



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



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Investigative Report

2021- 0001

Tina White – Inaccurate Information on County Grant Program Application

March 22, 2022



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INVESTIGATIVE REPORT 2021- 0001

DATE ISSUED: MARCH 22, 2022



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TINA WHITE – INACCURATE INFORMATION ON COUNTY GRANT PROGRAM APPLICATION

SUMMARY

WHAT WE DID

The Palm Beach County (County) Department of Housing and Economic Development (DHED) contacted the Palm Beach County Office of Inspector General (OIG) concerning Tina White's multiple applications to the County's Coronavirus Aid, Relief and Economic Security (CARES) Act Restart Business Grant (Restart Grant) Program and other assistance programs. DHED advised the OIG that Ms. White's applications contained inconsistent information.

During an initial review, the OIG found that Ms. White applied for Restart Grants on behalf of multiple businesses that had also received U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) forgivable loans. Based on our review of disclosures in the applications and relevant documents, the OIG initiated an investigation of the following allegation:

Allegation (1): Ms. White made false statements on Restart Grant applications, which resulted in improper grant funding from a County program funded by the CARES Act.

Our office reviewed Ms. White's Restart Grant and related applications to the County; SBA

PPP loan records for Ms. White's businesses; the funding agencies' program eligibility guidelines; and the financial records of Ms. White's applicant businesses. We also interviewed Ms. White and her tax preparer.

WHAT WE FOUND

Allegation (1) is supported. On July 30, 2020, the SBA approved Tina's Tires for a \$23,505 PPP loan through Valley National Bank. The PPP loan proceeds were deposited into Tina's Tires' bank account on August 5, 2020. Ms. White submitted the County's Restart Grant application for Tina's Tires on November 7, 2020. She did not disclose the PPP loan, as required. As a result, on December 1, 2020, the County awarded Tina's Tires a \$15,000 Restart Grant. The check was deposited into Tina's Tires account on December 8, 2020.

The inappropriate funding resulted in Identified Costs of **\$15,000.00**¹.

WHAT WE RECOMMEND

Because Ms. White has already repaid the Identified Costs of \$15,000, we make no recommendations in this matter.

¹ Identified costs are costs that have been identified as dollars that have the potential of being returned to the entity to offset the taxpayers' burden.

BACKGROUND**The CARES Act**

On March 1, 2020, Florida Governor Ron DeSantis directed the State Health Officer to issue a public health emergency in the State of Florida due to the COVID-19 pandemic. On March 13, 2020, then-Palm Beach County Mayor Dave Kerner declared a state of emergency in the County due to COVID-19.

On March 27, 2020, the President signed the CARES Act into law. The CARES Act allocated \$2.2 trillion in economic relief to individuals, businesses, and governments affected by COVID-19. State governments were allocated a total of \$139 billion based on their populations (as measured by the U.S. Census Bureau in 2019), with no state receiving less than \$1.25 billion. Florida received a total of \$8.328 billion, with \$261,174,832 of that total provided to Palm Beach County.

On May 15, 2020, the Palm Beach County Board of County Commissioners approved the Restart Business Grant Program. The County dedicated \$50 million of the approximately \$261 million allocated to it for businesses with 25 or fewer employees and dedicated \$10 million to businesses with more than 25 employees. Businesses located in the County that met certain criteria, including the following, were eligible to apply:

- Operating since October 1, 2019, and still operating on February 29, 2020;
- Not a publicly-traded company;
- Not a non-profit organization; and
- Had not received any COVID-19 relief funds in the form of a grant or forgivable loan exceeding \$25,000.



Eligible businesses included:

- Agriculture;
- Child Care Centers;
- Gyms and Fitness Studios;
- Hair Salons, Nail Salons, Barber Shops;
- Health Care Services and Medical Offices;
- Retail - Physical Brick/Mortar Stores; and
- Restaurants, Caterers, Bakeries

Eligible uses of Restart Grant Program funds included:

- Salaries/Payroll;
- Inventories;
- Commercial lease, mortgage, or rent payments; and
- Utilities.

