



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



Inspector General
Accredited

“Enhancing Public Trust in Government”

Investigative Report

2022-0012

City of Pahokee Sale of Surplus Property

September 29, 2023



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INVESTIGATIVE REPORT 2022-0012

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SUMMARY

WHAT WE DID

The Palm Beach County Office of Inspector General (OIG) received a complaint from City of Pahokee (City) Mayor Keith Babb alleging that the former City Manager Greg Thompson (Mr. Thompson) improperly instructed City staff to sell two City-owned all-terrain vehicles (ATVs or 4-wheelers). Specifically, Mayor Babb alleged that Mr. Thompson directed staff to dispose of the ATVs using an employee-only bidding process and that the former City Attorney Gary Brandenburg¹ (Attorney Brandenburg) purchased one of the ATVs for \$4,000.00 and that Mr. Thompson purchased the other ATV through an intermediary named "Mr. Kirkwood."

Additionally, Mayor Babb alleged that Mr. Thompson was the Vice-Mayor of the City of Clewiston, Florida, while serving as City Manager, potentially creating an

unlawful dual office holding conflict of interest.²

Based upon our review of information provided by Mayor Babb, our review of the City Commission meeting video for December 14, 2021, and preliminary discussions with City employees, the OIG initiated an investigation of the following allegation:

Allegation (1): City Manager Thompson improperly directed staff to dispose of City-owned property and inappropriately benefitted personally from that action.

The OIG reviewed Pahokee records for the City's purchase and sale of the ATVs and interviewed, the City Clerk, the former Human Resources Director, the Finance Department Junior Accountant, the Public Works Director, the Public Works Clerk, and Mr. Thompson.

¹ Per publicly available information, the OIG learned that on February 2, 2022, Mr. Brandenburg became deceased. He is not a subject of this investigation.

² Article II, section 5(a), of the Florida Constitution prohibits the same person from simultaneously holding multiple offices out of concern that a conflict of interest would arise. The prohibition applies to both elected and appointed offices, and it is not necessary that the two offices be within the same governmental unit. Membership on the governing body of a governmental entity, such as a county or municipality, *clearly* constitutes an office. The determination of whether a non-elected position may be considered an "office" depends upon the particular powers of a position and the language of the statute, charter, or ordinance creating the position. The Attorney General has determined in various advisory opinions that a charter, as with the City of Pahokee, that refers to the City Manager as a "charter officer" responsible for the supervision and direction of all departments, agencies, or offices of the city would appear to create an office within the meaning of the dual office holding prohibition contained in s. 5(a), Art. II, State Const. According to the Attorney General, "[t]he acceptance of an incompatible office by one already holding office operates as a resignation of the first." In this case, Mr. Thompson is no longer serving as an elected and appointed officer.

WHAT WE FOUND

Allegation (1) is supported.

We found that the City has no charter or ordinance provision specifying the procedure for finding that city-owned tangible property³ is not needed for City purposes and the declaration of the property as surplus, nor specifying the methodology for disposal of such property. Neither the City nor Mr. Thompson provided the OIG with evidence that the City Commission approved any processes verbally or in writing relating to the identification or disposal of City-owned tangible property or that it had established internal controls to safeguard against the improper disposal of such assets.

Nevertheless, without seeking guidance from the Commission, Mr. Thompson directed City staff to conduct a closed bidding process purportedly for *all* employees in order to dispose of the ATVs. However, Mr. Thompson did not take steps to ensure that all employees were notified of the bidding opportunity. He ultimately declared himself the winning bidder, but there is no evidence that he actually submitted a timely bid. After acquiring the ATV, he sold the ATV for an undisclosed profit.

The lack of a policy approved by the governing body specifying the

The totality of conduct by then-City Manager Thompson reflects a blatant lack of responsibility, fairness, accountability, and basic stewardship of taxpayer dollars.

methodology for determining that City-owned equipment/tangible property is not needed for City purposes, and thus, may be declared surplus, and specifying the methodology for disposal of such property, is inconsistent with municipal government accounting best practices. Each local governmental entity is required to establish and maintain internal controls designed to prevent and detect fraud, waste, and abuse; promote best practices; and safeguard assets. The City Manager's disposal of City-owned property in a manner that was not approved by the governing body and that personally benefitted him is inconsistent with government accounting best practices for safeguarding assets.

We found Questioned Costs⁴ of **\$2,425**, the amount that the City received for the two surplus ATVs that were sold without appropriate process.

³ The City has an ordinance specifying the procedure for selling City-owned real property, but not for tangible property. Real property" means land, buildings, fixtures, and all other improvements to land. <https://floridarevenue.com/property/Documents/statutes.pdf> Tangible personal property means all goods, chattels, and other articles of value (excluding some vehicular items) capable of manual possession and whose chief value is intrinsic to the article itself. https://floridarevenue.com/property/Pages/Taxpayers_TangiblePersonalProperty.aspx

⁴ Questioned costs can include costs incurred pursuant to a potential violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds, and/or a finding that such costs are not supported by adequate documentation, and/or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable in amount. As such, not all questioned costs are indicative of potential fraud or waste.

WHAT WE RECOMMEND

We make one recommendation; that the City develop written policies and procedures for declaration of City-owned assets as surplus and for subsequent disposition of such property.

Additionally, we are referring Mr. Thompson's actions to the State of Florida Commission on Ethics, and notifying the State Attorney's Office for an assessment of possible criminal actions. This matter has already been referred to the Palm Beach County Commission on Ethics.

BACKGROUND

The City of Pahokee was founded in the early 1900's and incorporated in March of 1922.⁵ According to the U.S. Census Bureau, the population of Pahokee in 2022 was 5,524.⁶

The City of Pahokee has a Commission-Manager form of government; the Commission consists of a Mayor and four (4) Commissioners. All powers of the City are vested in the Commission, except those powers specifically given to the City Manager and City Clerk or specifically reserved by the City Charter to the electors of the City. The Commission appoints the City Manager and City Clerk, who both serve at the pleasure of the Commission.

