



John A. Carey  
Inspector General

OFFICE OF INSPECTOR GENERAL  
PALM BEACH COUNTY



Inspector General  
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*“Enhancing Public Trust in Government”*

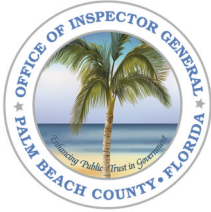
**Redacted per §119.071(5)(a) and 5(b), F.S.**

# Investigative Report

## 2021-0007

# Eclipse Wellness Center— False Statements on CARES Act Grant Application

## May 18, 2022



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Inspector General

## OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

### INVESTIGATIVE REPORT 2021-0007

DATE ISSUED: May 18, 2022



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## ECLIPSE WELLNESS CENTER– FALSE STATEMENTS ON CARES ACT GRANT 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 Eclipse Wellness Center, Inc.'s (Eclipse) applications to the County Coronavirus Aid, Relief and Economic Security (CARES) Act Restart Business (Restart Grant) program. DHED advised the OIG that after receiving a \$25,000 grant, Eclipse submitted a second application that failed to disclose its prior receipt of Restart Grant funding, resulting in the County approving and issuing a second grant payment.

DHED records showed that Janette Alfonso submitted a Restart Grant application on behalf of Eclipse on May 26, 2020, and Kerman Gonzalez Hernandez (Mr. Gonzalez) submitted a second Restart Grant application on behalf of Eclipse on October 28, 2020. If Eclipse had disclosed its initial \$25,000 Restart Grant on the County's Eligibility Questionnaire on October 28, 2020, as required, Eclipse would not have been permitted to submit a second application, and it would not have received an additional \$10,300 from the County.

Based on our review of Eclipse's financial records and Restart Grant applications, the OIG initiated an investigation of the following allegation:

**Allegation (1):** Eclipse Wellness Center, Inc. submitted a Restart Business Grant application containing false statements, resulting in improper grant funding from a County program funded by the CARES Act.

Our office reviewed Eclipse's Restart Grant applications and supporting documents submitted to the County; its Small Business Association (SBA) Paycheck Protection Program (PPP) loan records; the funding agencies' program eligibility guidelines; and Eclipse's financial records. We also interviewed Mr. Gonzalez, Ms. Alfonso, and County personnel.

#### WHAT WE FOUND

We found sufficient evidence to **support** the allegation. On May 30, 2020, the County approved a \$25,000 Restart Grant to Eclipse. Ms. Alfonso deposited those funds into Eclipse's checking account on June 11, 2020.

On October 28, 2020, Mr. Gonzalez, with the knowledge and assistance of Ms. Alfonso, submitted a second Restart Grant application to the County on behalf of Eclipse. He did not disclose Eclipse's prior Restart Grant, as required, resulting in the County awarding Eclipse a second Restart Grant of \$10,300, for which it was not eligible. The inappropriate grant resulted in **Identified Costs<sup>1</sup> of \$10,300.**

We found sufficient information to warrant referral of our finding that Ms. Alfonso and Mr. Gonzalez worked together to submit Eclipse's second Restart Grant application with false statements, to the State Attorney's Office for a determination of whether the facts arise to criminal acts under section 817.03, and section 812.014, Florida Statutes.

We also found sufficient information to warrant referral of our finding to the United States Attorney's Office for a determination of whether the Eclipse applications constitute violations of Title 18, Chapter 47, section 1001, United States Criminal Code.

Eclipse's response to this report is attached.

#### WHAT WE RECOMMEND

We make one recommendation, that the County seek reimbursement of \$10,300 in issued funds. The County accepted this recommendation.

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<sup>1</sup> 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 Business Grant Program funds included:

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

- Utilities.

## Restart Business Grant Applications

The County accepted online applications for the Restart Business 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, completing, and submitting the grant application, users were required to register with the Restart Grant portal by creating a user name and password and answering a ten-question Eligibility Questionnaire. If the applicant's answers to the questionnaire indicated that the applicant met the eligibility requirements, the applicant would then answer an 18 question application.

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 statements by digitally checking a box next to each one.