Restart Grant Applications

The County accepted online applications for the Restart Grant program during the following periods:

- May 22, 2020 - June 12, 2020
- September 25, 2020 - October 9, 2020
- October 26, 2020- November 6, 2020

The maximum grant was \$25,000 for the first two of the three application periods. The maximum grant was \$15,000 for the third period. Before accessing the grant application, users were required to register with a portal and answer a ten-question eligibility questionnaire. The application asked for information including the business' name, address, type, and number of employees. The application also asked for the name, title, and percentage of ownership for each person with an ownership interest in the business.

The application listed 11 certifications, affirmations, and acknowledgements. Applicants were required to affirm these 11 certification, affirmation, and acknowledgement statements by digitally checking a box next to each one.

Included among those certifications, affirmations, and acknowledgements was the following:

I certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate. I understand that **knowingly making a false statement** in this application may subject me to criminal prosecution and penalties in accordance with applicable law, including, but not limited to, Chapter 817, Florida Statutes, and Chapter 47, United States Code, which may include up to five years imprisonment and/or up to a \$250,000 fine. **I further understand that, if it is determined that any of the requirements of the federal CARES Act are found to not be satisfied in connection with my application and/or grant award, Palm Beach County retains the right to seek reimbursement of any disbursed funds.** [Emphasis added]

The final page of the application required the applicant's digitally typed signature.

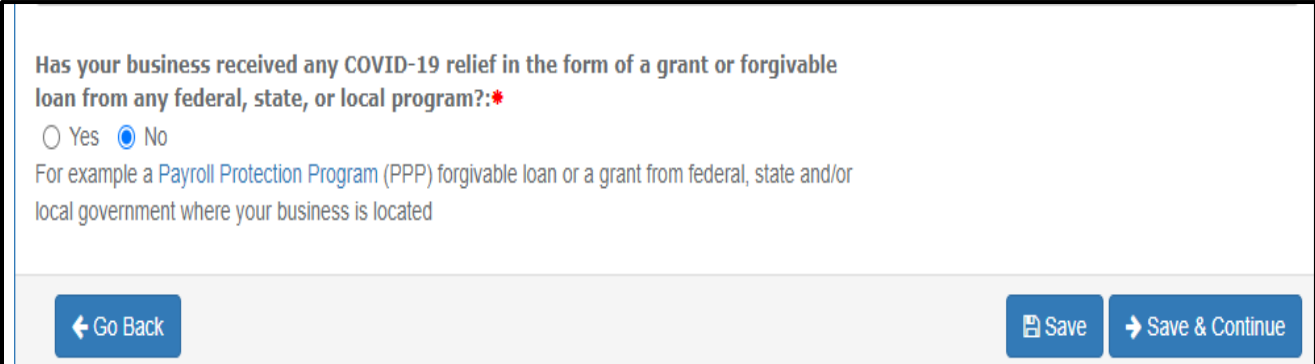
DHED assigned submitted applications to a contracted first reviewer, who ensured that applicants entered all required information and included all supporting records. If an application lacked a required document, the first reviewer called the primary contact listed on the application. The first reviewer then returned the application via the portal, and a system-generated email was sent to the applicant that provided instructions on logging in and resubmitting the application with the additional information. Returning an application removed the checks in the boxes next to the certifications, affirmations, and acknowledgements, and removed the name from the signature line. The applicant had to re-check each certification, affirmation, and acknowledgement, and re-type the name on the signature line before re-submitting it with all required information.

First reviewers also calculated the grant amount for eligible applicants. The amount of revenue listed in the corporate tax return provided with applications was the primary factor in determining the need for the requested grant amount.