The City's Charter states,

The city manager shall serve as head of the executive department and shall oversee the operation of all other departments of the city. All matters of city operations shall come under the jurisdiction of the city manager and the executive department. All department heads within the city shall be responsible for the managerial duties and operation of their respective departments and shall answer to the city manager. The city manager may, with commission approval, reorganize the administration, operation, and supervision of the departments.⁷

Mr. Thompson was hired as the Pahokee City Manager on October 12, 2021. He was terminated as Pahokee City Manager on March 18, 2022.

ALLEGATIONS AND FINDINGS

Allegation (1):

City Manager Thompson improperly directed staff to dispose of City-owned property and inappropriately benefitted personally from that action.

Governing Directives:

Section 218.33, Florida Statutes

Finding:

The information obtained **supports** the allegation.

⁵ <https://www.cityofpahokee.com/about-pahokee>

⁶ Pahokee city, Florida - Census Bureau Profile

⁷ https://library.municode.com/fl/pahokee/codes/code_of_ordinances?nodeld=COORPAFL

Section 218.33, Florida Statutes, states:

- (3) Each **local governmental entity**⁸ shall establish and maintain internal controls designed to:
- (a) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).
 - (b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
 - (c) Support economical and efficient operations.
 - (e) Safeguard assets.
- [Emphasis added]

Section 274.05, Florida Statutes, sets forth provisions governing the disposition of tangible personal property owned by a “governmental unit.” The term “governmental unit” is defined as a “governing board, commission or authority of a county or taxing district of the state or the sheriff of the county,” and does not include municipalities. The State Attorney General’s Office posited in advisory opinion AGO 98-04 that while a municipality may utilize the procedures set forth in that statute when disposing of surplus property, it is not obligated to do so. Instead, the municipality should look to its charter provisions or ordinances regarding appropriate disposal. In the absence of a charter provision or ordinance specifying the procedure to be utilized, the method of disposing of surplus property is left to the discretion of the municipality’s governing body, which is required only to act in good faith and in the best interest of the municipality.

The OIG found no charter or ordinance provision specifying the procedure for finding that City-owned tangible property is not needed for city purposes, and thus, should be declared surplus, or a provision specifying the methodology for disposal of such property. Neither the City nor Mr. Thompson provided the OIG with evidence that the City Commission approved, in good faith and in the best interest of the City, any processes relating to the identification or disposal of City-owned tangible property or that it had established internal controls to safeguard against the improper disposal of such assets.

December 14, 2021 City Commission Meeting

Mr. Thompson stated at the December 14, 2021 City Commission Meeting that the City had disposed of two City-owned ATVs that had been sitting at a dealership in Palm Beach County for six months pending payment for “roughly \$2,000” worth of repairs. He stated that the City had no use for 4-wheelers. Mr. Thompson disclosed that Attorney Brandenburg had purchased one of the vehicles for \$4,000, which he said was in the best interests of the City because this was the “highest amount [the City] could get.” He added that those funds would be used for the City’s Centennial Celebration. According to Mr. Thompson, the City subsequently “re-poeed Mr. Brandenburg’s 4-wheeler” in order to allow the City to dispose of the two 4-wheelers using an employee-only “closed bid.”

Mayor Babb questioned whether the City Manager could auction City-owned property using an employee-only bidding process. Mr. Thompson advised the City Commission

⁸ “Local governmental entity” means a county agency, a municipality, or a special district. §218.31, F.S.

that there was nothing improper about an employee-only closed bid, and that he had the authority to “choose to let employees have first choice.” Mayor Babb asked Mr. Thompson if Mr. Thompson believed he had the authority to sell or auction City-owned property without any guidance from the City Commission. Mr. Thompson replied, “yes,” and noted that the previous City Manager “sold off hundreds of thousands of dollars’ worth of equipment for little or nothing” without objection from Mayor Babb.

Attorney Brandenburg added that Mayor Babb had purchased items or approved the previous City Manager to purchase the 4-wheelers, and then allowed the vehicles “to rot.” Mr. Brandenburg added that Mr. Thompson had fixed them, and “now the City is finally getting some benefit” out of them.

During the meeting, Mr. Thompson told the City Commission that the winners of the closed bid process had been “Mr. Kirkwood” and himself. He added that he planned to raffle the ATV he purchased and donate the proceeds to the City’s Centennial Celebration.

Records from Palm Beach County

The OIG obtained Fixed Asset Purchase Invoices from Palm Beach County showing that the City of Pahokee purchased “As Is- Where Is”⁹ two ATVs from the Palm Beach County Thrift Store in 2018, as follows:

1. Invoice Date: March 15, 2018; Bidder: City of Pahokee Manager;¹⁰ Asset Description: 2015 Polaris ATV 4x4, Vehicle Identification Number (VIN)# 4XASEA325FA656198; Item Price: \$1,915.00.¹¹
2. Invoice Date: May 16, 2018; Bidder: City of Pahokee Manager; Asset Description: 2015 Polaris ATV 4x4, VIN# 4XASEA325FA656430; Item Price: \$1,915.00.¹²

OIG Review of City of Pahokee Records

The OIG requested that the City provide records related to the sale or purchase of the ATVs at issue in this investigation. We received and reviewed documents from City Public Works Clerk Sheryll Carter; emails sent by, to, or cc’d to Greg Thompson; and City financial records.

City Repair of Two ATVs

The City provided records to the OIG showing that after the City obtained the two ATVs “as is-where is” from the County’s thrift store for \$1,915.00 each, the City took the ATVs

⁹ The phrase “as is-where is” means that a buyer accepts a property in its current condition, with all its faults and risks, and without any warranty or guarantee from the seller.

¹⁰ Mr. Thompson was not the City Manager at the time of the ATV purchases from Palm Beach County Surplus.

¹¹ The County’s original purchase price for that ATV in 2015 was \$7,660.00.

