



## Inspector General Insights

**Background:** The Office of Inspector General (OIG) discovered in an internet review that Deputy County Manager Sean Callahan (Callahan) appeared to have outside employment with a lobbying firm. On January 19, 2022, the OIG initiated a review of a sample of Board of Collier County (BCC or County) employees who had taken significant leave in the fourth quarter of calendar year 2021, including Callahan. Effective January 23, 2022, the BCC terminated Callahan's employment for failure to disclose his outside employment with Brownstein Hyatt Farber Schreck LLP (Brownstein), a lobbying and law firm, while he was serving as the Deputy and/or Acting County Manager.

Callahan was hired as the County Division Director – Operations Support for the Public Services Department on March 20, 2017. He was promoted to the position of Executive Director – Corporate Business Operations with an effective date of August 6, 2018, and later promoted to the position of Deputy County Manager effective May 3, 2021, at a salary of \$170,000.00/year. While County Manager Mark Isackson was out for an extended illness, the BCC designated Callahan as Acting County Manager effective September 9, 2021, until Isackson's return on November 1, 2021.

**Objective:** The OIG initiated a review to determine if Callahan violated Florida Statutes and County Manager Agency Administrative Practices and Procedures (CMAs) while employed, while taking FMLA leave, and/or during the time after returning to work from FMLA leave. Additionally, the OIG wanted to verify if Callahan had received the required permission for outside employment, and to establish the scope of that employment.

**Scope:** After estimating Callahan's date of employment with Brownstein to be March 1, 2021, the OIG reviewed lobbyist reports filed between January 1, 2021, through March 30, 2022, to determine the scope of Callahan's lobbying activities while employed by the County. The OIG performed other internet research, interviews, and reviews of the County's records related to Callahan's employment.

**Observations:** The OIG concluded that Callahan's start of work with Brownstein would have been no later than March 1, 2021, based on the following occurrences:

- Brownstein registered Callahan as a lobbyist for two clients effective March 1, 2021, which coincided with his first day of FMLA Continuous Leave with the County.
- An online article from Brownstein dated March 3, 2021, disclosed that they recently added Callahan to their federal Government Relations team in Washington, D.C., as a Senior Policy Advisor.
- Callahan contributed to a Brownstein podcast entitled *China Policy: Analysis of the Whole-of-Government Approach*, which appeared to be recorded on March 3, 2021.

The OIG reviewed lobbyist reports filed between January 1, 2021 through March 30, 2022, to include U.S. Department of Justice (DOJ), Supplemental Statement OMB No. 1124-0002, Form NSD-2, LD-1 Disclosure Forms, DOJ Short Registration Statement, OMB No. 1124-0005, Form NSD- 6. These forms revealed that Callahan communicated with the U.S. House of Representatives and the U.S. Senate on behalf of eight different foreign principals on numerous occasions during his tenure with Brownstein, including in-person meetings, Zoom meetings, emails and telephone calls. Additionally,

he was the registered lobbyist for 22 private clients. In total, these reports indicate that Callahan was assigned a total of 30 Brownstein clients, as shown on the Exhibit. Based on the dates of the activities noted on these forms, Callahan performed lobbying activities both while he was being paid time off for FMLA leave, and while he was paid for full-time services on behalf of Collier County. These forms further indicated that Callahan terminated his lobbying relationships effective February 3, 2022, after leaving employment with Brownstein.