A second reviewer who worked for either DHED or the County Office of Equal Business Opportunity then confirmed that the application was completed properly. Once the grant applications were reviewed by DHED twice, the applications went to the County Purchasing Department, which has access to the Internal Revenue Service database, to ensure the tax identification number (TIN) on the grant application was legitimate and the information provided matched information in the IRS database. The TIN match was the last step before grant funds were disbursed by the PBC Clerk and Comptroller's Office. In order for the grant funds to be disbursed, the TIN on the grant application and the IRS database had to match. If the TIN matched, the Purchasing Department would notify DHED so that DHED could complete its approval process. If the application was approved, DHED emailed a request for payment to the County Finance Department of the Clerk and Comptroller's Office. The Clerk and Comptroller's Office issued checks payable to the business and mailed them to the business address provided in the application.

Question 17 of the County Restart Business Grant Application

The Restart Grant application has an Eligibility Questionnaire section with ten questions, an Application section with 18 questions, a Certification and Affirmations section, and an Acknowledgement section. Question 17 in the Application section asked the following:



Has your business received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program?:*

Yes No

For example a Payroll Protection Program (PPP) forgivable loan or a grant from federal, state and/or local government where your business is located

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If the answer was "Yes," an "Enter Amount" box opened and additional text appeared, stating the following:

- If "YES", please provide documentation (such as executed Promissory Notes, Grant Agreements etc.) to verify how much relief your business received.
- If "YES", **any amounts your business received will be deducted** from any potential award your business may receive from the Restart Grant Program. [Emphasis added]

Has your business received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program?:*

Yes No

For example a Payroll Protection Program (PPP) forgivable loan or a grant from federal, state and/or local government where your business is located

Enter Amount:*

\$

- If "YES", please provide documentation (such as executed Promissory Notes, Grant Agreements etc.) to verify how much relief your business received
- If "YES", any amounts your business received will be deducted from any potential award your business may receive from the Restart Business Grant Program

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SBA PPP Forgivable Loans

The SBA PPP is a \$953 billion business loan program established by the United States federal government in 2020 through the CARES Act that provides forgivable emergency loans to certain businesses, self-employed workers, sole proprietors, certain nonprofit organizations, and tribal businesses to keep and rehire employees. As a result, if the business spends the PPP loan's proceeds on eligible expenses, such as payroll, rent, mortgage interest, personal protective equipment, or utilities, and the business timely applies for loan forgiveness, the United States government will forgive the loan.



Ms. White's Businesses

- Brilliant Minds Strategies, Inc. (BMS) is a Florida corporation established on May 17, 2012. Ms. White is listed with the Florida Division of Corporations (Sunbiz) as BMS' president and registered agent.
- RH 2401 Ocean, LLC (RH 2401) is a Florida limited liability company established on April 4, 2017. Ms. White is listed on Sunbiz as the manager, chairman, and registered agent of RH 2401.
- D & W Tires Direct, LLC (D & W Tires) is a Florida limited liability company established by Dale Saunders on June 21, 2018. Currently, Ms. White is listed on Sunbiz as the manager and registered agent of D & W Tires.
- Tina's Tires, Inc. (Tina's Tires) is a Florida Corporation established on April 11, 2019. Ms. White is listed on Sunbiz as the president, vice president, and registered agent of Tina's Tires.

Ms. White submitted Restart Grant applications for each of these businesses. Based on those applications, BMS received \$2,323.50; RH 2401 received \$15,000; D & W Tires received \$25,000; and Tina's Tires received \$15,000 from the County.

Three of Ms. White's businesses also applied for and received PPP loans. BMS received \$20,102.00; D & W Tires received \$12,500.00; and Tina's Tires received \$23,505.00.

Summary of Ms. White's Business Grants

The following OIG chart details the Restart Business Grants and PPP forgivable loans for Ms. White and her businesses:

Entity	Date of Restart Grant Application	Date of Receipt of PPP Funding	Amount of Funding
D&W Tires	6/18/2020		\$25,000
D&W Tires		6/29/2020	\$12,500
BMS	6/19/2020		\$2,323.50
BMS		7/1/2020	\$20,102
RH 2401	11/2/2020		\$15,000
RH 2401		N/A	\$0
Tina's Tires	11/7/2020		\$15,000
Tina's Tires		8/5/2020	\$23,505

ALLEGATIONS AND FINDINGS

Allegation (1):

Ms. White made false statements on Restart Grant applications, which resulted in improper grant funding from a County program funded by the CARES Act.

