



**DIVISION OF INSPECTOR GENERAL  
Grant Maloy, Clerk of the Circuit Court and Comptroller  
Seminole County, Florida**

June 12, 2020

To: The Honorable Chairman and Members of the Board of County Commissioners

We have completed a special review on contract compliance of Johns Eastern Company, Inc.

We would like to acknowledge Mr. William Telkamp (Risk Manager) and Ms. Alice Wells (Director of TPA Operations/Johns Eastern Company, Inc) for their assistance with the review.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William Carroll".

William Carroll, CPA, CFE, CIG, CIGA  
Inspector General  
Division of the Inspector General

Approved by:

A handwritten signature in black ink, appearing to read "Grant Maloy".

Grant Maloy  
Clerk of the Circuit Court and Comptroller  
Seminole County Florida

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**SPECIAL REVIEW OF JOHNS EASTERN COMPANY, INC.  
Contract Compliance**

**REPORT NO. 052720**

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Special Review - Report No. 052720  
Johns Eastern Company, Inc. - Contract Compliance

**GRANT MALOY**  
**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

William Carroll, CPA, CFE, CIG, CIGA  
Inspector General

Auditor Assigned:  
Viola Saine, CPA, MAFM, CIGA

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## *Background*

On July 14, 2014, Seminole County (County) signed a contract with Johns Eastern Company, Inc. (JECO) to be the administrator for claims relating to workers' compensation, general liability, automobile, property and error and omissions.

For the period, October 2018 to March 2020 (18 months), JECO paid in total the following claims:

• Indemnity	\$474,448.00
• Medical	\$2,277,699.00
• Liability	\$1,654,136.00
• Expenses	<u>\$235,211.00</u>
Total	\$4,641,494.00

We reviewed transactions from October 2018 to March 2020 and physically traced back the payment checks to supporting documentation at the company's claims file system.

The results of this review are included in the report that follows.

## *Scope and Methodology*

Our objective was to determine that if payment of claims is in compliance with the contract, applicable laws, and regulations; and, adequately supported.

Our procedures included:

- Review of the contract and the applicable laws, and regulations;
- Review of vouchers and payment check registers; and,
- Review of invoices and supporting documentation and the corresponding check payments.

## Overall Evaluation and Conclusion

It is our opinion, the payment of claims and expenses by JECO is in compliance with the contract, applicable laws, and regulations. Claims and settlements, are for the most part, are adequately documented.

The following are billing adjustments we noted:

- Some duplicate invoices; and,
- Paralegal services were billed at attorney's hourly rate.

## Adjustments

### 1. Duplicate Invoices were submitted for payment.

We reviewed 700 billing invoices with a value of \$3.5 Million for the period of October 2018 to March 2020. We found three (3) examples of invoices where services or charges were already paid by JECO. These duplicate billing errors are accounted and illustrated below:

Claim #	Check #	Amount	Duplicate	Invoice #	Payee
886865	75269	\$1,329.00		46331 <sup>1</sup>	Broussard, Cullen & Blastic, P.A.
886865	75355	\$858.00	\$858.00	46338	Broussard, Cullen & Blastic, P.A.
886865	75355	\$526.00	\$460.00	46637	Broussard, Cullen & Blastic, P.A.
890302	73349	\$522.00		43517 <sup>2</sup>	Broussard, Cullen & Blastic, P.A.
890302	73378	\$522.00	\$522.00	43517	Broussard, Cullen & Blastic, P.A.
			<u>\$1,840.00</u>		

## Recommendation

JECO should refund the County \$1,840.00 as noted above.

<sup>1</sup> Billing items of Inv. #46331 were divided into two invoices, #46338 and #46637, and both were paid.

<sup>2</sup> Inv. #43517 were paid twice by check numbers #73349 and #73378, same services were performed.



## Current Status

Broussard, Cullen & Blastic, P.A. refunded the County \$1,840.00 for the duplicate billings. No further action required.

## 2. Paralegal services were billed at attorney's hourly rate.

There were three law firms that provided legal services. They are:

- Broussard, Cullen & Blastic, P.A. (RFP-603036-18/BJC);
- Dean, Ringers, Morgan & Lawton, P.A. (RFP-603113-18/BJC); and,
- Rissman, Barrett, Hurt, Donahue & McLain, P.A. (RFP-601076-11/BJC).