¹² The County’s original purchase price for that ATV in 2015 was \$7,660.00.

to Broward Motor Sports of Palm Beach (BMS) to address “starting concerns.” According to records Broward Motor Sports provided to the City, the ATVs “would not crank and ha[ve] now been sitting for approx. 6 months....” BMS installed new fuel pumps, new spark plugs, and a new battery in each ATV. On September 18, 2021, BMS issued invoices to the City for the repair of the two ATVs VIN numbers 4XASEA325FA656198 and 4XASEA325FA656430, for \$1,040.12 and \$1,040.26 respectively, for parts and labor.

City ATV Disposition Records

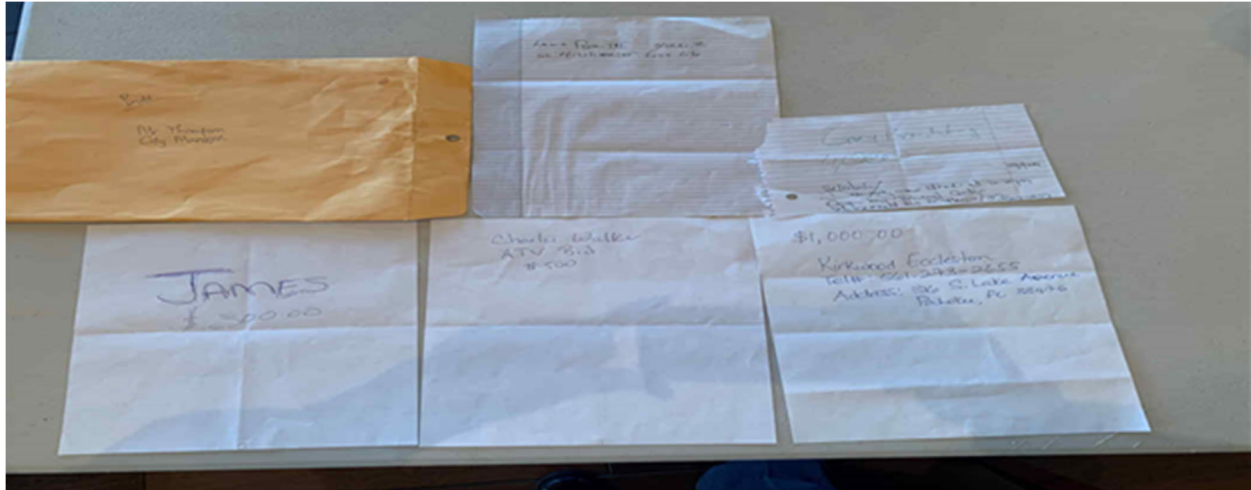
Despite the OIG’s request for documents, the City was not able to provide the OIG with any records reflecting that the ATVs had been declared as surplus property, policies and procedures relating to closed bids for surplus property, or any documents for this closed bid, such as a written solicitation; bid requirements or instructions; an item description or statement of condition; analysis of the market value of the ATVs; a notice or advertisement published to all City employees indicating a bid due date or closing date; the date and location for public opening; guidance on how bids were to be submitted; minimum/reserve amount; or information relating to the asset removal process, payment terms, or due date.¹³

City Public Works Clerk Carter showed our office an envelope she maintained with the words “Bids” and “Mr. Thompson City Manager” written on the outside. The envelope contained papers with handwritten notations, as follows:

- Lewis Pope III on 4-wheeler from City: \$4,000.00
- Gary Brandenburg: \$4,000.00
- James: \$300.00
- Charles Walker ATV Bid: \$500.00
- Kirkwood Eccleston: \$1,000.00

Only the bid from Charles Walker and Lewis Pope III specifically referenced the item for which the bids were made; neither of the bids indicated the date the bid was submitted, and the paper with the name “James” did not contain a last name or any other identifying information. The envelope did not contain a bid from Mr. Thompson.

¹³ Based upon our office’s interviews with current and former City employees, the OIG has no reason to believe that any of this documentation ever existed.



On December 7, 2021, Mr. Thompson emailed Ms. Carter, "I received the closed bids for the surplus ATVs and will have the clerk draw them today, thank you for collecting them for the City." The City Clerk was copied on the email.

From: Greg Thompson <GThompson@cityofpahokee.com>
Sent: Tuesday, December 07, 2021 10:00 AM
To: Sherrill Carter <scarter@cityofpahokee.com>
Cc: City Clerk <cityclerk@cityofpahokee.com>
Subject: surplus ATV

Mrs. Carter.

I received the closed bids for the surplus ATV's and will have the clerk draw them today, thank you for collecting them for the city.

City's Sale of ATV VIN No. 4XASEA325FA656430

The City provided the OIG with a Cash Receipt dated December 14, 2021, indicating that Kirkwood Eccleston provided Money Order No. 27777721825 for \$1,000.00 payable to the City of Pahokee with the words "bid won for 4-wheeler" in the memo section. On December 14, 2021, the City issued a cash receipt to Mr. Eccleston reflecting payment totaling \$1,000.00 for the 4-wheeler. The receipt had a handwritten notation that the funds were for the purchase of a 4-wheeler from the City by an employee. On December 14, 2021, the City issued an accounting deposit report with an attached invoice and money order. The report also shows a deposit was made to the City's account upon receiving that money.