Included among those certifications 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 record, 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-

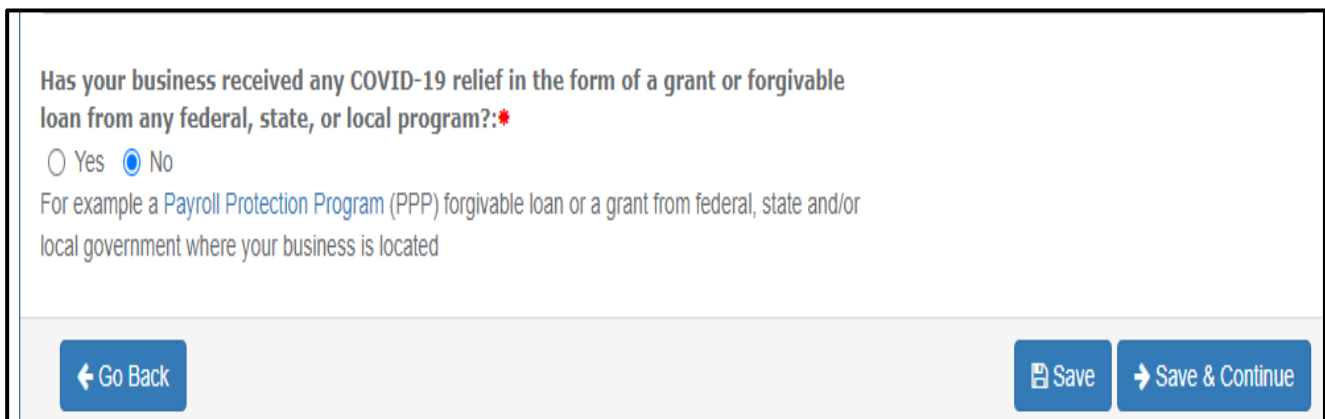
check each certification, affirmation, and acknowledgement, and re-type the name on the signature line before re-submitting it with all required information.

First reviewers also calculated the grant amount for eligible applicants. The amount of revenue listed in the 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 Office of Equal Business Opportunity then confirmed that the application was completed properly and that the applicant's tax identification number (TIN)<sup>2</sup> matched the documents submitted. 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 taxpayer identification number (TIN) on the grant application was legitimate and matched information in the IRS database. 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 address provided in the application.

### Question 17 of the County Restart Business Grant Application

There were 18 questions in the General Information section of the on-line application. Question 17 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** [Emphasis added] from any potential award your business may receive from the Restart

<sup>2</sup> According to the County's grant application, the TIN could be either an employer identification number (EIN) or a social security number (SSN),

Business Grant Program.

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

**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 to help certain businesses, self-employed workers, sole proprietors, certain nonprofit organizations, and tribal businesses continue to pay their workers.



The SBA PPP provides forgivable emergency loans so that businesses can keep and rehire employees. As a result, if a SBA PPP loan's proceeds are spent on payroll, rent, mortgage interest, or utilities, the United States government will forgive the loan.

**Eclipse Wellness Center, Inc.**

Eclipse Wellness Center, Inc. was incorporated in Florida on September 20, 2017. The Articles of Incorporation listed Ms. Alfonso as the initial Chief Operating Officer, incorporator, and registered agent, and listed "Kerman Gonzalez" as the Chief Operating Officer. Ms. Alfonso is listed as Eclipse's CEO on its Annual Reports submitted with the Florida Division of Corporations until Eclipse submitted an Amended Annual Report on September 24, 2021, listing "Kerman Gonzalez Hernandez" as its CEO. At all times prior to the 2021 Amended Annual Report, Eclipse listed "Kerman Gonzalez" as its COO. Eclipse's 2022 Annual Report lists "Kerman Gonzalez Hernandez" as President and registered agent, and Ms. Alfonso as manager. Mr. Gonzalez uses both "Kerman Gonzalez Hernandez" and "Kerman Gonzalez" to identify himself.

Sunbiz corporate records show that at the time of Eclipse's Restart Grant applications in May 2020 and October 2020, Ms. Alfonso was the registered agent and Chief Executive Officer, and Mr. Gonzalez was the Chief Operating Officer.

## ALLEGATIONS AND FINDINGS

### Allegation (1):

***Eclipse Wellness Center, Inc. submitted a Restart Grant application containing false statements, resulting in improper grant funding from a County program funded by the CARES Act.***

### Governing Directives:

Palm Beach County CARES for Business Restart Business Grant application guidelines.

### Finding:

The information obtained **supports** the allegation.