We found many examples of paralegal services that were billed at the attorneys' hourly rate:

<b>Paralegal Services Billed at Attorneys' Rate.</b>						
Claim #	Invoice #	# of Hours	Attorney Billings	Paralegal Billings	Overcharges Difference	Attorney
821538	42656	1.40	\$154.00	\$84.00	\$70.00	Broussard <sup>3</sup>
821538	43081	0.90	\$99.00	\$54.00	\$45.00	Broussard
832497	42393	4.00	\$440.00	\$240.00	\$200.00	Broussard
893010	45073	8.50	\$935.00	\$510.00	\$425.00	Broussard
893010	45434	1.20	\$132.00	\$72.00	\$60.00	Broussard
893207	45702	1.80	\$225.00	\$108.00	\$117.00	\$917.00 - Broussard
856221	159098	1.60	\$264.00	\$112.00	\$152.00	Dean <sup>4</sup>
856221	159704	0.30	\$49.50	\$21.00	\$28.50	Dean
856221	164067	0.80	\$132.00	\$56.00	\$76.00	\$256.50 - Dean
797031	798453	0.70	\$109.90	\$59.50	\$50.40	Rissman <sup>5</sup>
724110	785986	0.90	\$141.30	\$76.50	\$64.80	Rissman
801066	787179	1.70	\$266.90	\$144.50	\$122.40	\$237.60 - Rissman
<b>Total</b>			<b>\$2,948.60</b>	<b>\$1,537.50</b>	<b>\$1,411.10</b>	

<sup>3</sup> Broussard, Cullen & Blastic, P.A. has billing rates per hour at: \$125.00 for Principal Attorney; \$110.00 for Associate Attorney; and, \$60.00 for Paralegals.

<sup>4</sup> Dean, Ringers, Morgan & Lawton, P.A. has billing rates per hour at: \$165.00 for Primary Attorney; and, \$70.00 for Paralegals.

<sup>5</sup> Rissman, Barrett, Hurt, Donahue, McLain & Mangan, P.A. has billing rates per hour at: \$151.00 - \$157.00 for Partners; and, \$85.00 for Paralegals.

The terms included within the Scope of Services basically states that:

*“All paralegal level tasks will be reimbursed at a paralegal rate regardless of who performs the tasks.”*

Using the attorney’s hourly rate for paralegal tasks in lieu of the paralegal rate is not in compliance with the contract; and, thus the County overpaid by \$1,411.10 as illustrated on page 3 (Schedule of Paralegal Services Billed at Attorneys’ Rate).

The provisions that list the following paralegal tasks that are paid for under paralegal’s hourly rate even if the attorney performed the task, are found in Exhibit A on page 5.

## Recommendations

1. Attorneys billing should comply with the agreement.
2. Adjust attorneys’ billings by crediting/refunding back to the County the \$1,411.10 overpayment, accounted as follows:

• Broussard, Cullen & Blastic, P.A.	\$917.00
• Dean, Ringers, Morgan & Lawton, P.A.	\$256.50
• Rissman, Barrett, Hurt, Donahue & McLain, P.A.	\$237.60

## Current Status

Broussard, Cullen & Blastic, P.A. is reimbursing the County \$917.00. Also, the firm agreed to better document future billing to more clearly identify when documents were reviewed by an attorney.

Dean, Ringers, Morgan & Lawton, P.A. has agreed to reimburse the County \$256.50 for services billed at the attorney rate that should have been possibly been charged at the paralegal rate.

Rissman, Barrett, Hurt, Donahue & McLain, P.A. has not responded as of May 26, 2020 despite JECO’s follow-up.



## Exhibit A Legal Services Agreement - Scope of Services

### *"Qualified Professional*

*SEMINOLE COUNTY will only pay professional rates for attorneys, law clerks, or qualified paralegals performing proper functions in relation to a file. Billing for clerical, administrative, word processing, or other non-professional staff is not permitted.*

*SEMINOLE COUNTY will not pay for services rendered by clerical, library, administrative, computer, data entry, secretarial, or other non-professional personnel. All paralegal level tasks will be reimbursed at a paralegal rate regardless of who performs the task.*

*Examples of billable activities, which can often be properly performed by paralegals, are as follows:*

- 1. Preparation of Subpoena for employment and medical records CAVEAT: If you use a record copy service to issue a subpoena, preparation of the request form is appropriately a secretarial or clerical activity which is not compensable.*
- 2. Preparation of Subpoena for deposition, Preparation of Notice of Mediation.*
- 3. Preparation of Notice of Deposition, Preparation of Notice of Hearing.*
- 4. Preparation of Entry of Appearance, Preparation of Substitution of Attorney.*
  
- 5. Preparation of legal documents required to set Depositions, Mediations, and Hearing.*
- 6. Preparation of exhibit list.*
- 7. Organization and re-organization of files it involves case documents such as separating and cataloging responses to Requests for Production of Documents.*
- 8. Indexing file materials if they are case documents requiring professional judgment with respect to categories.*
- 9. Summarizing medical records and employment records.*
- 10. Preparation of medical indices.*
- 11. Preparation of records request(s).*
- 12. Preparation of Authorization to Secure Records (medical, tax, IRS, employment, union, etc.).*
- 13. Preparation of Notice of Denial, which does not require affirmative defenses or specific denials.*
- 14. Preparation of Requests to Produce (Form or Standard).*
- 15. Preparation of Interrogatories (Form or Standard).*
- 16. Preparation of Expert Interrogatories (Form or Standard).*
- 17. Preparation of Motions to Compel (Form or Standard).*
- 18. Preparation of form closing papers.*
- 19. Stipulation to Extend Time to Answer.*

*The above lists are not all-inclusive."*