Governing Directive:

Palm Beach County CARES for Business Restart Business Grant applications and program guidelines

Finding:

The information obtained **supports** the allegation.

The OIG reviewed Ms. White's applications, supporting documents, and financial records, as well as, the program requirements and guidelines for the Restart Grant and PPP programs.

OIG Review of Restart Business Grant and PPP Applications

D & W Tires

Ms. White electronically signed and submitted a Restart Grant application for D & W Tires to DHED on June 18, 2020. In the application, she identified herself as the business' sole owner, and stated the business had two employees. She certified in the application that D & W Tires had not received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program. DHED approved the application on June 18, 2020. On July 9, 2020, the Clerk and Comptroller's Office issued D & W Tires a \$25,000 check.

The OIG's review of open source records and D & W Tire's financial records revealed that the company received \$12,500 in PPP funds on June 29, 2020, after it applied for Restart Grant funds to the County.

BMS

Ms. White electronically signed and submitted a Restart Grant application for BMS to DHED on June 19, 2020. In the application, she identified herself as the business' president and owner, and stated the business had one employee. She certified in the application that BMS had not received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program. DHED approved the application on June 26, 2020. On June 30, 2020, the Clerk and Comptroller's Office issued BMS a \$2,323.50 check.

The OIG's review of open source records and BMS's financial records revealed that the company received \$20,102 in PPP funds on July 1, 2020, after its application for Restart Grant funds to the County.

RH 2401

Ms. White electronically signed and submitted a Restart Grant application for RH 2401 to DHED on November 2, 2020. In the application, she identified herself as the business' managing partner and owner, and stated the business had one employee. She certified in the application that BMS had not received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program. DHED approved the application on November 12, 2020. On November 23, 2020, the Clerk and Comptroller's Office issued RH 2401 a \$15,000 check.

Based upon the OIG's review of open source records and RH 2401's financial records, it does not appear that the company received PPP funds.

Thus, we found that neither BMS, D & W Tires, nor RH 2401 received PPP funds prior to Ms. White submitting Restart Grant applications for them.

Tina's Tires' PPP Forgivable Loan

The OIG examined open source records to determine if Tina's Tires had applied for and received PPP loan funding. Those records showed that on July 30, 2020, the SBA approved a \$23,505 PPP loan to Tina's Tires.

The OIG's review of Tina's Tires' financial records showed that on August 5, 2020, the PPP loan proceeds were deposited into Tina's Tires' small business checking account.