Jacobs Engineering (Jacobs) and their wholly-owned subsidiary, CH2MHill Companies, Ltd (CH2MHill), both County vendors, were among those clients. The OIG determined that there was an apparent violation of the County's Conflict of Interest policy when Callahan engaged in lobbying activities with Jacobs/CH2MHill while they were appearing before the BCC, performing County work against purchase orders issued, and being paid by the County, as shown in the following table:

<b>Invoices, Payments and Purchase Orders for Jacobs and CH2MHill</b>						
<b>July 1, 2021 - January 23, 2022</b>						
	<b>Jacobs</b>		<b>CH2MHill</b>		<b>Total</b>	
<b>Invoices Presented for Payment</b>	38	\$1,069,701.42	10	\$970,324.43	48	\$2,040,025.85
<b>Credit Memos</b>	1	\$ 59,576.50			1	\$ 59,576.50
<b>Payments Made</b>	22	\$1,010,124.92	10	\$929,988.30	32	\$1,940,113.22
<b>Purchase Orders Issued</b>	25	\$ 536,430.65			25	\$ 536,430.65

The OIG found no direct involvement by Callahan to influence the BCC in favor of these companies. However, he was a paid lobbyist while he was preparing BCC agendas and regularly appearing before the Board as the acting County Manager. Ordinance 2003-53 and/or Ordinance 2007-24 requires paid lobbyists to register. As he did not register, pursuant to Florida Statute Section 125.69, he could be subject to penalty.

The OIG reviewed Callahan's P-Card and other expenses during his period of dual employment, and we found no travel expenses. Some minor expenditures were noted for further review.

Based on the OIG review of Callahan's activities, and further internet research, the OIG determined that Callahan was assigned full-time duties with Brownstein. Brownstein spokesperson Lara Day was quoted to say, "We were unaware that Sean Callahan was employed outside our firm."

**Conclusion:** The OIG determined that there is sufficient evidence to support that Callahan engaged in unauthorized outside employment activities both while on official duty at the County and while on approved FMLA leave, to include:

- Engaging in outside employment and activities without the County's knowledge and approval, while on full-time duty and while on FMLA leave,
- Receiving full pay from the County while engaging in documented lobbying activities, and
- Engaging in activities with apparent conflicts of interest regarding a BCC vendor.

Our findings were forwarded to outside legal counsel as directed by the BCC County Manager. Both the BCC's outside legal counsel and the County Attorney recommended not pursuing legal action against Mr. Callahan, due to the onerous costs of litigation. Mr. Callahan's accrued leave balances were withheld to recover these costs:

- Sick and personal leave taken while he had unauthorized dual employment,

- Vacation, sick and personal leave accrued while he had unauthorized dual employment, and
- Health, dental, vision and other insurance benefits paid on his behalf while he had unauthorized dual employment.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
342	\$ 7,456,959.60	\$ 257,707.48	\$28,764.46	3

**EXHIBIT**

#	Private Clients	#	Foreign Principals
1	Alibaba Group	1	Embassy of Morocco
2	Apollo Global Management	2	Embassy of the Islamic Republic of Pakistan
3	BAE Systems	3	Embassy of the Republic of Korea
4	Cengage Learning	4	Liberia Maritime Authority
5	City of Anchorage	5	LISCR, LLC (Liberian International Ship & Corporate Registry)
6	City of Colorado Springs CO	6	Ministry of Foreign Affairs of the Arab Republic of Egypt
7	ClearPrism LLC	7	Ministry of Foreign Affairs of the Kingdom of Saudi Arabia
8	Columbia Care	8	Royal Government of the Kingdom of Cambodia
9	DTek International Ltd		
10	Global Banana Sustainability Alliance		
11	Infinera Corp		
12	Intrepid Potash		
13	Jacobs Engineering Group*		
14	Kioxia Corp		
15	KPS Global LLC		
16	Medivant Healthcare		
17	Oracle Corp		
18	Powerlight Technologies		
19	Precision Castparts Corporation		
20	Skydio		
21	University of Phoenix		
22	Ur-Energy USA		
		<b>30</b>	<b>Total Lobbying Clients</b>

**Postscript:** According to Legistorm.com, Mr. Callahan was subsequently employed from June 2022 – January 2023, as the Legislative Director for US Representative Val Demings (D-FL) with an annualized rate of pay of \$121,583.50. His employment history listed on that site reflects his Senior Policy Advisor position with Brownstein from March 2021 – February 2022, and his position as Deputy County Manager with Collier County from March 2017 – January 2022.