



Data
Analytics
Unit

PANDEMIC-ERA RELIEF FUNDING: PPP LOAN ACTIVITY ASSOCIATED WITH CITY EMPLOYEES

2024

Pandemic-Era Relief Funding: PPP Loan Activity Associated with City Employees

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Purpose

The Office of the Inspector General's (OIG) Investigations Unit (Investigations) requested the OIG Data Analytics Unit (DAU) provide an Investigative Assist. At this request, DAU conducted a Data Insight of the Paycheck Protection Program (PPP) to assess PPP loan data against the most current list of city employees in Duval County, FL, to identify potential instances of city employees receiving PPP loans. The DAU initiated this Data Insight to determine whether gainfully employed city workers may have improperly received PPP loans or otherwise warrant further investigative review. The findings will inform further investigation into the legitimacy of PPP loans received by city employees.

Background

The Paycheck Protection Program (PPP) was established by the United States Federal Government to provide financial assistance to small businesses during the COVID-19 pandemic. However, concerns have arisen regarding potential fraud, particularly among individuals who are gainfully employed elsewhere. As part of efforts to combat fraud, the Office of the Inspector General (OIG) conducted this Data Insight to ensure the integrity of PPP loan distribution among City of Jacksonville employees.

Investigations provided access to all PPP Loan data for Duval County, Florida.

Objective Statement

The primary objective of this Data Insight is to assess PPP loan data against the most current list of city employees within Duval County, FL. This evaluation seeks to identify potential instances where city employees may have received PPP loans, thereby identifying potential fraud in the utilization of PPP funds. To achieve this, the analysis is designed to complete the following goals:

- Identify city employees associated with PPP loan disbursements and assess whether those instances warrant further investigative review.

Scope & Methodology Statement

Scope

This analysis is delimited to PPP loan recipients located within Duval County, Florida, and compares that data against the most recent available list of City of Jacksonville employees. The scope is narrowly focused on identifying potential discrepancies or overlaps between PPP loan recipients and city employee records, including consideration of declared secondary employment where

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applicable. It is not intended to constitute a comprehensive determination of PPP loan legitimacy countywide, but rather to flag specific instances that may warrant further review or investigative follow-up.

Methodology

- Append PPP loan records to the current list of city employees by comparing addresses.
- Identify duplicate addresses between employee and PPP records to flag potential overlaps requiring further investigation.
- Match PPP loan data with secondary employment declarations list to assess legitimacy of matches.

The objectives, scope, and methodology outlined in this analysis provide a systematic framework for evaluating the alignment between PPP loan data and City of Jacksonville employee records. Through comprehensive data review and the application of analytic matching techniques, the analysis is designed to identify potential overlaps or discrepancies between PPP loan recipients and city employees, including consideration of declared secondary employment where applicable. The purpose of this work is not to draw conclusions regarding misconduct, but to identify instances that may warrant additional review or follow-up in accordance with applicable policies and oversight responsibilities.

