



CITY OF PITTSBURGH  
**OFFICE OF THE CITY CONTROLLER**  
Controller Rachael Heisler

May 28, 2024

Dear Members of Council:

We are grateful for your swift action in response to our office's letter on Friday, May 10, 2024 regarding the \$1200 p-card transaction to Mario Ashkar. Council's decision to not approve this payment until an investigation could transpire reflects your commitment to our shared fiduciary duty.

As you know, p-card transactions demonstrate a unique concern, because vendors have already received compensation by the time the transaction arrives at Council. The decision to hold a p-card payment allows us to investigate the potential for a fraudulent transaction that may need to be reversed. This investigation cannot be indefinite – we maintain a financial responsibility to the banks issuing p-cards. The Controller's Office is working closely with Bank of America. At this point, our office has not received evidence to indicate that this was a fraudulent or disputed transaction as defined by the bank. (Please see the attached guidance.) For this reason, we ask that Council moves to approve the p-card transaction to remedy our current outstanding obligation to Bank of America.

Despite this recommendation, there remain serious unanswered questions about these payments to Ashkar. Though the Office of Municipal Investigations will independently investigate personnel-side matters, our office is concerned with the financial implications of these transactions. The Controller's Office has summarized the findings of its initial investigation into the p-card payments to Ashkar made via PayPal. This investigation should be considered incomplete and ongoing.

A separate audit of the p-card process for procurement of professional services by our Fiscal Audit Section is forthcoming. The details of the audit scope are enclosed for your reference.

Please do not hesitate to contact my office with any questions or concerns you may have.

Sincerely,

Rachael Heisler  
City Controller  
City of Pittsburgh



## **P-Card transactions to PRINCESSJAF, June 2023-May 2024**

### **Summary and Timeline**

Though the Controller's Office has not received responses from the Parks Department, the Office of Management and Budget, or Human Resources, internal investigations using available Controller's Office data have produced the following timeline:

- Mario Ashkar received paychecks from the City of Pittsburgh from July 2022 to December of 2022.
- In May of 2023, Mario Ashkar began coordinating to provide services via the Department of Parks to farmers' markets.
- Ashkar was first paid via departmental invoice on June 27, 2023 for \$1,320. The line item listed was Marketing/PR/Graphic Design. Documentation associated with the departmental invoice lists a PayPal account of "[princessjafar@gmail.com](mailto:princessjafar@gmail.com)" and a Venmo account of "@PrincessJafar." The DI was paid via check to Ashkar's listed address. While Ashkar's name was spelled correctly on all paperwork, the DI submitted to the Controller's office included an incorrect last name of "Ashkr."
- The initial departmental invoice contained an email attachment from Parks Director Vargas to Ashkar, listing the following description of services for \$30/hour:
  - Arrange for any entertainment at the Farmers Market
  - Attend Farmers Markets as able in order to talk to vendors to solicit feedback from vendors and/or patrons
  - Assist with any of the discussions around ways to set up the market to be more welcoming and inviting
  - Assist with any special things that we may want to do at the market
  - Working on the plans around any pop up opportunities
  - Helping us determine the best ways to highlight vendors at the market
- Beginning on August 2, 2023, payments were made via PayPal on p-cards with the explanation "PAYPAL PRINCESSJAF." Based on the PayPal/Venmo account listed on Ashkar's departmental invoice, and the associated explanatory remark of "Farmer's Market," the Controller's Office believed that it was likely these PayPal payments were made to Ashkar.
- Payments occurred regularly every 4-6 weeks from 8/2/2023 through 4/18/2024. Payments totaled \$22,900. A payment was put on Council's standing committee agenda for 5/15/2024 for an additional \$1,200. This payment was deleted by motion by Council.
- The Mayor's Office confirmed during their May 14 "newser" that payments to the PRINCESSJAF PayPal account went to Mario Ashkar. The Mayor's Office also confirmed during this news conference that payments made to Ashkar were out of compliance with OMB p-card policy.



- A May 14, 2023 communication from the Mayor's Office indicated that after Ashkar was criminally charged, the termination date of their agreement was moved from April 30, 2024 to April 23, 2024.

### **Additional Documentation**

A single 1099-NEC was sent to Ashkar for the initial departmental invoice amount of \$1,320. No further 1099s have been identified by the Controller's Office for services at this point. 1099s to Ashkar for services paid via p-card would be issued by PayPal. Our office does not have access to these documents, but we have made a formal inquiry to PayPal.

A request for additional documentation of communications between Ashkar and the Parks Department was sent on Monday, May 13, 2024. No response has been received.

A request for employment files for Ashkar was sent on Monday, May 13, 2024. No response has been received. It is our understanding that this component of the investigation is being handled by OMI. Given OMI's confidentiality provisions, **no final report will be made available unless requested by Council.**

A request for lists of p-card users and training dates was sent on Monday, May 13, 2024. No response has been received.

### **Use of P-Cards Broadly**

In 2017, Council voted to increase the amount payable via p-card from \$2,000 to \$3,000 (Res. 2 of 2017, File 2016-1091). In 2023, 3169 transactions were made via p-card, totaling \$2.2 million. Of those payments, 211 were made via PayPal, totaling \$144,397.