The OIG's review of the relevant facts established the following Eclipse timeline:





### First Eclipse Restart Business Grant Application

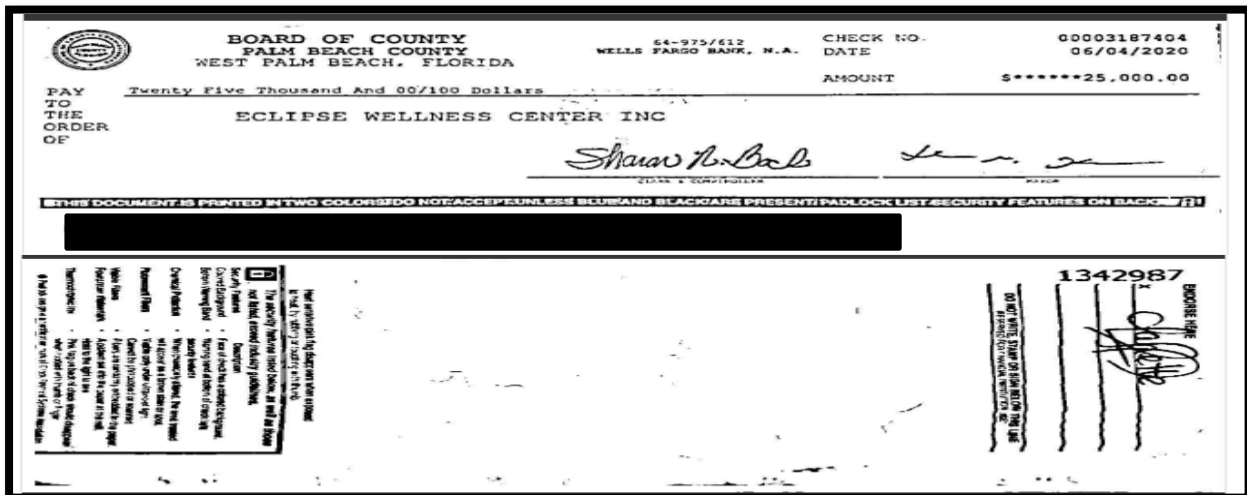
On May 26, 2020, Ms. Alfonso re-submitted<sup>3</sup> Restart Grant application No. 0772 to the County on behalf of Eclipse. Under “Business Ownership,” the application reflects that Ms. Alfonso and Mr. Gonzalez shared the business ownership equally.

| 15. Business Ownership:                            |       |    |                |
|--|-------|----|----------------|
| Owner Name   | Title | %  | TIN (EIN, SSN) |
| janette alfonso                                    | CEO   | 50 | [REDACTED]     |
| 1640 Walden lane , West palm beach , Florida 33406 |       |    |                |
| Kerman González                                    | Coo   | 50 | [REDACTED]     |
| 1640 Walden lane , West palm beach , Florida 33406 |       |    |                |

Ms. Alfonso acknowledged and electronically signed the application. DHED approved the application on May 30, 2020.

### First Restart Business Grant Payment to Eclipse

On June 4, 2020, the County issued check #00003187404 for \$25,000 to Eclipse. Ms. Alfonso signed and deposited the check into Eclipse’s business account on June 11, 2020.



### Eclipse SBA PPP Forgivable Loan

The OIG reviewed open-source records that showed that on April 4, 2020, the SBA approved a \$4,700.00 PPP loan to Eclipse. On May 12, 2020, Mr. Kerman Gonzalez signed a promissory note accepting the terms of the loan.

<sup>3</sup> The original application submitted on May 24, 2020 had been returned with a request for additional documentation.

The OIG's review of Eclipse's financial records show that on May 27, 2020, one day after Ms. Alonso applied for the Restart Business Grant from the County on behalf of Eclipse, the PPP loan proceeds were deposited into Eclipse's business checking account.

### Second Eclipse Restart Business Grant Application

On October 26, 2020, Eclipse submitted a second Restart Grant application (No. 6498), with Mr. Gonzalez's electronic signature.

