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# Audit XX - Diners' Club Card

Of the \$88,000 Charges Listed - \$42,000 for Travel, Hotels, & Food.

Posted by [Libi Uremovic](#), May 3, 2013 at 12:56 am

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This audit captures the Diners' Club Card charges for the fiscal year 2011-2012. The Authorized users for the card are City Manager Alan Kapanicas, Chief of Police Francis Coe, Human Resource Director Elizabeth Urriaga, and Assistant to City Manager Shelby Hanvey.

The account is under the name of Finance Director William Aylward. It is the duty of the Finance Director to verify the expense and allocate the cost to each department. The General Ledger does not reflect the information on the Invoice. Most of City Manager Kapanicas's charges are hidden in the Administration Department instead of listed in the City Manager's Department.

Credit cards are issued to cover additional expenses when staff is traveling, but there are also several monthly charges listed on this card:

**ww.izigg.com** – This \$249.95/month charge started in December, 2011. I see no use for this service to the City and it could be a charge that attached itself to the card and was never noticed or removed.

**OnStar Tracking** - \$28.90/month charged to Chief of Police Coe. If there is one vehicle in the City fleet using OnStar the bill should be paid monthly by check.

**Direct TV** – 78.99/month charged to Chief of Police Coe. Neither the Onstar or Direct TV billings are listed in the Police Department.

**Gotomypc.com** - \$29.95 charged to Human Resources.

**CD-data** - \$79.95 charged to Human Resources. Both of these are monthly bills that should be paid with invoice.

**Sirius Music** - \$175.01 charged on 04/17/12 and \$120.66 charged on 05/17/12. Both of these yearly subscriptions were charged to Chief of Police Coe.

**Fastrack** – There were also two \$100 charges for Fastrack charged to Chief of Police Coe on 11/30/11 and 06/18/12.

**Travel and Food:** This is where city officials show total disregard for the taxpayers' money. Travel and food comprised over \$42,000 of the \$88,000 total Diners' Club charges. \$18,000 was for a Washington D.C. Trip for Brian & Kelsey Deforge, Jeff Fox, Elizabeth Urtiaga, & Gregory Fagan. Their Marriott Hotel rooms for five days were \$2,697 - \$2,857.04 because they checked in on Saturday, which is the most expensive night of the week.

**Hilton Hotel:** The Hilton Hotel appears five times in three different cities. City Manager Kapanicas spent six nights and \$4,000 at the Hilton Hotel San Francisco in September, 2011. Chief of Police Coe also stayed at the Hilton Hotel San Francisco for one night. Hotel bill was \$668.06 and Hilton Urban Tavern bill was \$171.56.

Chief of Police Coe stayed at the Hilton Las Vegas on April 23, 2011. The hotel bill was \$557.76 and the Olive Garden Las Vegas bill was \$953.64.

Chief of Police Coe also has two charges for the Hilton Grand Vacations in Florida. One charge was on 03/30/11 for \$934.08 and another on 01/26/12 for \$278.88.

There are some day trips taken by city staff and City Manager Kapanicas has two other trips to Sacramento charged to the Diners' Club card; four night at the Hyatt in March, 2011 totaling \$471.91 and five nights at the Sheraton in April, 2012 at \$325.82/night. Hotel and food totaled \$1,651.29 for the total stay.

The rest of the travel is charged to Chief of Police Coe. He travels to flies without any other city staff to various destinations in Northern California almost every month. There are also numerous charges to gas stations in Beaumont and surrounding cities. It makes no sense for a city employee to charge \$60.00 at the Beaumont Chevron.

Another odd charge to Chief of Police Coe is \$1,835.60 on 06/24/11 from 'Classic Restaurant Supply' in Hartford CT. Of the \$88,000 in charges, \$38,000 are charged to Chief of Police Coe. Either Coe is using the Diners' Club Card for personal use or someone is using him as a patsy.

## Comments

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Ken May 2, 2013 at 07:44 pm



Isn't there a daily limit for govt officials that can legitimately be charged to the City for lodging and food?

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**Libi Uremovic** May 2, 2013 at 07:55 pm

there used to be a limit and i know that state workers still have a limit on travel expenses....

i also found the hilton hotel frisco on the imperial beach credit card...which makes me wonder if they're target marketing local agencies ...