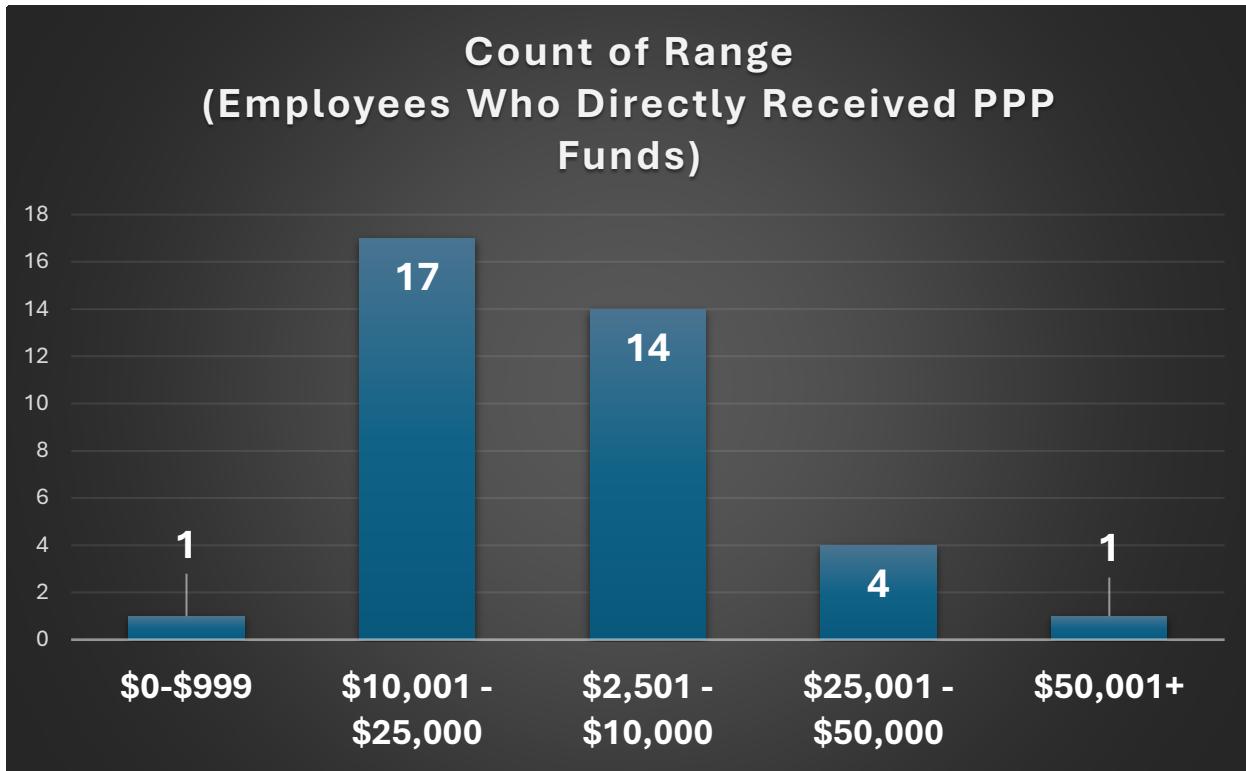
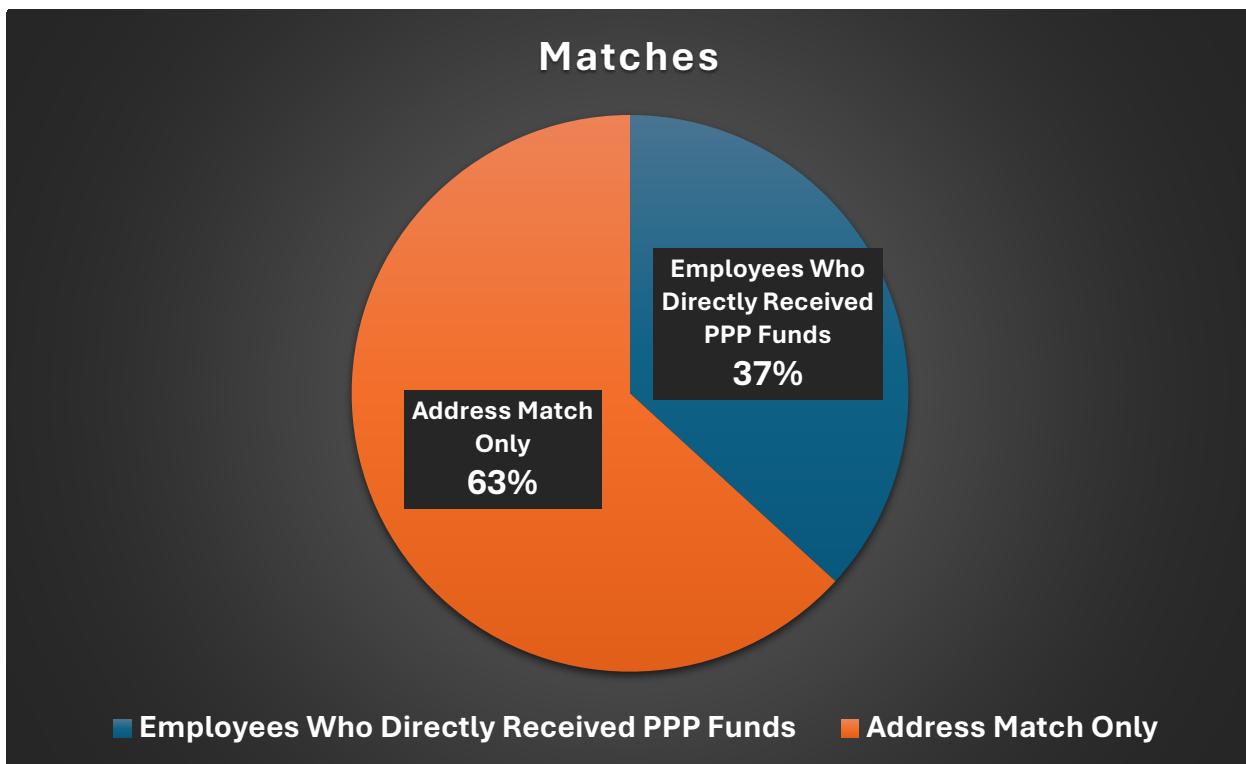
Results

