



## THE CITY OF SAN DIEGO

DATE: December 20, 2013

TO: Honorable Audit Committee

FROM: Eduardo Luna, CIA, CGFM, City Auditor  
Office of the City Auditor

SUBJECT: Review of City Travel Expenses Associated with Former Mayor Filner's Trip to Paris, France

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On September 9, 2013, the Audit Committee requested the City Auditor to verify the expenses incurred and paid with City funds for the travel to Paris, France by former Mayor Bob Filner, his companion, and the Executive Protection Detail (EPD) Police Officers assigned to provide protection to Filner.

We found that no City funds were used to pay for the expenses of the former mayor and his companion on the Paris trip. No travel reimbursements for per diem or other reimbursable expenses were found in City records for Filner or his companion. However, \$24,641.86 of City funds were spent on the two EPD officers who accompanied Filner. We found that this travel scenario identified some financial related procedures that should be added to the San Diego Police Department's (SDPD) Executive Protection Detail Operations Manual when the cost of air travel for the EPD exceeds the transaction limit established in the San Diego Municipal Code (SDMC).

### **Background**

In order to verify the expenses incurred and paid with City funds, we interviewed and obtained documentation from the San Diego Police officials and security detail officers, Human Resources Department officials, City Attorney staff, and City administrative staff supporting the Mayor's office during the period relating to the travel to Paris. The trip commenced on June 21, 2013 and ended on June 26, 2013.

The expenses of the former mayor and his companion on the Paris trip were not paid with City funds. No travel reimbursements for per diem or other reimbursable expenses were found in City records for Filner. It appears that Filner's air travel and lodging were paid by the host organization, the Organization of Iranian-American Communities. The expenses of the EPD officers were the only expenses paid with City funds. A summary of the expenses incurred and paid for the EPD is shown in the following table:

Expense Type	Security Officer #1	Security Officer #2	Total
Transportation: Airfare and Seat Fees	\$8,269.10	\$8,280.10	\$16,549.20
Less: Airfare Refunds	(\$2,525.00)	(\$2,525.00)	(\$5,050.00)
Lodging	\$1,616.02	\$1,616.02	\$3,232.04
Telephone Internet	\$16.28	\$0.00	\$16.28
Per Diem	\$891.00	\$891.00	\$1,782.00
Less: Meals Provided	(\$93.19)	(\$45.47)	(\$138.66)
Total Travel Expenses	\$8,174.21	\$8,216.65	\$16,390.86
Overtime Pay <sup>1</sup>	\$4,664.00	\$3,587.00	\$8,251.00
<b>Total Trip Expense</b>	<b>\$12,838.21</b>	<b>\$11,803.65</b>	<b>\$24,641.86</b>

The transportation and lodging for the two SDPD officers were paid with three City issued procurement cards (P-Cards). The airfare was purchased and paid using a Human Resources Deputy Director's (HRDD) P-Card and each security officer's lodging was paid using each officer's respective P-Card.

On June 12, 2013, a meeting was held with the Mayor's staff, including the HRDD, for the purpose of discussing the upcoming travel of Filner to Paris. At this meeting, it was anticipated that transportation reservations would be needed for four individuals: Filner, his companion, and two SDPD security officers. It was initially believed that the City would pay for Filner and his companion, and that the City was to be reimbursed later for the airfare. However, it turned out that the host organization paid these expenses directly and no City funds were spent on Filner or his companion for any travel-related expense to Paris.

On June 17, 2013, the host organization provided Filner's and his companion's airline travel itinerary to one of the SDPD security officers. The tickets for Filner and his companion were Business Class tickets, but no seat assignments were made. The SDPD security officer then placed a reservation hold on two Business Class tickets for the same airline and itinerary as Filner and his companion. The officer placed this business class hold pursuant to X(A)(1) of the SDPD Executive Protection Detail Operations Manual which states "*The EPD Officer shall check baggage in and request an aisle seat assignment within view of the Mayor's seat assignment.*"

The airline reservation hold for the two security officers was communicated to the HRDD. Later, on June 17, 2013, the HRDD then purchased the airfare tickets for the security officers using a P-Card. Prior to this, on June 14, 2013, in anticipation of

<sup>1</sup> Calculated at employee base hourly rate plus add-ons, and does not include fringe or overhead.

purchasing four airline tickets, the Interim Chief Financial Officer approved raising the transaction limit on the HRDD's P-Card. The HRDD's P-Card monthly statement revealed \$16,549.20 spent on airfare for the two security officers. The statement charges are listed below:

<b>Expense Type</b>	<b>Amount</b>
Ticket #1	\$8,231.10
Ticket #2	\$8,231.10
Additional Ticket: Charge #1	\$25.00
Additional Ticket: Charge #2	\$25.00
Premium Seat #1	\$13.00
Premium Seat #2	\$24.00
<b>Total</b>	<b>\$16,549.20</b>