CITY OF PAHOKEE
 207 BEGONIA DR
 PAHOKEE, FL 33476-2110
 561-924-5534

CASH RECEIPT Printed 13:40:33 - 12/14/21
 OPERATOR CONSTANCE
 Posted On 12/14/21
 Batch:12353
 Transaction:7

| Description | Total |
|---|-----------|
| REFERENCE NUMBER: NAME: KIRKWOOD ECCLESTON ADDRESS: 316 SOUTH LAKE AVENUE (PAHOKEE FL) CITY STATE ZIP: PAHOKEE FL | |
| Other Miscellaneous Revenues-Gen Fund 1 Acct 26908 CITY OF PAHOKEE - AUCTION BID MON FOR 4 WHEELER | 1000.00 ✓ |

| | |
|---|-------------------|
| Check # 2777721825 ✓ | 1 000.00 ✓ |
| Cash Paid | |
| Credit Paid | |
| Less Change Given () | |
| TOTAL: | 1 000.00 |

Purchase of a auction fourwheel. from the City.
 Purchased by an employee. Jrd

Image Deposit Items Detail Report - Customer: CITY OF PAHOKEE, Deposit: 000423

| Report Settings | | Amount/Item Totals | |
|------------------|----------|--------------------------|-----------------|
| Sort Criteria: | Sequence | Total Number of Items: | 14 |
| Filtered Fields: | | Total Amount of Deposit: | \$ 5,520.50 USD |

| Report Details | | | |
|-----------------------|----------------------------------|-------------------------|-----------------|
| Location: | Headquarters | Status: | Open-Processing |
| Account Number: | *****8018 - CITY OF PAHOKEE 8018 | Transferred by: | |
| Created by: | 113896acc42 | Sent Date and Time: | |
| Create Date and Time: | Dec 14, 2021 05:55 PM | Received Date and Time: | |

| Sequence | Item Type | Serial | Routing Transit | Account | Y/O | Amount (\$) |
|----------|----------------|---------|-----------------|------------|------|-------------|
| | Deposit Ticket | 1 | 6400-0153 | | | 5,520.50 |
| 1 | Business Check | 1302315 | 067015287 | | | 200.00 |
| 2 | Business Check | 1302316 | 067015287 | | | 200.00 |
| 3 | Business Check | 1302317 | 067015287 | | | 200.00 |
| 4 | Business Check | 1302318 | 067015287 | | | 200.00 |
| 5 | Business Check | 1302319 | 067015287 | | | 200.00 |
| 6 | Business Check | 001223 | 067016574 | | | 100.00 |
| 7 | Personal Check | | 000008002 | | | 850.00 |
| 8 | Personal Check | | 000008002 | | | 1,000.00 |
| 9 | Personal Check | | 000008002 | | | 1,000.00 |
| 10 | Personal Check | | 000008002 | 2777721825 | | 1,000.00 |
| 11 | Personal Check | | 267084199 | | 1025 | 458.00 |
| 12 | Business Check | 000171 | 063114030 | | | 50.00 |
| 13 | Personal Check | | 267084199 | | 2349 | 62.50 |

City's Sale of ATV VIN number 4XASEA325FA656198

On October 22, 2021, Mr. Thompson signed a Bill of Sale authorizing the transfer of a 2015 Polaris ATV, VIN #4XASEA325FA656198 to Attorney Brandenburg for the purchase price of \$4,000.00.

FOR SALE

I, Mr. Greg Thompson (seller) of Pahokee Florida 33476 (address),
247 Baganua Pkwy (city, state, zip) hereby certify I am the lawful owner of this vehicle.

Year 2015 Make Polaris Model Sportsman
 VIN 4XASEA325FA656198

I hereby and with full authority, transfer ownership of the above vehicle to
Gary Brandenburg (buyer) of, ATV (address),
Palm Bay Florida (city, state, zip) in exchange for payment of \$4,000.00 (written amount)
 on 10-22-21 (date) for Four Thousand (written amount) Dollars.

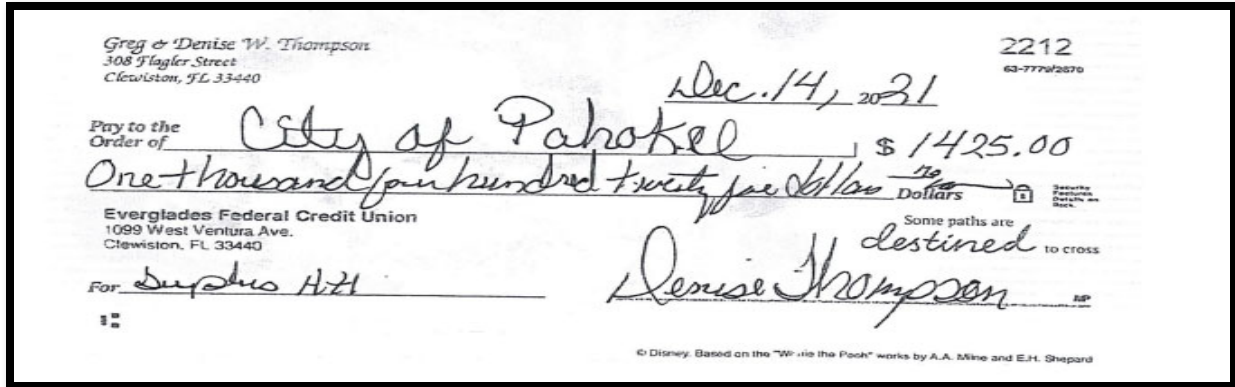
In addition, the buyer acknowledges that the above vehicle is being sold AS IS, and the buyer assumes all responsibility for future damages and/or liabilities resulting from the usage of this vehicle.

The seller acknowledges and certifies that this vehicle is free of any liens or other collections at the time of sale and agrees to hold the buyer harmless and indemnify the buyer for any valid claims made against said vehicle.

Greg Thompson
 Seller Signature Date 10-22-21

 Buyer Signature Date _____

Two months later, Mr. Thompson's spouse, Denise Thompson, issued a Check No. 2212, dated December 14, 2021 to the City from the Thompsons' joint bank account in the amount of \$1,425.00. The memo states for "Surplus (*illegible*)."



A City Revenue Voucher report dated December 21, 2021 reflects receipt of payment of \$1,425.00 for "sale of a 4 wheeler to City Manager Mr. Thompson." The City did not provide the OIG with a Bill of Sale for the ATV to Mr. Thompson. There was no transfer of title document for this ATV, and the accounting report classified it as "sale of assets" with no VIN description.