The results of the data analysis found that there were 39 instances where both the ‘employee name’ and ‘address’ matched in both record types—employee roster and PPP loan data for Duval County, FL. These employees were listed as the named PPP loan applicants. Those matches accounted for a total PPP loan distribution of \$584,217.92. Additionally, there were 67 matches where only the ‘address’ matched in both record types, totaling a distribution of \$1,130,889.93.

	Matches	PPP Loan Amount Distributed
Employees Who Directly Received PPP Funds	39	\$584,217.92
Address Match Only	67	\$1,130,889.93

The average distribution among employees who directly received PPP funds as the named applicant was \$15,789.67. Notably, 36 employees directly received \$2,700.00 or more in PPP funds, highlighting the prevalence of substantial distributions among recipients.

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Conclusion

The identification of 39 city employees associated with PPP loan disbursements warrants further examination due to the potential implications for misuse of public funds. These cases raise concerns where individuals appear to have received PPP assistance while concurrently employed by the City of Jacksonville, creating a risk of ineligible participation in the program or improper benefit overlap. While the presence of employment alone does not establish wrongdoing, the receipt of relief funds by gainfully employed individuals necessitates closer review to determine whether PPP eligibility requirements were accurately represented and whether program funds were appropriately distributed.

The analysis, which compared PPP loan data to city employee records in Duval County, Florida using address-based matching, identified potential overlaps between city employees and PPP loan recipients. Although address matching alone does not confirm fraudulent activity, it highlights instances that may warrant additional investigation, including scenarios where PPP funds were issued to individuals or entities listed at the same address as a city employee, potentially indicating straw or proxy applications. Incorporating secondary employment declarations provides further context for assessing the legitimacy of these loans. Continued scrutiny and coordination among relevant departments will be critical to ensuring accountability, safeguarding public resources, and mitigating the risk of improper use of government relief funds by city employees.

Appendix A: Data Analysis Process

Result of appending PPP Loan records to City Employee List:

- Successfully appended PPP loan records to the city employee list by comparing addresses.

Result of identification of Duplicate Addresses:

- Detected instances of city employees with duplicate addresses, indicating potential receipt of PPP loans.
- All duplicate address information included in the final results were confirmed to be single-family domiciles. This was to confirm that the employee with the listed address was in fact a cohabitant with the individual or business listed in the PPP loan record with the matching address.
- Matching addresses that were multifamily domiciles where the suite or apartment number could not be confirmed or matched were deliberately omitted from the final results of the Data Insight (see intelligence gaps section for more information regarding unconfirmed address matches).

