

## **CareerSource Pinellas Special Board of Directors Minutes**

Date: Wednesday June 26, 2019 at 11:00 A.M.  
Location: Epicenter: 13805 58<sup>th</sup> Street N. Clearwater, FL.

### **Call to Order**

Vice-Chair, Commissioner Gerard called the meeting to order at 11:03 a.m. There was a quorum present with the following board members participating.

### **Board Members in attendance**

Vivian Amadeo, William Apple, Jody Armstrong, Candida Duff (phone), James England (phone), Celeste Fernandez (phone), Commissioner Patricia Gerard, Barclay Harless, John Howell, Michael Jalazo, Dr. William Law, Russell Leggette (phone), Michael Logal, Dr. Rebecca Sarlo (phone), Amy Van Ness (phone), Scott Wagman, Zachary White (phone), Kenneth Williams (phone), Glenn Willocks (phone).

### **Board Members not in attendance**

David Fetkenher, Jack Geller, Michael Gliner, Andrea Henning, Mark Hunt, Carolyn King, Samuel Kolapo, Karla Leavelle, Kim Marston, Kay McKenzie, Michael Meidel, Debbie Passerini, Chad Simpson.

### **Staff in attendance**

Jennifer Brackney, Steven Meier, Don Shepherd, April Torregiante, Michelle Moeller, Dawn Evans, Luna Clarke and Steven Blakey.

### **Board Counsel**

Charles Harris - Trenam Law

### **Guests**

Whitney Creech – Pinellas County

### **Action Item 1 – Approval of the Minutes – June 5, 2019 Board of Directors**

The minutes of the June 5, 2019 Board of Directors meeting were presented for approval.

Motion: Jody Armstrong

Second: William Apple

*The minutes were approved as presented. This motion carried unanimously. There was no further discussion.*

### **Presentation & Discussion Item 2 – DEO Response Tracker**

The U.S. Department of Labor - Employment and Training Administration issued a compliance review report of CareerSource Tampa Bay and CareerSource Pinellas. This report, received on May 21, 2019, outlined seventeen (17) findings of non-compliance, three (3) areas of concern, and \$17,643,409.87 in questioned costs subject to disallowance (CSPIN approximately \$6,300,000). A copy of the report was shared with all board members, the County and CSPIN staff. It was later forwarded to the Tampa Bay Times, upon request. The Department of Economic Opportunity (DEO) directed CSPIN staff to submit a response by Wednesday, May 29, 2019 at Noon. The document submitted is a product of staff work, and is considered a working document. In general, the document includes information that has been approved by the board, including a copy of the new Interlocal Agreement, revised By-Laws, and the procurement and selection of a new One-Stop Operator. At this Board's request, a special meeting is being held on June 26<sup>th</sup> to discuss the response tracker. The tracker was provided as an attachment. The USDOL is expecting a formal response from the DEO on June 28, 2019. It is anticipated that the review process could take up to 15-18 months.

Discussion: Ms. Brackney provided an overview of the response tracker, breaking down the findings into 4 categories: falsified placements, questioned costs, internal controls and oversight/administrative. Following the outline of the tracker, Ms. Brackney itemized each finding and its corresponding response. Later on, Ms. Brackney addressed each finding separately, answering board members questions along the way.

Several members asked for clarification regarding the hiring of an outside consultant to review the necessary files, as opposed to having staff review them internally. Ms. Brackney clarified that this suggestion would be approved by the USDOL, before the region can move forward. It was noted that hiring an outside consultant may be considered a more neutral approach to this review.

On the matter of repayment of the disallowed costs, several avenues will be used as option, such as: unrestricted funds, possible coverage from insurance, proceeds from the sale of the Science Center, as determined by the board and other options negotiated with DOL. If the sum of those avenues is still insufficient, Pinellas County as the local elected official may need to cover the remainder.

Counsel has not had any further updates from the ongoing investigations, nor has Counsel heard from Mr. Peachey's attorney.

Brackney suggested the possibility to collaborate with CSTB in an effort to address the findings as it relates to the compliance review. CSPIN and CSTB remain in contact and are willing to work together on this issue. However, the regions are no longer sharing staff as they have done in the past. Though it is estimated that the process may take between 15-18 months, this timeframe may vary.

Counsel and staff have been in contact with the organization's insurance to determine what level of coverage would be provided. Counsel noted that a less popular "claw back claim" method may be used to recuperate some of the funds that are being questioned, by asking repayment from employers who benefitted from certain contracts. Commissioner Gerard and other members expressed reluctance to pursue the claw back claim method.

If contacted by the media, it is preferred that board members re-direct inquiries to the Board Chair or the CEO.

**Other Administrative Matters:** None

**Public Comments:** None

**Open Discussion:** None

**Adjournment:** The meeting was adjourned at approximately 12:01 p.m.