12/21/21 15:01:01 CITY OF PAHOKEE Revenue Voucher Detail For the Accounting Period: 12/21 Page: 1 of 1 Report ID: L110

| Doc # | Per | Line # | Fund Account | Object | Org | Proj | Receipt # | Description | Type | Amount | Cash | Offset | Rec Date/ |
|-------|-------|--------|--------------|--------|-----|------|-----------|---|------|----------|------|--------|-----------|
| 1399 | 12/21 | | | | | | | | | 1,725.00 | | | 12/21/21 |
| | | | | | | | | Monthly Misc. Revenue | | | | | |
| | | | | | | | | Property Registration Champions Inc. (November 2021) | | | | | |
| | | | | | | | | SALE OF A 4 WHEELER TO CITY MANAGER MR THOMPSON | | | | | |
| | | | | | | | | DONATION FOR CENTENNIAL WEEK (BRANDENBURG & ASSOCIATES) | | | | | |
| | | 1 | 1 350505 | | | | 11121 | VACANT PROPERTY REGISTER | | 50.00 | | 101000 | |
| | | 2 | 1 369099 | | | | 2212 | SALES OF ASSETS | | 1,425.00 | | 101000 | |
| | | | | | | | | SALE OF A 4 WHEELER | | | | | |
| | | 3 | 1 363000 | | | | 5452 | DONATION- CENTENNIAL | | 250.00 | | 101000 | |
| | | | | | | | | Total: | | 1,725.00 | | | |

Image Deposit Items Detail Report - Customer: CITY OF PAHOKEE, Deposit: 000433

| | | | | | | |
|-----------------------|----------------------------------|--------------------------|-----------------|---------|------|-------------|
| Report Settings | | Amount/Item Totals | | | | |
| Sort Criteria: | Sequence | Total Number of Items: | 4 | | | |
| Filtered Fields: | | Total Amount of Deposit: | \$ 1,725.00 USD | | | |
| Report Details | | | | | | |
| Location: | Headquarters | Status: | Open-Processing | | | |
| Account Number: | *****8018 - CITY OF PAHOKEE 8018 | Transferred by: | | | | |
| Created by: | 113896acct2 | Sent Date and Time: | | | | |
| Create Date and Time: | Dec 21, 2021 02:50 PM | Received Date and Time: | | | | |
| Sequence | Item Type | Serial | Routing Transit | Account | T/C | Amount (\$) |
| 1 | Deposit Ticket | 1 | 6400-0153 | | | 1,725.00 |
| 2 | Business Check | 005452 | 067014822 | | | 250.00 |
| 2 | Business Check | 011121 | 267090594 | | | 50.00 |
| 3 | Personal Check | | 267077795 | | 2212 | 1,425.00 |

OIG Interview of City of Pahokee Public Works Director Alvin Johnson

City of Pahokee Public Works Director Alvin Johnson told the OIG that Mr. Thompson approached him and said he should tell City Public Works employees that the City was going to sell two ATVs via an “open bid” for City employees.

Mr. Johnson stated that Mr. Thompson had sold the ATVs previously, but City Public Works employees had not been made aware of that sale. Mr. Johnson became aware of the prior sale because he delivered an ATV to Mr. Brandenburg’s home. Mr. Johnson provided the OIG a picture of a bill of sale that Mr. Thompson signed on October 22, 2021, which referenced the sale of a 2015 ATV (Vin No. 4XASEA325FA656198) to Mr. Brandenburg. Mr. Johnson stated he believed that this ATV was retrieved at Mr. Thompson’s request from Mr. Brandenburg’s residence by Public Works employee Paul Buxton approximately one and a half months later. Mr. Johnson believed that Mr. Brandenburg returned the ATV because he was not a City employee, and Mr. Thompson had said the sale was for employees only.

Once the ATV was returned, a second sale of that ATV took place. Mr. Johnson stated that thereafter, one of his employees, Kirkwood Eccleston bought an ATV and that Mr. Thompson told him he bought one, as well.

OIG Interview of City Clerk Tijuana Warner

Ms. Warner first became aware of City ATV surplus sales from a December 7, 2021 email from Mr. Thompson to Ms. Carter on which she was copied. The email stated Mr. Thompson was going to have Ms. Warner draw bids that day. Ms. Warner said when she got to Mr. Thompson’s office, she refused to open the bids because she was not aware of the bidding and she did not do any advertising for the bidding.

Ms. Warner said the City Clerk’s office handles some bids for surplus property, that she has always done bid documents in the past, and that those bids always went out to the public. She advertised the bids via legal notices, and bid openings were also posted in the media and in public spaces. Bid openings were routinely done in City Commission Chambers, and are open to the public. Ms. Warner stated the process for the sale of the ATVs was not done through the Clerk’s Office and that she had nothing to do with the sale of ATVs by the City. Ms. Warner stated that surplus items that were not subject to Invitation to Bid or Request for Proposal were handled by the City Finance Director.

OIG Interview of City Finance Jr Accountant Gleny Manzano

City Finance Jr Accountant Gleny Manzano told the OIG that at the time of the ATV sale, there was no Finance Director in the City, and the day-to-day operations of the Finance Department were primarily her responsibility. Ms. Manzano stated her main tasks included payment of invoices and receipt of credits. Ms. Manzano had no direct knowledge of any policy related to the proper bidding process for surplus equipment. Ms. Manzano stated that she did not know whether surplus items had been sold with an

employee-only auction in the past. Ms. Manzano said Mr. Thompson told her that there would be an employee bidding process for the sale of two ATVs. She was unsure if she had any additional involvement in the process or events that led to the City's sale of the surplus ATVs.