Matching with Secondary Employment Declarations:

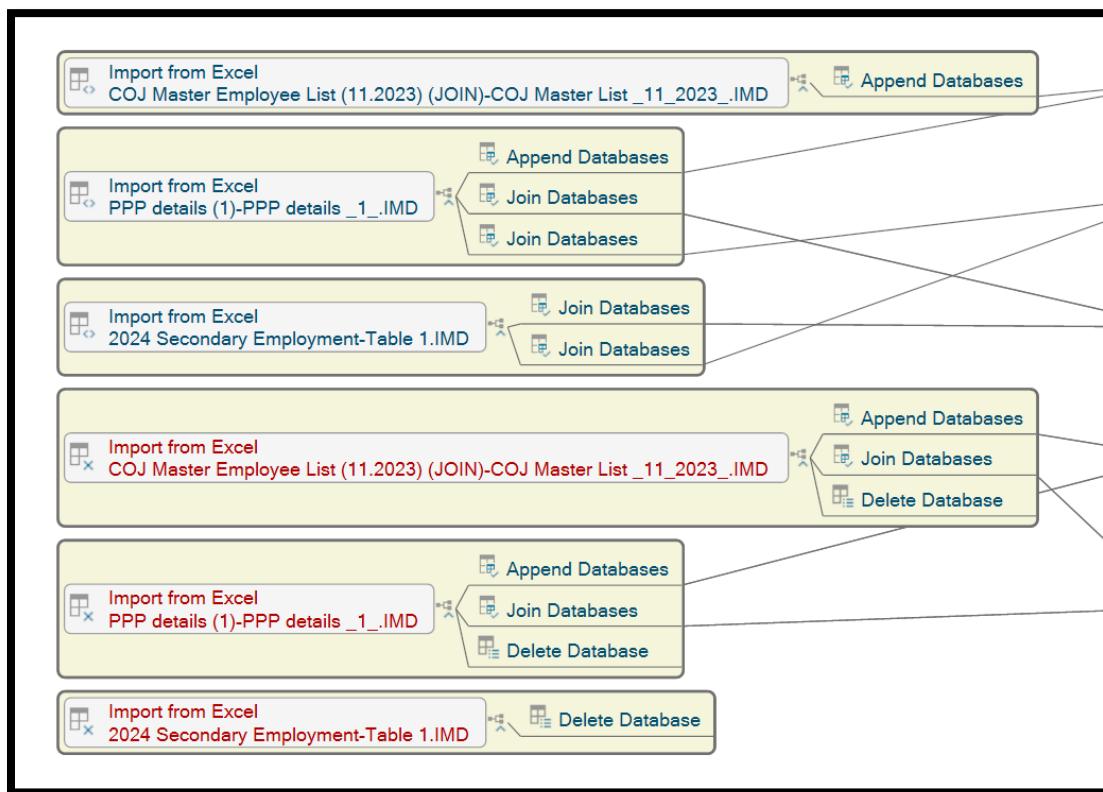
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- Conducted matching between PPP loan data and secondary employment declarations to assess legitimacy.
- Identified cases where city employees received PPP loans for their businesses, potentially legitimate due to secondary employment.