The applicant responded "No" to Question 10 of the Eligibility Questionnaire section of the application, "Has the business received any COVID-19 relief funds in the form of a grant or forgivable loan from any federal, state, and/or local government exceeding \$15,000?" However, by that date, Eclipse had already received a \$4,700 SBA PPP loan and \$25,000 in Restart Grant funds; a total of \$29,700 in grants and forgivable loans.

|   |
|---|
| <p>10. Has the business received any COVID-19 relief funds in the form of a grant or forgivable loan from federal, state and/or any local government exceeding \$15,000?</p> <p>Yes      No ✓</p> |
|---|

The applicant also answered "No" to Question 11 of the Eligibility Questionnaire section of the application, "Did this business receive a PBC Cares for Business Restart Business Grant?"

|   |
|---|
|   <p><b>PALM BEACH COUNTY CARES FOR BUSINESS</b></p> |
| <p>11. Did this business receive a PBC Cares for Business Restart Business Grant?</p> <p>Yes      No ✓</p>  |

Once the applicant responded "no" to questions 10 and 11 of the Eligibility Questionnaire, the applicant was permitted to fill out the application. Mr. Gonzalez was listed as 100%<sup>4</sup> owner of the business.

<sup>4</sup> Schedule K-1 of Eclipse's 2019 tax return attached to the application shows the shareholders' percentage of stock ownership to be 50-50 between Ms. Alfonso and Mr. Gonzalez.

| 15. Business Ownership:                           |       |     |                |
|---|-------|-----|----------------|
| Owner Name  | Title | %   | TIN (EIN, SSN) |
| Kerman Gonzalez hernandez                         | coo   | 100 | [REDACTED]     |
| 1640 walden lane , west palm beach, Florida 33406 |       |     |                |

On October 28, 2020, DHED’s first reviewer noted that he was returning the application to the applicant. The DHED internal log states “Returned to Applicant.” The application was sent to office@eclipsewellnesscenter.com. The DHED’s first reviewer noted multiple reasons for returning the application, including “The EIN on the General Information section of the application is incorrect; it reflects the SSN and not the EIN. Please correct.” Although the first review instructed the applicant to correct the EIN, the DHED system was not configured to allow the applicant to remove the social security number and add an EIN. Only a DHED administrator could make that correction.

Eclipse resubmitted the application on October 28, 2020 with Mr. Gonzalez’s social security number. Mr. Gonzalez’s name appears on the signature line of the resubmitted application. Ms. Alphonso’s name does not appear on the application’s signature line. Although Eclipse answered “no” to questions 10 and 11 on the Eligibility Questionnaire, the applicant answered question 17 of the Restart Application affirmatively and noted that Eclipse received \$4,700 from the SBA PPP program.




**PALM BEACH COUNTY CARES FOR BUSINESS**

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

Yes \$4,700.00

On November 3, 2020, DHED’s second reviewer approved the application, and noted “EIN on application to be changed to [REDACTED] to match other documents submitted”. DHED removed Mr. Gonzalez’s social security number and added Eclipse’s EIN. No individual from Eclipse was involved in the correction of this identification information.

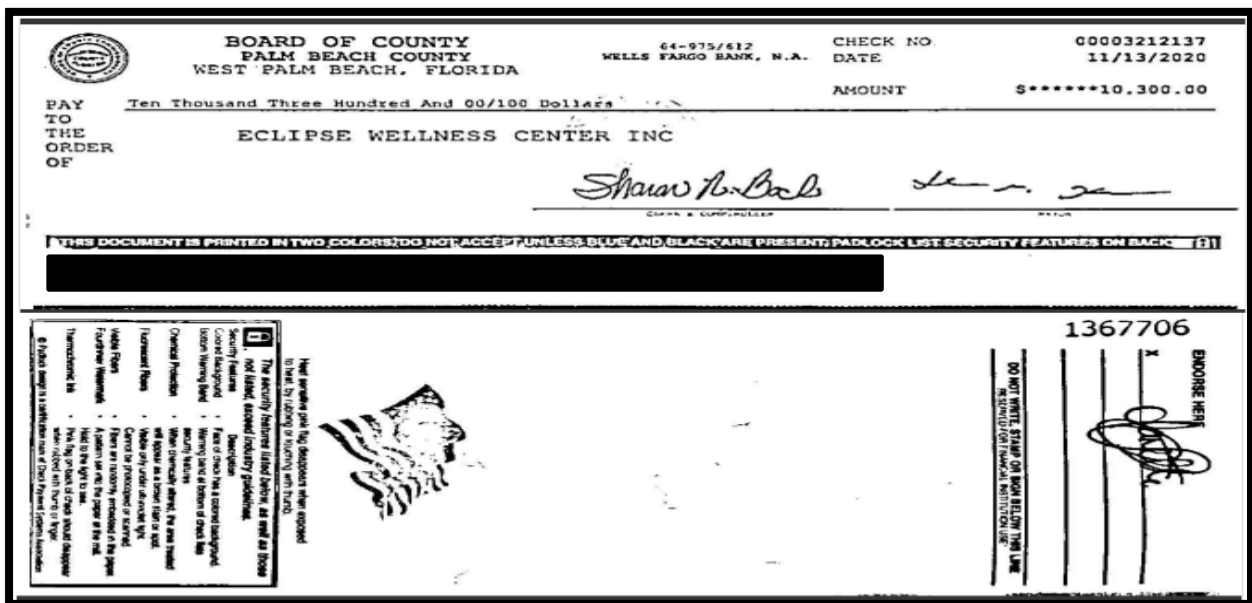
**9. Tax Identification Number (EIN or SSN) as Shown in [Part I of W-9](#)**