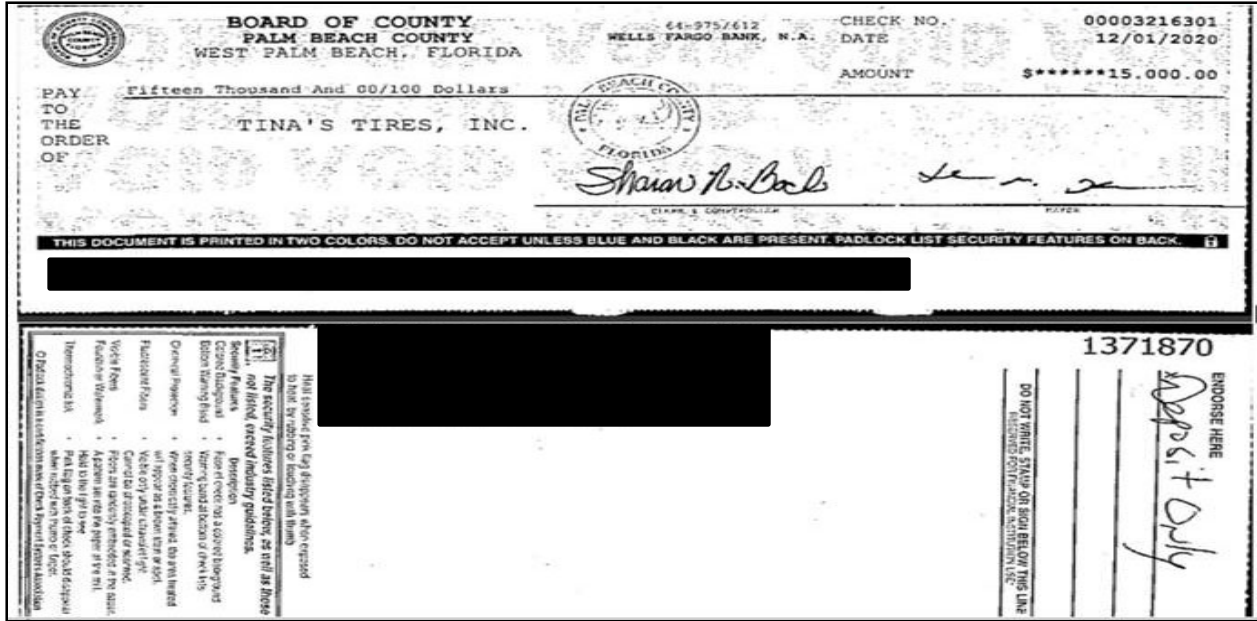
Non-Check Transactions		
Date	Description	Amount
07/31	Deposit	.00
08/05	LOAN FUNDING 1385308209	23,505.00

Tina's Tires Restart Grant

Ms. White electronically signed and submitted the Restart Grant application for Tina's Tires to DHED on November 7, 2020. In the application, she identified herself as the business' president and owner, and stated the business had one employee. Ms. White responded "No" to question 17 on the application, which asked, "Has your business received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, and/or local program?"

<p>17. Has your business received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program?</p> <p>For example a Payroll Protection Program (PPP) forgivable loan or a grant from federal, state and/or local government where your business is located</p>
No

DHED approved the application for Tina's Tires on November 11, 2020, and on December 1, 2020, the Clerk and Comptroller's Office issued Tina's Tires a check for \$15,000



A review of Tina’s Tires’ bank records showed that check was deposited into Tina’s Tires’ account on December 8, 2020.

Non-Check Transactions		
Date	Description	Amount
12/08	Deposit	15,000.00

The OIG examined open source records to determine if Tina’s Tires received PPP loan funding. Those records showed that on July 30, 2020, the SBA approved a \$23,505 PPP loan to Tina’s Tires.

The OIG’s review of Tina’s Tires’ financial records showed that on August 5, 2020, the PPP loan proceeds were deposited into Tina’s Tires’ small business checking account—three months prior to the date Ms. White applied for a Restart Grant.

OIG Interview of Tina White

On October 19, 2021, the OIG interviewed Ms. White, and she acknowledged that she applied for Restart Grants for Tina’s Tires, BMS, D & W Tires, and RH 2401. She completed, electronically signed, and submitted the applications. Ms. White also indicated that PPP loan applications were submitted to the SBA for Tina’s Tires, BMS, and D & W Tires. However, she did not complete the PPP loan applications herself. Ms. White found the PPP loan applications difficult, and therefore, had her tax preparer, Pierre Smith, complete the applications on her companies’ behalf.

Ms. White stated that she is the only employee at Tina’s Tires. Ms. White confirmed that she answered “No” to question 17 on Restart Grant application for Tina’s Tires, which asked, “Has your business received any COVID-19 relief in the form of a grant or forgivable loan from any

federal, state, and/or local program?” When the OIG showed Ms. White Tina’s Tires’ bank statement showing \$23,505 in PPP funding was deposited on August 5, 2020, Ms. White stated she thought she applied for the PPP loan after she received funds from the County. She stated, “[t]his was just a mistake. I assumed I didn’t get any PPP before the County applications.”

In a subsequent OIG interview of Ms. White, she told the OIG that Tina’s Tires conducted its own internal audit and in doing so discovered that it owed the County a reimbursement of \$15,000. Ms. White again stated that this occurred due to “human error”.