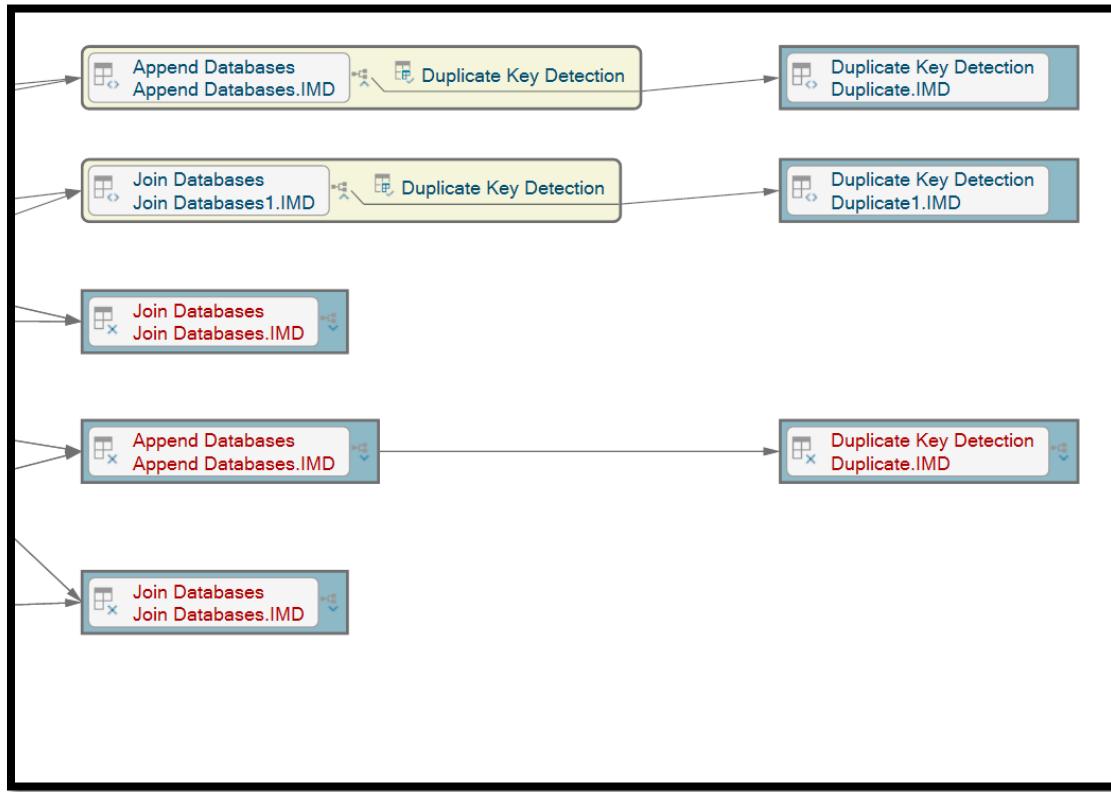
Businesses listed on 'address' matched records:

- Businesses in the PPP loan records with listed addresses that match the listed employee addresses were compared.
- Several businesses do not appear on the Secondary Employment form whose listed address is the same as the employee address.

Data Analysis Flow Charts:



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Appendix B: Intelligence Gaps

As part of an investigative effort to identify potential instances of fraud within the Paycheck Protection Program (PPP) during the pandemic, a comparison between records of city employees and PPP loan recipients was conducted. The objective was to ascertain if any city employees had potentially defrauded the PPP program by accepting loans despite being gainfully employed by the city. However, during this analysis, a significant intelligence gap was encountered due to discrepancies in address listings.

Address Discrepancies: Upon comparison, it was observed that some addresses listed in the records of city employees and PPP loan recipients were incomplete or partially provided. This was particularly evident in multifamily addresses, where suite or apartment numbers were missing. For example, while the street address was present, crucial details such as suite numbers were omitted.

Intelligence Gap: The presence of incomplete addresses poses a significant intelligence gap in the investigative process for the following reasons:

- 1. Identification Challenge:** Incomplete addresses make it difficult to accurately match records between city employees and PPP loan recipients. Without precise address details, it

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becomes challenging to conclusively determine whether a city employee and a PPP loan recipient share the same residential or business address.

2. **False Negatives:** The absence of suite or apartment numbers increases the likelihood of false negatives, where legitimate matches between city employees and PPP loan recipients may go undetected. This compromises the efficacy of the investigation and may result in overlooking instances of potential fraud.
3. **Data Integrity Concerns:** Incomplete address listings raise concerns about the overall integrity and reliability of the data being analyzed. Without comprehensive address information, the accuracy and validity of the comparison between city employee and PPP loan recipient records are compromised, undermining the credibility of the investigative findings.
4. **Resource Drain:** Address discrepancies necessitate additional resources and efforts to manually cross-reference and verify matches, leading to increased time and costs associated with the investigative process. This diverts resources from other critical tasks and prolongs the duration of the investigation.

Impact on Investigation: The presence of address discrepancies significantly stymies efforts to accurately compare records of city employees and PPP loan recipients. This impediment undermines the effectiveness of the investigation and hampers the ability to identify potential instances of fraud within the PPP program.

Conclusion: Address discrepancies present a critical intelligence gap in the investigation of potential fraud within the PPP program. Addressing these discrepancies through standardization, enhancement, verification, and collaboration measures is essential to overcome this challenge and ensure the accuracy and effectiveness of the investigative efforts.