[REDACTED]

Both applications No. 6498 and No. 0772 identified the applicant as “Eclipse Wellness Center, Inc.” and listed the principal business address as 3015 S. Congress Avenue, Suite 7, Palm Springs, Florida 33461.” Although the two applications had the same business name and address, the applicant was able to re-submit the second application for review and approval with Mr. Gonzalez’s social security number. Although the first reviewer had noted this as an error, and DHED Administrator<sup>5</sup> updated Eclipse’s second application to add the same EIN Eclipse had used on its first application, the County approved Eclipse’s second application.

**Second Restart Business Grant Payment to Eclipse**

On November 13, 2020, the Palm Beach County Clerk and Comptroller’s Office issued check #00003212137 for \$10,300 to Eclipse.<sup>6</sup> Ms. Alfonso signed and deposited the



check into Eclipse’s business account on November 23, 2020, just as she had for the \$25,000 Restart Business grant.

**Communication between County Clerk’s Office and DHED**

On February 8, 2021, the Manager of Finance Services at the Palm Beach County Clerk and Comptroller’s Office sent an email to DHED Deputy Director Sherry Howard stating that the Clerk and Comptroller’s office had identified that the Eclipse payment request application had the same EIN number and address as a prior grant recipient, and asked for confirmation that this was not an error. On that same date, Ms. Howard replied with the following email:

<sup>5</sup> DHED has not identified which Administrator made the change.

<sup>6</sup> The County subtracted the \$4,700 PPP loan amount from the \$15,000 maximum Restart Business Grant available to eligible companies on the date of Eclipse’s second application.

After reviewing the application 772 and 6498 we arrived at the following conclusions:

- Both applications are the same business
- In the application eligibility section the applicant answered “no” to “Did this business receive a PBC Cares for Business Grant”. If the question would have been answered accurately, they would have not have had the ability to proceed to the application.
- The safeguards put in place were bypassed when the applicant entered the application under a Social Security number. If the EIN number was entered initially, it would not have been able to move forward in the system as it would have been recognized as a duplicate. The reviewer when trying to match attached business information and application info noticed the applicant should have applied under EIN not SSN. Reviewer did not know this applicant has applied and received care grant funds prior. The SSN was changed to EIN to TIN match with purchasing.
- The applicant also certified that all the information in the application was true and accurate and acknowledged the penalties of making false statements under FL Statutes.
- DHES recommends applicant 6498 return the funds on the amount of \$10,300 and will send to the County’s IG for investigation.”

### **OIG Interview of DHED Deputy Director Sherry Howard**

Ms. Howard told the OIG that Eclipse’s initial submission with a social security number instead of the business’ EIN bypassed detection of the duplicate applications in the County’s system. She said that even after the application was changed to reflect the correct EIN, the system would not have caught the duplicated application, as it had already passed the initial screening.

### **OIG Interview of Janette Alfonso**

Ms. Alfonso told the OIG that she and her husband, Kerman Gonzalez, are each 50 percent owners of Eclipse. She stated that she submitted the first Restart Grant application to the County in May or June of 2020, and received \$25,000 from the County in June of 2020. Ms. Alfonso said that Eclipse also received \$10,300 from the County for another application that she submitted on behalf of Eclipse.

Ms. Alfonso said she completed both applications. When the OIG asked her why the second application listed only her husband’s name, Ms. Alfonso stated:

“Well I just thought that maybe if I just put my name and his name...his name is on the first one as well... Like I didn’t know once you get the first one you cannot get the second one.”

