotive – Based upon copies of invoices furnished by this vendor for the fiscal year ended September 30, 2019, the following payments were charged on the Office credit card for repairs to vehicles that were not owned and utilized by the Wakulla County Property Appraiser's Office:

Date	Invoice Number	Vehicle Description	Amount
February 20, 2019	10520	1998 Chevy Silverado Z-71	$ 3,707.54
February 7, 2019	10465	1999 Chevy 2500 4 X 4	1,887.15
December 3, 2018	10103	1999 Chevy 2500 4 X 4	568.88
December 4, 2018	10162	2011 Chevy Silverado LT	339.59
December 27, 2018	10274	1998 Chevy Silverado Z-71	1,866.82
November 15, 2018	10085	1998 Chevy Silverado Z-71	930.88
			$ 9,300.86

All of these payments were apparently signed for by the Property Appraiser and we could find no evidence of these non-official payments being reimbursed to the Property Appraiser's Office.

These questioned costs of $9,300.86 should either be justified as allowable public expenditures or reimbursed to the Office.

The Property Appraiser subsequently reimbursed $9,300.86 to the Office General Fund. This repayment was deposited on March 2, 2020.

The Property Appraiser subsequently also reimbursed $504.98 to the Office General Fund to repay personal expenses charged to Walmart. This repayment was deposited on March 2, 2020.

We thus question all of the unsubstantiated credit card charges, pending receipt of documentation identifying and substantiating those charges with an official purpose. All unsubstantiated charges should be reimbursed to the Office.

8

Wakulla County Property Appraiser

H. Bradley Harvey, CFA
Wakulla County Property Appraiser
3115-A Crawfordville Hwy – P.O. Box 26
Crawfordville, Florida 32326-0026

Telephone: (850) 926-0500
Fax: (850) 926-6367
www.mywakullapa.com

Mr. Powell,

Please find below a response to your Schedule of Findings and Questioned Costs for Fiscal Year Ending September 30, 2019.

Internal Controls Over Financial Reporting

2019-01 – Lack of Segregation of Duties
Mail – The Director of Management Services will assign the person designated to pick up and drop off mail from the office in their absence. All mail is to be brought to the Director of Management Services office to be opened. All mail is then opened by the Director of Management Services and given to the appropriate personnel for processing.

Entry and Payment of bills - All bills are reviewed by the Property Appraiser and then entered into the system by the Director of Management Services. Once all bills have entered and approved, the checks are then printed for payment of the bills and signed by the Property Appraiser. Once the Property Appraiser has signed all the checks to be mailed (the Property Appraiser is the only authorized check signer), the Director of Management Services mails the checks and combines the invoices and check stubs to be filed.

Deposits and Cash Payments – All payments collected are given to the Director of Management Services upon receipt. All payments are verified by the Property Appraiser and entered into the system by the Director of Management Services. Once the deposit entries have been verified the deposits are made to the appropriate account by the Director of Management Services or their appointee.

Credit Card Payments and Reconciliations - The Property Appraiser or Director of Management Services approve all purchases as needed. The Property Appraiser Office only has one card. All payments made are approved by the Property Appraiser. As needed the Property Appraiser or the Director of Management Services at the approval of the Property Appraiser shall use the credit card to pay for office supplies, vehicle repairs, educational events for employees and travel expenses for employees. The office has taken steps to ensure that the credit card statements are reviewed and reconciled by the Property Appraiser and the Director of Management Services monthly. These steps include verifying that there are supporting documents for all purchases including a copy of the receipt and a written description of what the charges were for and their use.

2019-02 – Payroll Related General Ledger Accounts
The accounts listed in this report are reflective of the Property Appraiser's Budget as approved by the Department of Revenue using the account codes that are provided by the Department in our system. All other payroll related general ledger entries are totaled in **the line 5560 Payroll expenses. At this time the office has created separate account numbers for these entries to make it easier to reflect the separation of budgeted items.**

2019-03 – Credit Card Usage
The Property Appraiser or Director of Management Services approve all purchases as needed. The Property Appraiser Office only has one card. All payments made are approved by the Property Appraiser. As needed the Property Appraiser or the Director of Management Services at the approval of the Property Appraiser shall use the credit card

to pay for office supplies, vehicle repairs, educational events for employees, travel expenses for employees and other office related expenses. The office has taken steps to ensure that the credit card statements are reviewed and reconciled by the Property Appraiser and the Director of Management Services monthly. These steps include verifying that there are supporting documents for all purchases including a copy of the receipt and a written description of what the charges were for and their use.

2019-04 – Property Appraiser Salary
Our office provided documents that support or justify Mr. Harvey receiving compensation in addition to his salary as Property Appraiser for processing and maintaining the Special Assessment rolls for the Wakulla County Board of County Commissioners per agreement. As Property Appraiser, Mr. Harvey does not receive a salary greater than that authorized by Florida Statute section145.10. Also, Mr. Harvey is no longer receiving any supplemented Stipend for processing and maintaining the Special Assessment Rolls for the Wakulla County Board of County Commissioners. No associated retirement payments were made for this Special Assessment stipend as stipends are not subject to retirement credits.

2019-05 – New Office-Related Expenditures
A review of the Credit Card statements by the Property Appraiser and the Director of Management Services resulted in the finding of several payments that were charged to the office credit card in error. The office received statements from Faircloth Automotive on February 21, 2020. Of these invoices there were six invoices totaling $9,300.86 that were billed to the office credit card in error for FY2018/2019. The office has invoiced these charged to Homer Bradley Harvey and as of February 21, 2020 the office has been reimbursed for the total amount of non-official charges billed in error to the office. The review also resulted in the finding of one charge from Walmart in the amount of $504.98 that was charged in error to the office credit card. The office has invoiced these charges to Homer Bradley Harvey and as of February 21, 2020 the office has been reimbursed for the total amount of non-official charges billed in error to the office. All other charges were verified as office related purchases and documents were sent to the Auditor on April 1, 2020 reflecting the described use of each purchase..

Thank You,

H. Bradley Harvey, CFA
Property Appraiser
Wakulla County, Florida

This page intentionally left blank.