Tina’s Tires Reimbursement to Palm Beach County

On December 17, 2021, Ms. White provided a repayment to the County in the amount of \$15,000.

OIG Conclusion

Tina’s Tires was approved for \$23,505.00 in federal PPP forgivable loan proceeds on July 30, 2020. On August 5, 2020, the PPP loan was deposited into Tina’s Tires’ checking account. Tina’s Tires received this \$23,505 PPP loan approximately 94 days before Ms. White completed Tina’s Tires County Restart Grant application.

Ms. White answered “No” to Question 17 on the Tina’s Tires application when she submitted it on November 7, 2020. Question 17 specifically asked if her applicant business had received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, and/or local program, and specifically listed “Payroll Protection Program (PPP) forgivable loan” as an example of relief that needed to be disclosed. **Ms. White’s answer to that question was not true nor accurate.** If she had answered that question truthfully, Tina’s Tires’ Restart Grant would have been reduced by the \$23,505 it had already received in PPP funds. Since its Restart Grant was only \$15,000, it would not have received any Restart Grant funds. The false statement made by Ms. White on this application resulted in identified costs of \$15,000.

The allegation is **supported**.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Identified Costs: \$15,000

ACKNOWLEDGEMENT

The Inspector General’s Investigations Division would like to thank the County Department of Housing and Economic Development staff for their cooperation throughout this investigation.

RESPONSE FROM MANAGEMENT

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, DHED was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. Their written response is:

The County concurs with the IG recommendation included in OIG Investigation 2021-0001 that the Tina's Tires Restart Business Application award of \$15,000 was based on inaccurate and untrue declarations included in the application by the applicant. Following the business owner's interview with the IG, a check for \$15,000 was issued back to the County by Tina's Tires. Please find attached the reimbursement check received.

Please let us know if you have any questions or need anything additional.

RESPONSE FROM TINA WHITE

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Ms. White was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in this Investigative Report within ten (10) calendar days. Her written response is attached to this report as Attachment A.

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

ATTACHMENT A

To: Palm Beach County Office of Inspector General

From: Tina M. White, President, CEO, Managing Partner and Founder of TINA'S TIRES, INC., Brilliant Minds Strategies, Inc., D & W Tires Direct, LLC and RH 2401 Ocean, LLC

Subject: Response to OIG's Draft PBCO Restart Grant Audits Dated March 7, 2022

Date: March 17, 2022

In **November 2021** TINA'S TIRES, INC. conducted an **internal audit** that confirmed that PPP funding was received before applying and receiving PBCO Restart Business Grant award in the amount of \$15,000.

On **December 17, 2021** TINA'S TIRES, INC. **voluntarily** and appropriately in **good faith** reimbursed Palm Beach County Board of Commissioners in the amount of **\$15,000**, and hand delivered the cashier check to **Mr. Jonathan Brown**, Director of Office of Sustainability and Housing, who was responsible for the Restart Grant program in 2020.

The OIG's Draft Audit Report dated March 7, 2022 inaccurately reported that Tina M. White was interviewed **twice** by their office.

Tina M. White voluntarily was interviewed **only on October 19, 2021** by the **OIG** staffer **Lizette McGowan** and a male staffer.

In the interview the OIG stated that Brilliant Minds Strategies, Inc., D & W Tires Direct, LLC and RH 2401 Ocean, LLC received PPP Loans **after** receiving PBCO Restart Grant, which was permitted in accordance with the applications rules and there was **no misappropriation of Restart Grant funds** and **inaccurate applications information submitted**.

On **October 19, 2021** in the interview the OIG's Ms. McGowan stated that **TINA'S TIRES, INC.** received PPP Funding before applying and receiving PBCO Restart Grant.

I replied that it was **honest human error** if factual; because I thought all of my companies' PPP funding was applied for and received at the same time; which was **after** applying and receiving PBCO Restart Grants for all **four businesses** as the rules permitted.