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**Libi Uremovic** May 2, 2013 at 09:30 pm

'...Olive Garden Las Vegas bill was \$953.64....'

how could anyone possibly run up a \$900 bill at the olive garden...?

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**Jacqueline McKay** May 2, 2013 at 09:36 pm

Getting together with other law enforcement personnel in that area to discuss business?

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**Ken** May 2, 2013 at 10:52 pm

Izigg? now the City is into MLM.? A quick check into this service shows very little in negative reviews and a whole slew of proponents, that in itself is a little bothersome...lol

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**Jeremiah Price** May 3, 2013 at 12:44 pm

Very good work, Libi, and I really like the way you stuck to facts here without editorial comment. While none of this is illegal, it shows an obvious need for controls and restrictions to be put into place on these cards. This is something I am definitely going to bring up at the next BCAT meeting which I hope a bunch of us can attend. The city has said they are open to dialogue and citizen's complaints - now here is a time and way for them to prove it. As you suggest, some of those charges are pretty sketchy for public business. Especially hotel charges - I can see no reason for staying at the highest priced accommodations when there are plenty of decent lower-priced accommodations. Bar tabs are

shaky - I can see them being used for entertainment/ marketing for clients, but the way things appear to be now it could also be easily abused and who would know? I don't know the procedure Beaumont uses for purchasing fuel for city vehicles, but I do know a purchase on a Diners Club card isn't it. And if it was used in an emergency, there should be a corresponding reimbursement from the proper account.

I see good things here - thanks to the City for releasing the invoices and thanks to you, Libi, for a careful and fair examination and presentation of them. The next move is on people actually living in Beaumont to form a group and insist on effective controls being put in place. Jeremiah

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 **jake** May 3, 2013 at 01:47 pm

Seems like Sirius charges and Fast track charges aren't very necessary for an officer that serves only the Beaumont area. Even if he got on the freeway to go from one end of Beaumont to another, there is no Fast Tracks here. Does Sirius now have police channels I'm unaware of? These things sound like perks. Just how many trips does a police captain of a city under 40,000 need to take for training/conferences etc?

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 **Jeremiah Price** May 3, 2013 at 01:52 pm

Another thing that troubles me is I can find no rational reason for Direct TV or Sirius Music being charged to the City Diners Club card for the Police Department!! And if they were not charges for the Police Department, what department were they charged for? That one definitely needs some explaining and really shows the need for better oversight and controls. Without saying there were or were not improprieties of personal use it would appear there should be an investigation into Police Chief Coe's use of the card to establish whether they were proper or not. He or the city can clear the suspicion by providing an answer to just where the Direct TV installation was done and what vehicle or office or home the Sirius Music account is for. I wonder what name is on the Direct TV account. Does the invoice showing a charge give an account number? Or the Sirius Music one?

Jeremiah Jeremiah ...

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 **Jeremiah Price** May 3, 2013 at 01:58 pm

Fast track I could buy - these look like bi-annual transponder use fees, and probably a thing the city would or could use for city business in Riverside or

Orange County. The other things - Direct TV and Sirius Music and Izigg - you hit the nail on the head.

Jeremiah

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**Ben** May 3, 2013 at 06:36 pm

The charges for music and tv could just be for the employee lounge at the police station. Got to have something to take their mind off minding all the wackos that have moved around here.

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**Washy** May 3, 2013 at 06:50 pm

If an officer needs to go to OC (and now into LA) to go to court or pick up a prisoner/suspect they would need the fast tracs at least they are not doing like LA officers do and just use the lanes and rack up 50k in fast trac fines

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**Jeremiah Price** May 3, 2013 at 11:02 pm

That is a point, but I would think that would be in the Police Dept operating budget, not a city card issued to a limited group of people for entertainment/travel/hospitality/marketing.... Time will tell!

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**Washy** May 3, 2013 at 11:50 pm

Now why would it be wrong to bring these charges up at city council meeting? They (city council) signs off on this. I am concerned with the bar tabs.