OIG Interview of City of Pahokee Public Works Clerk Sherryll Carter

Public Works Clerk Sherryll Carter told the OIG that in November 2021, Mr. Thompson approached her in her office and told her that people were going to be coming to see her in order to place bids on two ATVs. Ms. Carter took an envelope from her desk to collect bids. She asked bidders to fill out a sheet of paper with bid information and to place it into the envelope. Ms. Carter said she received a total of five bids, from three employees (James, Mr. Walker, and Mr. Eccleston) and two non-employees (Mr. Pope and Mr. Brandenburg). Ms. Carter said Mr. Pope, a non-employee, brought his bid to her along with Mr. Brandenburg's and that Mr. Thompson was standing next to Mr. Pope when he submitted bids for himself and Mr. Brandenburg.

Ms. Carter said Mr. Thompson called her to his office on December 7, 2021, and told her to bring the envelope to him, as he was going to select the ATV bid winners. City Clerk Tijuana Warner, City Human Resources Director Jaqueline Ramsey, and City Planning and Zoning employee Nohemi Polanco were also present when Mr. Thompson asked Ms. Carter to open the envelope. Ms. Carter said that after she had read only one name, Ms. Warner said the process needed to stop and be re-done because the bidding process was supposed to only be open to employees, and she noticed that there were outsiders bidding.

Ms. Carter stated that Mr. Thompson did not appear to have submitted a bid, but that ultimately Mr. Thompson announced the winning bidders as Kirkwood Eccleston and himself.

OIG Interview of Lewis Pope III

Mr. Pope stated he is a resident of the City but is not a City employee. He told the OIG that Mr. Thompson personally mentioned to him that the City was going to place or had placed a public ad in a newspaper for the sale of two ATVs. Mr. Thompson told him that one of the ATVs was working and one of them may not have been working, and that he could inquire further about it with Public Works Director Johnson.

Mr. Pope submitted a paper bid to the City Clerk at City Hall chambers. Mr. Pope said he did not submit any bid, except his own. Mr. Pope believed he bid \$4,000.00 for an ATV, and was told there were already three or four bids received in the office when he submitted his.

Later that same week, Mr. Pope spoke with Mr. Johnson about the condition of the ATVs and went to the Public Works Office and inspected them. After doing so, he told Mr. Johnson he did not want any of them, and went back to City Hall and told the City Clerk

to retract his bid. Mr. Pope stated his retraction was done prior to the opening of the bids, but did not recall if he actually took the physical paper back that he submitted.

OIG Interview of City of Pahokee Public Works Employee Kirkwood Eccleston

Mr. Eccleston told the OIG that Mr. Thompson personally told him about the sale of ATVs. Mr. Eccleston submitted a paper bid with his name and the amount of his bid on it to Ms. Carter.

Mr. Eccleston said he asked Mr. Thompson several times when the winning bidder would be revealed; however, Mr. Thompson pushed the date back multiple times. Mr. Eccleston learned he had won the bid on a Saturday when another employee told him he had won. When he returned to work that Monday, Mr. Johnson also told him he won.

The OIG showed Mr. Eccleston a photo of the bid paper with his name on it that the OIG had obtained from Ms. Carter. Mr. Eccleston stated that was not the paper he submitted.

OIG Interview of Former City Manager Greg Thompson

Mr. Thompson said that after he became City Manager in late 2021 he was approached by Mr. Johnson, who told him that two City-owned ATVs were at a dealership after repairs had been made and that the repair bill had not been paid. Mr. Thompson believed extensive repairs had been needed.

Mr. Thompson stated that in order to recoup some of the money the City spent on repairing the ATVs, he contacted Mr. Brandenburg and asked him to buy one. Attorney Brandenburg offered to buy an ATV for \$4,000.00. Mr. Thompson believed the offer to sell the ATVs was in his power as City Manager and thought Mr. Brandenburg would have counseled him if otherwise. Mr. Brandenburg gave Mr. Thompson a check for \$4,000.00 and Mr. Thompson told Mr. Johnson to deliver an ATV to Mr. Brandenburg's home.

Mr. Thompson first learned that he could not sell the ATVs privately when he brought the check from Mr. Brandenburg to the Pahokee Finance Department and was told by Ms. Manzano he could not do a direct sale of that ATV. Mr. Thompson stated that no legal titles to the vehicles were available because previous City Manager Williamson took all the titles into his personal possession.

Mr. Thompson learned from Mr. Brandenburg that Mr. Brandenburg had the ATV in his possession for a few weeks and made approximately \$1,000.00 in additional repairs to it. Mr. Brandenburg thereafter asked Mr. Thompson to retrieve it upon learning about the deficient ATV title status. Mr. Brandenburg did not ask for reimbursement for the repairs he personally paid for. The City of Pahokee also did not cash Mr. Brandenburg's check for \$4,000.00; Mr. Thompson gave the check back to him.¹⁴

¹⁴ Although Mr. Thompson told the OIG that he believed Mr. Brandenburg had the ATV in his possession for a few weeks and made repairs to it before the ATV was returned to the City, the City did not provide our office with any City documents recording receipt of a \$4,000 payment from Mr. Brandenburg.

Upon retrieving the ATV, Mr. Thompson asked Mr. Brandenburg if he could make ATVs available for sale to City employees only, and Mr. Brandenburg advised Mr. Thompson that he could. Mr. Thompson stated he approached Mr. Johnson and asked him to announce the ATV sales to all employees, but did not communicate this to the City Clerk's Office. After asking Mr. Johnson to notify all employees, Mr. Thompson told Ms. Carter that people would be coming in to bid on the ATVs and asked her to collect bids.

Ms. Carter told Mr. Thompson that Mr. Pope submitted a bid. Mr. Thompson communicated to Mr. Brandenburg that a non-employee had bid on an ATV. Mr. Thompson said he did not speak to Mr. Pope nor advise him to place a bid.

Mr. Thompson asked Mr. Brandenburg to contact Mr. Pope to tell him the ATVs were not in working order and were in bad shape. Mr. Thompson stated that thereafter, Mr. Pope rescinded his bid.