### **Recommendations**

In 2019, the Controller's Office released a performance audit of the Office of Management and Budget Bureau of Procurement. Many of the recommendations related to the use of p-cards remain relevant, and the implementation of these recommendations may have prevented the present incident. Some of these recommendations are listed below, verbatim:

- OMB administration should require the departments to not only scan the receipt into the Works site but a copy of the P-Card Exemption Request. Once scanned into Works the controller's office inspectors can review the purchase and flag any transaction that indicates the cardholder is not abiding by P-Card policy.
- OMB administration should continue to present Council with a brief description of the purchase, but also have on hand electronic access to the additional information that gets filed with purchases. This full disclosure of information will give council the entire picture as to why the purchase was needed.
- Departments and/or individuals who consistently do not provide proper documentation of their purchases, should have their access to p-cards reconsidered.



- OMB administration should continue to educate P-Card holders on what is considered an adequate receipt. Having a complete receipt would help OMB pinpoint items not on contract that could be contracted and thus theoretically save the City money.

Further recommendations will be developed through our upcoming audit process. However, we acknowledge that Council is eager to implement responsive strategies. These 2019 recommendations may serve as a useful baseline for this process.

Additionally, it is our office's recommendation that Council echoes our asks for relevant documentation of communications between Ashkar and the Parks Department. This documentation is crucial to ensure that payments made via p-card were for services rendered. Any agreements or MOUs, evidence of work performed, and original copies of invoices should be promptly provided. Council retains the ability to request information from heads of government units under § 211 of the Home Rule Charter.

### **Next Steps**

The Controller's Office will continue to share with Council any additional information it receives regarding these specific transactions.

Our office's Fiscal Audit Section (FAS) has commenced a separate audit of the Parks Departments' use of p-cards for the procurement of professional services. The FAS' audit will utilize criteria from Resolutions 244 of 2023 and 139 of 2024, as well as OMB's p-card policy. The audit team will review p-card purchases under cost types 53901 and 53907 (relating to professional and recreational services.) FAS will use samples from both cost types and accounts. The objective of this audit is to ensure that OMB p-card policies are followed for each purchase under the resolutions. The scope of this audit will be from January 1, 2023 through May 1, 2024. Given the intensive work required of an independent audit, we anticipate that this process will take several months to complete.

Our office understands that Parks has a unique need to provide services to a wide variety of vendors, often in a short amount of time. The goal of this audit is to support Parks' provision of vibrant community services while developing recommendations to avoid potential misuse. The Parks Department has consistently been an exceptional and forthcoming partner in our audits. We look forward to their continued cooperation, and we are eager to share our findings with you.

# Dealing with fraudulent and disputed transactions

## What are they and what to do

### What is a fraudulent transaction?

- It is a charge made to a credit card account that has not been authorized by the cardholder.
- The cardholder will not be liable for transactions deemed to be fraudulent as long as they have been reported within the stipulated time period.

### Reporting a fraudulent transaction

- Contact Bank of America, using the number provided on the back of your card, to report any fraudulent activity as soon as it is discovered – no later than 60 days from the date of the statement reflecting the transaction(s).
- Additionally, Bank of America's fraud monitoring team assists in detecting fraud and out-of-pattern spending. As a result, suspicious activity may result in a Fraud Alert email or outbound call to a cardholder.

### What now?

- Once you have contacted Bank of America, we will open a fraud claim for investigation. We will also close your existing card to prevent any additional fraudulent transactions from occurring and will issue you a new card immediately.
- We will provide you with a temporary credit for the fraudulent amount, which can take 1-2 billing cycles to appear on your account. We strive to resolve your fraud claim within 90 days and once a final decision is taken, you will receive a letter informing you of what action has been taken.



### Contact Bank of America

Contact Bank of America immediately to report any fraudulent activity using the number provided on the back of your card. You may also reference the [Global Cardholder Contact List](#).

*Cardholder servicing is available 24 hours from Monday-Friday. Limited support such as lost/stolen card and cardholder emergencies are provided on the weekends.*

### What is a disputed transaction?

- It is a charge from a merchant that you have previously transacted with, but the merchant may have charged you an inaccurate amount/an additional charge without your permission, or you feel that the services or merchandise received is not what you paid for.
- Always contact the merchant first to attempt to resolve. If it is not resolved with the merchant, please contact Bank of America to raise a dispute case using the number provided on the back of your card – and in no event greater than 60 days from the statement reflecting the transaction(s)



### Handling a disputed transaction

Always contact the merchant first to attempt to resolve.

- Ask the merchant to issue a credit or refund for the transaction(s) in question
- Ask for confirmation and/or cancellation numbers for your reference, if any
- Ask about the time it will take to receive the refund
- Keep any emails to and from the merchant

If you've contacted the business that processed the transaction in question and you still have a concern, contact Bank of America's cardholder servicing team using the number on the back of your card for assistance. Our team will gather any necessary information and open a dispute case.

You can expect to hear back from our Disputed Transaction Services (DTS) team within five working days. We may require more information from you or the merchant before we proceed with the case. You will receive an email to confirm what action has been taken once the case is resolved.

### When should you dispute a transaction?

- Cancelled subscription payments for which you were still charged
- Haven't received goods/services
- Duplicated transaction
- Transaction amount differs from invoice/receipt amount
- Defective merchandise

Once a dispute is raised, Bank of America will freeze the disputed amount on your card, and the amount will not be required for payment until you receive a final decision.