The OIG asked Ms. Alfonso why she answered “No” on the second application to question number 10 on the eligibility questionnaire, Ms. Alfonso stated “I only read until Federal, that’s it. I only got the PPP and it was \$4,700”. Ms. Alfonso said she did not read the full sentence, which included the word “local.”

When asked why she initially submitted the second application with her spouse’s social security number, Ms. Alfonso stated:

So if your records show that Eclipse with that tax ID number already had \$25,000, why would your records not show that it already had a grant and the grant for \$10,000 would automatically (sic) taken off?

She then said she received an email from the County to change the social security number to the EIN, and she did so.

### **OIG Interview of Kerman Gonzalez**

Mr. Gonzalez told the OIG that he and his spouse, Ms. Alfonso, prepared the initial Restart Grant application, and received \$25,000 from the County.

Mr. Gonzalez said he and his spouse applied for a second round of Restart Grant funding after seeing on television that it was available. He said they applied with the tax ID, and it was an honest mistake if the system did not recognize that their business did not qualify and gave him the money. He said they do not apply for loans daily and was just trying to stay in business.

Mr. Gonzalez stated that he and his wife both submitted the second application. When the OIG asked why they submitted a second application that did not include his spouse’s name as an owner, Mr. Gonzalez stated “...I don’t know about grants. We never thought that by applying to this one we will be rejected by this one or will be approved to this one...”

When the OIG asked why he and his wife answered “No” to question number 10 on the Eligibility Questionnaire, which asked “Has the business received any Covid-19 relief funds in the form of a grant or forgivable loan from federal, state and/or any local government exceeding \$15,000?”, Mr. Gonzalez replied

...since I don’t do this for a living, you cannot question me if it was a wrongdoing or if it was an honest mistake... We applied because we needed help. We didn’t know the term like you guys do.

When the OIG asked Mr. Gonzalez why he and his wife submitted the application with his social security number instead of the business EIN, Mr. Gonzalez replied,

Well, as far as I know every business is linked to a tax ID. If my wife and I... we are the owners of the business. Our tax ID is there, our social security should be there.

### **OIG Conclusion**

The County approved Eclipse's applications for Restart Business Grants No. 0772 and No. 6498 on May 30, 2020 and November 3, 2020, respectively. Both Mr. Gonzalez and Ms. Alphonso told the OIG that they worked together to fill out the second Restart application on behalf of Eclipse. They responded "No" in response to Question 10 of the Eligibility Questionnaire, which asked whether the business had received any COVID-19 relief funds in the form of a grant or forgivable loan from any "federal, state, and/or local government" exceeding \$15,000.

Additionally, they answered "No" to Question 11 of the Eligibility Questionnaire, which specifically asked whether the business had received a Restart Business Grant. Also, the second application listed Kerman Gonzalez Hernandez as 100% owner of the Eclipse even though Mr. Gonzalez and Ms. Alphonso told the OIG that they both own the company. The responses to questions 10 and 11 of the Eligibility Questionnaire of the Restart Business Grant were false.

According to the County DHED Deputy Director Sherry Howard, had Eclipse answered questions 10 and 11 truthfully for the second application, Eclipse would not have been permitted to submit the application and would not have received any additional Restart Business Grant funds.

The OIG noted certain issues with the County's electronic system used to administer the Restart application program, as follows:

1. An unidentified DHED administrator changed the identification number on Eclipse's application. However, the system does not provide an audit trail allowing the County to identify who made the change to the application after it was submitted by Eclipse with certifications regarding the truthfulness of the information contained therein.
2. The system did not permit the applicant to make changes to the social security number on the second application. As a result, the County accepted the resubmitted application with a social security number instead of an EIN, as requested.
3. The County's system did not alert the County reviewer that the updated second application contained the same business name and address as a business that had already been approved for funding. Thereafter, a County administrator changed the Social Security number to Eclipse's EIN number.

The County advised the OIG that these issues were remedied prior to the OIG investigation, and that the County has instituted a system to detect and prompt additional review of multiple grant applications with matching names and/or applicants, when appropriate. Despite these concerns about the application system, Eclipse's receipt of

\$10,300 in Restart grant funding from a County program was directly caused by its submission of its second application containing false statements in response to questions 10 and 11 of the eligibility portion of the application. Had Mr. Gonzalez and Ms. Alphonso answered those questions truthfully, they would not have been permitted to submit the second application for review and approval.