In mid-December of 2021, Mr. Thompson asked Ms. Carter to come to his office to reveal the bids. Mr. Thompson believed Ms. Manzano, Ms. Ramsay, and Ms. Warner were also present, and that Ms. Manzano physically revealed the bids. Mr. Thompson stated that he and another employee were winners of the ATVs, and that he had submitted the highest bid. Mr. Thompson stated there were a small number of bids and one was around \$100.00. Mr. Thompson reviewed bid sheets provided to the OIG by Ms. Carter and noted that his bid was missing. Mr. Thompson said he may have put his bid in Ms. Carter's office at a later time when she was not there. Mr. Thompson said that City Clerk Warner was present but left during the bid opening process because she felt it was improper to sell City property without a more formalized bid process. Mr. Thompson said he brought up the sale of the ATVs at the next commission meeting on December 14, 2021 to promote transparency.

Mr. Thompson told the OIG that it was his intent that if he won an ATV, he would re-sell it and donate the money back to the City. After Mr. Thompson was terminated from City employment in March 2022, he sold the ATV on Facebook Marketplace to an unknown person north of Lake Okeechobee for a profit. He stated that he did not feel obligated to return money to the City because of his termination. Mr. Thompson stated he did not keep any records of that sale. When repeatedly asked, Mr. Thompson reiterated that he had no other details about this sale.

OIG Interview of former City Human Resource Director Jaqueline Ramsay

Former City Human Resource Director Jaqueline Ramsay told the OIG that she was present when the ATV bids were opened. She recalled that in early December of 2021, Mr. Thompson called her to witness the opening of bids in his office. Ms. Warner, Ms. Carter, and City Finance Jr Accountant Manzano were also present. Ms. Ramsay stated that Ms. Carter pulled the bids from a yellow envelope. She recalled seeing three to five bids that included Mr. Eccleston's bid, Mr. Pope's bid, Mr. Brandenburg's bid, and another Public Works employee's bid.

Ms. Ramsay heard Mr. Thompson say he was a winning bidder. ***Ms. Ramsay stated she did not receive a bid from Mr. Thompson, but recalled later seeing a payment check from him.***

OIG Review of Facebook Marketplace Sales of 2015 Polaris Sportsman ATVs

In August of 2023, the OIG conducted a Facebook Marketplace search of used, operable 2015 Polaris Sportsman ATVs sold within 100 miles of Pahokee Florida. There were four ATVs sold, with sales prices of \$1,300, \$3,500, \$2,900, \$5,500. A Facebook Marketplace search for the sale of the ATV sold by Mr. Thompson provided no further information as to its buyer, date of sale, or purchase price.

Conclusion

This is a case study of what not to do when disposing of government property:

- **No City policy for property disposal existed.**
- **The City Manager did not sufficiently explore best practices from City staff whom had previously conducted surplus property disposals.**
- **The City Manager at first unilaterally sold City property.**
- **The City Manager then directed an “employee only” auction which, in fact:**
 - **was not communicated to all employees,**
 - **permitted non-employees to bid, and**
 - **resulted in the then-City Manager declaring himself the winning bidder, even though he did not submit a bid.**

The totality of conduct regarding the sale of these ATVs reflects a blatant disregard for basic governmental accountability, fairness, responsibility, and stewardship over taxpayer dollars that leads to a loss of trust in government. This conduct raises serious questions of propriety, professionalism, ethics, waste, fraud, and abuse.

The OIG found that the City has no charter or ordinance provision specifying the procedure for finding that City-owned tangible property is not needed for City purposes and the declaration of the property as surplus, nor specifying the methodology for disposal of such property. Neither the City nor Mr. Thompson provided the OIG with evidence that the City Commission approved or authorized any processes relating to the identification or disposal of City-owned tangible property, or that it had established internal controls pursuant to section 218.33, Florida Statutes, designed to prevent and detect fraud, waste, and abuse or to safeguard against the improper disposal of tangible assets.

Mr. Thompson told the City Commission during the December 14, 2021 meeting that he believed that he had the authority to declare the 4-wheelers as surplus property and to

determine the method of disposal. When a city determines that it is appropriate to declare property surplus and to dispose of it, the city through its representatives should act in good faith and in the best interests of the city. We find that Mr. Thompson's conduct did not meet this threshold, and his statements to this office lacked credibility and were contradicted by multiple witnesses.

Our office reviewed documents the City supplied and interviewed individuals regarding the acquisition and disposal of two City-owned ATVs. The City had purchased the ATVs "as is" from the Palm Beach County Thrift Store for \$1,915.00 each, and spent \$1,040.12 and \$1,040.26, respectively, for repairs. Mr. Thompson told our office that when he took office in late 2021, after he learned the ATVs were sitting at a dealership and the repair bill had not been paid, he facilitated payment of those repair bills in an effort to increase the likelihood that taxpayer funds could be recouped.

Mr. Thompson said he initially sold one of the ATVs to City Attorney Brandenburg for \$4,000.00, but the City provided no evidence to the OIG of the receipt of those funds. The City later repossessed that ATV in order to conduct an employee-only auction. Mr. Thompson told the OIG that Attorney Brandenburg advised him that he could auction the ATVs through an employee-only bidding process.

However, the City did not provide the OIG with any records reflecting a finding that the ATVs had been declared as surplus property, policies and procedures relating to closed bids for surplus property, or any documents for this closed bid, such as a written solicitation; bid requirements or instructions; an item description or statement of condition; analysis of the market value of the ATVs; a notice or advertisement published to City employees indicating a bid due date; the date and location for opening of bids; guidance on how bids were to be submitted or minimum/reserve amount; or information relating to the asset removal process, payment terms, or due date.

Additionally, the City provided no evidence that all employees were notified either verbally or in writing of the opportunity to bid on the ATVs. Although Mr. Thompson told the OIG that he directed Mr. Johnson to notify employees, Mr. Johnson stated that he was only directed to notify City Public Works employees. Additionally, Mr. Thompson acknowledged that he did not ask City Clerk Warner to advertise for bids, even though according to Ms. Warner, she usually handled such matters.