I stated that I **did not** apply for any SBA PPP Loans, but utilized the services of an accounting firm that prepares my annual corporate taxes, due to the application complexities of the SBA's salary calculations.

The OIG reported accurately that they interviewed the principal of the accounting firm and this information was validated as **truthful**; that he prepared all of my businesses' **PPP loan applications**.

I also stated on **October 19, 2021** to the OIG's Ms. McGowan that I would conduct an **internal audit** in **November 2021**, and if factual **TINA'S TIRES** received a PPP loan before receiving PBCO Restart Grant unlike the other **three businesses** receiving PPP loans **after** PBCO Restart Grant awards; I would immediately **reimburse** Palm Beach County Board of Commissioners in the full amount of **\$15,000**.

In **November 2021** TINA'S TIRES, INC. conducted an **internal audit** that confirmed that PPP funding was received before applying and receiving PBCO Restart Business Grant award, but the PPP loan had not been spent; and **voluntarily** reimbursed Palm Beach County Board of Commissioners in the amount of **\$15,000** on **December 17, 2021**.

The OIG via email requested on **March 26, 2021** and received on **March 26, 2021** copies of paid business expenditures receipts; which was independently validated that **TINA'S TIRES** purchased a **tire forklift press** for the business in the amount of **\$36,000**; and that the **\$15,000** restart grant was used in accordance with business expenditures guidelines and there were **no misappropriation of funds**.

The Office of Equal Business Opportunity Ms. Angie Whitaker requested to inspect TINA'S TIRES' business equipment on **June 4, 2021** and received on **June 4, 2021** during the inspection copies of paid business expenditures receipts; which was independently validated that **TINA'S TIRES** purchased a **tire forklift press** for the business in the amount of **\$36,000**; and that the **\$15,000** restart grant was used in accordance with business expenditures guidelines and there were **no misappropriation of funds**.

TINA'S TIRES, INC.'s PPP loan was forgiven by the SBA and Valley Bank, in accordance with the **SBA's** approved business expenditures guidelines.

The OIG requested on **March 26, 2021** and received on **March 26, 2021** copies of paid business expenditures receipts; which were independently validated that **Brilliant Minds Strategies, Inc.'s** restart grant of **\$2,323.50** was used for salary payment, in accordance with business expenditures guidelines and there were **no misappropriation of funds**.

Brilliant Minds Strategies' PPP loan was **forgiven** by the SBA and Valley Bank, in accordance with the **SBA's** approved business expenditures guidelines.

The OIG requested on **March 26, 2021** and received on **March 26, 2021** copies of paid business expenditures receipts; which were independently validated that **D & W Tires Direct, LLC's** restart grant of **\$25,000** was used for the purchase of a **delivery box truck** and **inventory stock tires**, in accordance with business expenditure guidelines and there were **no misappropriation of funds**.

D & W Tires Direct, LLC's PPP loan was **forgiven** by the SBA and Valley Bank, in accordance with the **SBA's** approved business expenditures guidelines.

The Office of Equal Business Opportunity's Ms. Angie Whitaker requested to inspect D & W Tires Direct's business equipment and stock tires inventory on **June 4, 2021** and received on **June 4, 2021** during the inspection copies of the paid business expenditures receipts in the amount of **\$25,000** used for the purchase of a **delivery box truck** and **inventory stock tires**; which was independently validated that **D & W TIRES DIRECT** purchased a **delivery box truck** and **stock tires inventory** for the business; and that the **\$15,000** restart grant was used, in accordance with business expenditures guidelines and there were **no misappropriation of funds**.

The OIG requested on **March 26, 2021** and received on **March 26, 2021** copies of paid business expenditures receipts; which was independently validated that **RH 2401 Ocean, LLC's** restart grant of **\$15,000** was used for office rent payments, which was independently validated that **RH 2401 Ocean** paid for office rent, in accordance with business expenditures guidelines and there were **no misappropriation of funds**.

RH 2401 Ocean, LLC did not apply or receive a PPP loan.

Respectfully,

Tina M. White, President, CEO and Founder

Email: tinatires@gmail.com