

Rick Scott
GOVERNOR



Cissy Proctor
EXECUTIVE DIRECTOR

March 21, 2018

Mr. Jack Geller
Chairman of the Board
CareerSource Pinellas
13805 58th Street North, Suite 2-140
Clearwater, Florida 33760

Dear Mr. Geller,

Recently, the Florida Department of Economic Opportunity learned that CareerSource Pinellas is currently in the process of issuing either a severance package or settlement payment to Mr. Ed Peachey. We also feel it necessary to address a letter we received dated March 13, 2018, from Mr. Charles Harris who represents that he is “Board counsel” for CareerSource Pinellas and CareerSource Tampa Bay.

As you are aware, the DEO Office of Inspector General, the Florida Department of Law Enforcement, and the U.S. Department of Labor are investigating allegations of serious misconduct and potential criminal conduct at CareerSource Pinellas. DEO believes that Mr. Peachey should not receive a severance package or settlement payment paid for by tax dollars. Floridians deserve to know their hard-earned tax dollars are not going toward a severance or settlement given the ongoing investigations.

The CareerSource Pinellas Board should immediately reconsider agreeing to pay Mr. Peachey a severance package or a settlement, especially since multiple agencies are currently investigating troubling allegations. Furthermore, pending the outcome of these investigations, DEO will prohibit the use of state or federal funds for severance or settlement payment to Mr. Peachey.

DEO recognizes that federal law permits the Board of Directors at CareerSource Pinellas to make a minimum severance payment if it is included in the employment agreement or is an established policy. However, this type of severance payment would likely only cover accrued but unpaid salary up to the point of termination – certainly not the egregious and costly severance package that has been proposed by the Board. Therefore, the amount of severance discussed by the CareerSource Pinellas Board far exceeds the amount allowable under federal law. To the extent the Board intends, and is allowed, to issue a severance, the Board would require prior approval from the federal awarding agency pursuant to DEO Administrative Policy 87.

More importantly, DEO has no record of either an employment agreement or an established policy requiring a severance payment in this situation. We have asked CareerSource Pinellas multiple times to produce an active, valid employment agreement with Mr. Peachey, but we have only received an expired contract. If the Board has a copy of an active, valid employment agreement with Mr. Peachey

Florida Department of Economic Opportunity | Caldwell Building | 107 E. Madison Street | Tallahassee, FL 32399
850.245.7105 | www.floridajobs.org
www.twitter.com/FLDEO | www.facebook.com/FLDEO

An equal opportunity employer/program. Auxiliary aids and service are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TTD equipment via the Florida Relay Service at 711.

and/or a policy requiring a minimum severance payment in this situation, please provide this documentation to DEO within three business days. If you are unable to provide an active, valid employment contract or Board policy, then DEO will pursue all available legal remedies to prevent state and federal funds from being used for Mr. Peachey's severance package.

It has also come to DEO's attention that CareerSource Pinellas and CareerSource Tampa Bay may be attempting to repackage Mr. Peachey's severance payment as a settlement payment. This thinly veiled attempt to skirt federal law governing severance payments would be entirely inappropriate. To our knowledge, there is no active, valid employment agreement between Mr. Peachey and the Boards. DEO is also unaware of any other viable legal claim that Mr. Peachey could assert against the Boards requiring a settlement agreement. Therefore, based on available information, DEO strongly believes that the Boards have no justifiable basis to enter into a settlement agreement with Mr. Peachey.

Furthermore, even with a valid employment agreement DEO will disallow a severance or settlement package in light of these ongoing investigations. DEO strongly urges the Board to allow these investigations to conclude before making any decisions on severance or settlement payment. Should the conclusion of these investigations result in criminal charges, the Boards' decision to pay Mr. Peachey a severance package or a settlement package of six-figures could be viewed as a flagrant misuse of public funds.

Please also accept this letter as DEO's response to Mr. Harris' March 13, 2018, letter to DEO. In his letter, Mr. Harris represents that he is the "Board counsel" for both CareerSource Pinellas and CareerSource Tampa Bay. DEO is unaware of any publicly noticed, sunshine compliant meeting where the respective Boards presented and voted on Mr. Harris' employment contract. As Mr. Harris' scope of representation and pay rate is not known, it is unclear whether Mr. Harris can be paid using state or federal funds. Finally, Mr. Harris' letter poses several technical questions on job placements and other matters to DEO's Inspector General. Please be aware, as we notified you in our correspondence dated February 26, 2018, you should direct any questions related to operations of CareerSource Pinellas and CareerSource Tampa Bay to DEO's Director of Workforce Services, Ms. Taylor Hatch.

Thank you for your prompt attention and cooperation.

Sincerely,



Cissy Proctor
Executive Director