The false statements on this application resulted in identified costs of \$10,300.

The allegation is **supported**.

### IDENTIFIED COSTS

**Identified Costs: \$10,300.00**

### ACKNOWLEDGEMENT

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

### RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends that the County seek reimbursement of \$10,300.00 of inappropriately issued funds.

### 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 2021-0007 that the County pursue action to recoup the \$10,300 in Restart Business funding granted to Eclipse Wellness Center, Inc. based on inaccurate and untrue declarations included in the application.

### RESPONSE FROM ECLIPSE

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Eclipse 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 attached to this report as Attachment A.



# ATTACHMENT A

May 13,2022

To whom it may concern:

We are in receipt of the investigative report dated May xx, 2022 and the following is our response.

Eclipse wellness center was established in September 2017 by Kerman González Hernandez and Janette Alfonso. We had previously worked as a massage therapist and a dental assistant. We used all of savings and acquired personal loans to conquer our dreams which was working for ourselves. We hired multiple professionals while I was going to school to get licensed. We had no idea how to run or how a business worked, we just had a dream and went full force for it. Unfortunately, many honest mistakes have been made along the way.

In the beginning of 2020 COVID came to our lives and started changing everything for the worse, between the quarantine period which was over 6 weeks and our clients not wanting to spend money on treatments that were not essentials, our clientele and numbers went down hill. We went from working 5 days a week to 2-3 max and people were canceling all the time because they kept testing positive for COVID or were afraid of getting contaminated.

Since our business were fairly new, we kept getting declined for loans and got very little for the PPP and SBA loans to stay at float. Our bills continued to rise, our landlord was not giving us any breaks on paying rent and, to top off, one of our laser units, which generates most of our income, broke down. The bill for the repair was over \$7,000 and they took over two months since the parts were back ordered because of the pandemic situation. Around the same time, some grants from Palm Beach Country became available and we saw a much-needed relief coming.

We applied for the grant and got in the first round. When we got approved it was a miracle for our struggling business. We paid some of our business debt, repairs overdue rent, etc. We were desperate looking for solutions in order for us not to close our business. That's when we saw another round of the grant been televised on Channel5. We got so happy and excited we rushed to the website and reapplied. We went through the application super fast in order to be the first ones to get approved since it's a first come first served basis. I got an email weeks later that we have been approved the second grant again. Once again, we used the funds to pay rent and business overdue bills.

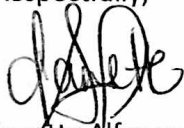
Many months later we got a phone call from the Attorney General's office asking to meet with us regarding these approved grants. They said to us on the phone it was like an interview to see were the funds used and to bring all supported documents if wanted. My special needs son was sick the day of the appointment and only I could go leaving my husband home with him. When I got there, it was not an interview like I had been told on the phone. The representatives had all my financial documents from my bank, PPP, SBA, payroll etc. all laid down on the table and they started asking me questions while being recorded, like I was a criminal.

Soon we came to find out the grant was only a 1-time grant and I was being questioned about the second grant that should have never been approved. Mind you we only have 1 EIN # and their explanation was their system had an error and mistakenly approved the second grant and that was the reason why I was being questioned. Out of all that was discussed in the interview, only a few things were reflected in the report and it seems that what made the report is only what fits their narrative to incriminate us and our business.

We made an honest mistake on applying a second time thinking it was a second round of help like PPP, and SBA since they had many rounds to help small businesses. We have never been in a pandemic situation before or had any experience in applying to all this grants before so we are being treated like we knew all along what were doing. We did nothing wrong there is no malicious or criminal intent on our parts just an honest mistake. Our business was struggling, we were facing an unprecedented global pandemic and we simply believed that the County was offering more help so small businesses like ours could stay afloat.

We consider ourselves hard working individuals with no criminal records. To be subject of an investigation that could potentially damage my business if this report becomes public, is truly devastating. Until today our business is still suffering and need more financial help to keep it open, with the rents, prices and the inflation we need the help more than ever. We apologize for our mistake and request that the Board/County please not penalize our struggling business. Thank you in advance for your consideration.

Respectfully,

A handwritten signature in black ink, appearing to read 'Janette Alfonso', written in a cursive style.

Janette Alfonso  
Eclipse Wellness Center