The original air travel itinerary included flights with Business Class seating from San Diego to San Francisco, and then San Francisco to Paris. However, on the morning of June 21, 2013, there was a mechanical issue with the aircraft flying to San Francisco. The alternatives offered by the airlines would not make the connection in San Francisco. Filner and his companion secured seats on another flight connecting from San Francisco to Paris. However, no accommodations could be made for the two security officers to be on the same flight. Filner and his companion made the San Francisco to Paris connections, but the two security officers were booked on a completely different itinerary. As a result, the officers arrived in Paris four hours after Filner. The re-booked flights for the two security officers were in Coach Class. The HRDD's P-Card was refunded for the difference in cost between Business Class and Coach seating – \$2,525 for each ticket (\$5,050 total).

The City's Procurement Card Program Policies and Procedures Manual sets transaction limitations with P-Cards. Chapter 2, page 9 states that a P-card cannot be used if the "*Total cost exceeds \$5,000, per SDMC §22.3212(a)*"<sup>2</sup>. Chapter 4, page 14, "Limits," states that "*The maximum single transaction limit shall not exceed \$5,000 in accordance with the San Diego Municipal Code §22.3212(a).*" SDMC §22.3208(e) states that a competitive award for a contract is not required when "*A sole source contract certified by the Purchasing Agent pursuant to §22.3016, provided that if the justification of the sole source contract is the emergency nature of the project, the Purchasing Agent notifies the City Council and obtains the City Council's approval pursuant to §22.3208(c).*"

The City's P-Card Administrator stated that the transaction limit can be raised if the cardholder follows the requirements of SDMC § 22.3203(b) which reads as follows:

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<sup>2</sup> SDMC §22.3212(a) was renumbered and re-titled to §22.3208, "Contracts Not Required to be Competitively Awarded" and amended 4-23-2012 by O-20148 N.S.; effective 5-23-2012.

*“For contracts greater than \$5,000 but equal to or less than \$10,000, the Purchasing Agent may award the contract but shall seek competitive prices either orally or in writing.”*

City Administrative Regulations No. 90.30, Section 3.4 states in the relevant part *“When the use of public air carrier transportation is approved, travel for all employees must be in coach class service.”*

### **Conclusions and Recommendations**

We found that City funds in the total amount of \$24,641.86 were spent for the two security officers to accompany and provide protection for Filner on the trip to France from June 21, 2013 through June 26, 2013. The expenses of the former mayor and his companion on the Paris trip were not paid with City funds. No travel reimbursements for per diem or other reimbursable expenses were found in City records for Filner or his companion.

We also found that this particular mayoral trip identified the need to add some financial procedures to the San Diego Police Department’s (SDPD) Executive Protection Detail Operations Manual when the cost of air travel for the EPD exceeds the transaction limit established in the San Diego Municipal Code (SDMC) – *“contracts greater than \$5,000 but...less than \$10,000...shall seek competitive prices.”* In this case, the SDPD Executive Protection Detail Operations Manual X (A)(1) only required the security detail to *“request an aisle seat assignment within view of the Mayor’s seat assignment.”* This then required the security detail to procure Business Class airline tickets since the host organization purchased Business Class tickets for Filner at a cost that exceeded the \$5,000 threshold.

Based on such a policy requirement, it may be possible to justify a sole source determination if the Mayor was already committed to a class of air travel that could not be changed. However, such a determination would need to be appropriately made in writing by the appropriate individuals authorized under SDMC Section §22.3016(b). Another alternative would be to obtain the necessary price quotes when the cost of anticipated travel exceeds the \$5,000 threshold.

We recommend that the San Diego Police Department add some financial procedures to their Executive Protection Detail (EPD) Operations Manual to address the situation when the cost of air travel for the EPD may exceed the transaction limit established in the San Diego Municipal Code. Potential additional procedures could include obtaining a sole source exception or the necessary price quotes when the cost of anticipated travel exceeds the \$5,000 threshold.

***SDPD Response***

*We agree with the recommendation.*

We appreciate all of the assistance we received from SDPD and other City staff during our investigation. Thank you.

Respectfully submitted,

A handwritten signature in black ink that reads "Eduardo Luna". The signature is written in a cursive style with a horizontal line above the name.

Eduardo Luna  
City Auditor

cc: Honorable Interim Mayor Todd Gloria  
Honorable Members of the City Council  
Scott Chadwick, Chief Operating Officer  
Stacey LoMedico, Assistant Chief Operating Officer  
Mary Lewis, Chief Financial Officer  
William Lansdowne, Chief, SDPD  
Ken Whitfield, City Comptroller  
Jan Goldsmith, City Attorney  
Andrea Tevlin, Independent Budget Analyst