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**Jeremiah Price** May 4, 2013 at 12:19 am

It might not be wrong, but it is not the appropriate forum. City council meetings are supposed to be for current business on the agenda. Doing it here gives them a reason to not address it. The BCAT meetings would be a better place and now that we know they want us to come and ask questions like these I think we should. They have said they will answer all questions. Yeah, the bar tab thing concerns me too. I know that sometimes in business you have to smooze clients or contacts but this is a pretty large amount if it is at one place and one sitting. Don't want to make any accusations or give any innuendo til we know, but this

one on top of the other deserves investigation. I'm hoping Libi has more information from the invoices saying where these bar charges were at so we can inquire as to what city business was being performed on that date.

Hey, how did the marathon go? Jeremiah

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**beaumontdave** May 4, 2013 at 12:26 am

Why would you go to Vegas, with all it's great places to eat, and then have a party a Olive Garden?

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**Ken** May 4, 2013 at 01:06 am

You can ask any questions you like at any Council meeting. As long as you fill out the appropriate form and do it in under 3 minutes when that portion of the meeting commences. However it is illegal for any Council member to answer your question or comment on it . It will be referred to Staff and answered at a later date. Now if you could convince a Council member to ask the same questions....

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**Jeremiah Price** May 4, 2013 at 01:50 am

The biggest thing that troubles me as a former business owner and manager of several others is that slush fund cards like these are not supposed to be stand-alone accounts. They are typically linked to personal expense accounts with definite rules and limits as to what can be charged and how much. Then those expense accounts are broken down monthly and the expenses charged to the proper city account, and the city accounts debited and paid through the general account. Checks and balances all the way through, which we don't have here. That is why it is hard for me to accept that things like Direct Tv and Sirius and IZigg are expenditures for city offices - there are accounts that these would be charged to and no matter how you look at it I can't find how those would be justified on a personal expense account. Wonder how we find the rules and limits these card users are supposed to adhere to?

Jeremiah

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**Jeremiah Price** May 4, 2013 at 02:00 am

That would be 10 -12 people with drinks included. Need to correlate the date and who from the city was there and what the function was.

Jeremiah

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**Ben** May 4, 2013 at 03:05 am

What does the City do with iZigg? Either you mass text your business advertisements with it, or you sell the construct to others. What's Beaumont or the PD doing, sending out mass texts about themselves? That makes no sense. Got to wonder if someone is using it for their own personal side business or something.

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**Washy** May 4, 2013 at 08:08 am

I run tomorrow am.....OK but the council meetings are recorded the BCAT meetings are they? The council meetings have minutes that are recorded so the answers are recorded are the BCAT meetings is it possible we are being asked to go to a meeting that is A)not required by law so there is no legal record of it and B) where most of the council won't be to answer so we can be blown off easily

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**Washy** May 4, 2013 at 08:11 am

Or mass text anyone who is signed up about city business (I did not know about this until the other day when the fire was at its most dangerous) A kid who lives here started getting texts updating her on the fire from the city. She said she gets them because she is on the bus everyday and the city needs to update if there is bus changes or road closures (Like from the bike classic)

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**Jeremiah Price** May 4, 2013 at 09:38 am

Wow, Washy, you came up with a legitimate use for it when I didn't think there could be one! That is actually a great idea - do you know more, like how one would sign up? I would use that myself.

Jeremiah

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**Jeremiah Price** May 4, 2013 at 09:48 am

Anything is possible. They were willing to provide records of the meetings back to sometime in 2011 when I went in and asked. But that is a good question. I

think if they did that it would pretty much prove the allegation that they are avoiding people, which so far hasn't proved out. They did produce the Diner's Club invoices in a timely manner (some will take issue with that) and they have cooperated in all the other records requests so I am not sure what the benefit to them would be to avoid people's questions at the meetings and make themselves look bad and then have to give up the information anyway to a request. I suggested earlier that a group of us should go, and we should courteously provide a list of our questions several days ahead of the meeting so they have time to be ready to answer those questions and can't use the "I don't have that information immediately available" excuse to avoid answering. Going to the meeting will tell the story by their own actions because they have said it is a meeting for that purpose.

Jeremiah

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**Washy** May 4, 2013 at 10:54 am

You mean for our city. I believe you do it through City Hall, you mean to use the program for your business I do not know....

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**Jeremiah Price** May 4, 2013 at 11:43 am

No, I want to connect to it.

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