Public Works Clerk Carter collected the bids. She provided the OIG with copies of five bids from three employees (Mr. Walker, Mr. Eccleston, and "James") and two non-employees (Attorney Brandenburg and Mr. Pope). Ms. Carter, City Clerk Warner, Mr. Thompson, and Human Resources Director Ramsay were present for the bid opening.

Both Mr. Pope and Mr. Eccleston told the OIG that they submitted bids after Mr. Thompson personally advised them of the sale of the ATVs. Mr. Thompson denies he told Mr. Pope about the auction. Nevertheless, Ms. Carter told the OIG that Mr. Thompson was present when Mr. Pope, a non-employee, submitted the bid for the purported employee-only auction.

At the bid opening, Mr. Thompson announced that he and Mr. Eccleston had won the two ATVs. Ms. Carter did not provide the OIG with a bid from Mr. Thompson, and Ms. Ramsay told the OIG that she never received a bid from him. When the OIG asked Mr. Thompson why his bid was not included in the envelope holding the bids, he stated “he may have put his bid in Ms. Carter’s office at a later time when she was not there.”

The lack of a process determined by the governing body, the fact that the auction was open to a small, select group of individuals, and Mr. Thompson’s declaration that he won one of the 4-wheelers despite the process being directed by him and the absence of any evidence that he actually submitted a bid raises serious questions of propriety, professionalism, ethics, waste, fraud, and abuse.

In addition, we question whether the process was in the best interests of the City. The City purchased the ATVs (VIN# 4XASEA325FA656198 and VIN# 4XASEA325FA656430) in 2018 for \$1,915.00 each, and paid \$1,040.14 and \$1,040.26, respectively for repairs in September 2021.

| <u>Vin #</u> | <u>Purchase Date</u> | <u>Purchase Price</u> | <u>Repair Date</u> | <u>Repair Cost</u> | <u>Date Sold</u> | <u>Sale Price</u> | <u>Net Loss</u> |
|-----------------------|----------------------|-----------------------|--------------------|--------------------|------------------|-------------------|-----------------|
| 4XASEA32 5FA656198 | 3/15/18 | \$1,915.00 | 9/18/21 | \$1,040.12 | 12/14/21 | \$1,425.00 | (\$1,530.12) |
| 4XASEA32 5FA656430 | 5/16/18 | \$1,915.00 | 9/18/21 | \$1,040.26 | 12/14/21 | \$1,000.00 | (\$1,955.26) |

Mr. Eccleston paid the City \$1,000.00 for an ATV (Vin No. 4XASEA325FA656430) on December 15, 2021. Mr. Thompson paid the City \$1,425.00 for ATV (Vin No. 4XASEA325FA656198) on December 14, 2021. Both sums were 50-66% less than the acquisition and repair costs to the City for the ATVs, roughly 70-80% less than the amount that Mr. Brandenburg had previously paid for the vehicle, and less than the amount of other similar ATVs listed on Facebook Marketplace.

Moreover, Mr. Thompson told the City Commission at the December 14, 2021 meeting and that he intended to sell the vehicle and donate the proceeds to the City. Mr. Thompson did not do so. Additionally, Mr. Thompson told the OIG during his interview that he facilitated the repair and sale of the ATVs in an effort to increase the likelihood that taxpayer funds could be recouped. Nevertheless, he paid the City just \$1,425.00 for the ATV, a sum that he knew would result in a loss to the City.

Then, Mr. Thompson stated that he sold the ATV on Facebook Marketplace after he was terminated in March of 2022—approximately three months after he took possession of the ATV. **Mr. Thompson said he could not recall who he sold it to or the amount of the sale, did not keep any paperwork related to the sale, and felt no obligation to donate the proceeds to the City. He did recall that he profited from the sale.**

The allegation is **supported**.

Recommendation

We recommend that the City develop written policies and procedures for declaration of City-owned assets as surplus and for subsequent disposition of such property.

The City should consider the provisions in section 274.05, Florida Statutes, or relevant municipal ordinances from other cities in its deliberations. A lack of written policies for asset/surplus property disposition increases fraud, waste, and abuse risks; whereas sound policies promote and encourage compliance with best practices; support economical and efficient operations; and help to safeguard assets.

Other Issue

Section 112.313, Florida Statutes provides standards of conduct for public officers, employees of agencies, and local government attorneys, as follows:

(6) MISUSE OF PUBLIC POSITION.—No public officer, employee of an agency, or local government attorney shall corruptly use or attempt to use his or her official position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit, or exemption for himself, herself, or others.

Our investigation detailed that Mr. Thompson, as City Manager, directed the process which resulted in the sale of City surplus property to himself. After designating himself as the winning bidder for one of those ATVs, by his own admission Mr. Thompson sold that ATV for a benefit in the form of a monetary profit.

Therefore, we refer this matter to the State of Florida Commission on Ethics for a determination as to whether there has been a violation of applicable State Ethics statutes.

We previously referred this matter to the Palm Beach County Commission on Ethics; they will also receive this Final Report.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Questioned costs: \$2,425.

ACKNOWLEDGEMENT

The Inspector General's Investigations Division would like to thank the City of Pahokee for their cooperation throughout this investigation.

RECOMMENDED CORRECTIVE ACTION

We recommend that the City develop written policies and procedures for declaration of City-owned assets as surplus and for subsequent disposition of such property.

RESPONSE FROM MANAGEMENT

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, the City of Pahokee 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 as follows:

Thank you for the thorough report. The City of Pahokee has received it and will comply with the recommendations. As for as corrective actions, we shall draft a new policy go into our employee's handbook to correct the deficiencies in policies and procedures to sale City surplus items. We plan on having this in place before the Thanksgiving holidays, 2023.

RESPONSE FROM MR. THOMPSON

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Greg Thompson was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in the Investigative Report within ten (10) calendar days. Mr. Thompson did not submit a response.

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