



Miami-Dade County
OFFICE OF THE INSPECTOR GENERAL
Christopher R. Mazzella, Inspector General
A State of Florida Commission on Law Enforcement Accredited Agency



NEWS RELEASE

Office of the Inspector General 2010 Annual Report Released

The Office of the Inspector General (OIG) today released its 2010 Annual Report summarizing important investigations and audits conducted in Fiscal Year 2009-2010. The report notes that since 1998, the OIG has identified over \$140 million dollars in questionable costs, losses, damages, and lost revenues. In this past fiscal year alone, the OIG identified almost \$6.1 million dollars in questionable costs, losses, and lost revenues and achieved over \$2.6 million dollars in future savings, prevented losses, and restitution. The report also notes that since its inception, investigations have resulted in the arrests of 202 individuals and the indictment of eleven companies.

The OIG was established by the Board of County Commissioners as an independent, autonomous agency empowered to investigate fraud, abuse, waste, and mismanagement in County affairs. The OIG has oversight over all County departments, agencies, and boards, including all County officials and employees, and vendors doing business with the County. In 2008, the OIG also assumed the role of Inspector General for the Miami-Dade Public School District, the fourth largest in the country. The OIG is designated a “criminal justice agency” by the FBI and is accredited by the Commission for Florida Law Enforcement Accreditation.

To report abuse, fraud or corruption, call the Inspector General’s hotline at (305) 579-2593, or visit the OIG’s website at www.miamidadeig.org. The OIG will protect the identity of callers to the full extent of the law. Our website offers additional information about the OIG. The 2010 Annual Report is also published on our website.



Annual Report 2010



Miami-Dade Office of the Inspector General

MESSAGE FROM THE INSPECTOR GENERAL



It is with considerable pride that we present our 2010 Annual Report. As you read this report you will see that we have addressed a number of controversial issues. I hope that in fulfilling our mission we have demonstrated to you, our ultimate stakeholders, the importance of independent oversight of County operations and programs. Why? Because we are trying our best to ensure your tax dollars are spent wisely and frugally, particularly in these difficult economic times. The Board of County Commissioners has continued to support the efforts of the Office of the Inspector General (OIG), both legislatively and funding-wise. I think we should give them considerable credit for that support.

I also wanted to take a moment to tell you about the accreditation the OIG received from the Commission for Florida Law Enforcement Accreditation. In July 2010, the Miami-Dade County Office of the Inspector General was accredited by the Commission for Florida Law Enforcement Accreditation. Accreditation is the certification that the Office of the Inspector General adheres to the highest level of professionally recognized best business standards and practices. Accreditation for Offices of Inspectors General is a relatively new process and the Miami-Dade County Office of the Inspector General is one of just a few OIGs in the State of Florida that have received this prestigious recognition.

In closing, let me stress that more and more local governments are adopting OIGs to oversight their operations. Both Palm Beach and Broward Counties have joined the ranks. The Miami-Dade OIG is the model they looked to in creating their offices. We appreciate all your support and look forward to continuing our efforts to provide transparency, fairness, and ethical governmental operations in Miami-Dade County.

Sincerely,

A handwritten signature in blue ink that reads "Christopher R. Mazzella". The signature is fluid and cursive.

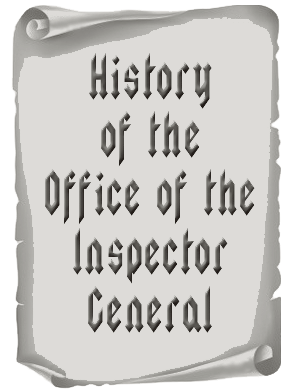
Christopher Mazzella
Inspector General

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History of the Office of the Inspector General

The Miami-Dade County Board of County Commissioners (BCC) responded to the public's demand for clean government fourteen years ago by creating the Office of the Inspector General (OIG). The Office was created in December 1997 through the enactment of Section 2-1076 of the Code of Miami-Dade County, our enabling authority. It empowered the OIG to investigate and review allegations of waste, fraud, abuse, and mismanagement in County government. The BCC determined that the oversight of such a large and diverse government required the OIG to be independent and autonomous. To effectively uphold this mandate, the BCC vested the OIG with an independent status so that it could carry out its goals without political interference.



The Office's first Inspector General (IG), Christopher Mazzella, was selected and appointed in September 1998, and has continuously served since then. Mr. Mazzella was reappointed as the County's IG in 2005, and again reappointed for another four-year term in December 2009.

While IG offices are found throughout the country at all levels of local, state, and federal jurisdictions, the Miami-Dade IG is one of the few inspectors general in the country that has jurisdiction to investigate officials at any level — including elected officials. The Miami-Dade County Office of the Inspector General has been favorably viewed by other local jurisdictions around the country as being a leading model upon which to structure their organization.

In performing our mission, the OIG is empowered to require the production of documents and records by using its power to issue subpoenas, when proper and necessary. The OIG can also require the production of reports regarding any matter within its jurisdiction from any County official, County agency, or instrumentality.

Serving the Miami-Dade Community



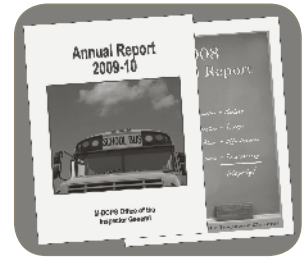
As one of its oversight responsibilities, the Inspector General's Office specifically has authority to conduct investigations of County affairs and to review past, present and proposed County programs, accounts, records, contracts, and transactions. The OIG investigates allegations of fraud, waste, abuse, and mismanagement involving public officials and County employees, as well as contractors and vendors doing business with the County. It also has the power to report and recommend to County government whether particular programs, contracts, or transactions are financially sound, reasonable, necessary, or operationally deficient.

The OIG may conduct audits and inspections, and it may also provide general oversight of departmental programs and large-scale construction projects regarding any matter within its jurisdiction. One recent example of the construction contract oversight it is providing is that of the Marlin's Baseball Stadium. Furthermore, the Office offers guidance and assistance to other agencies and County departments, and conducts numerous pre-employment screenings of employees and contractors working in sensitive security areas.

Today, the Miami-Dade OIG has oversight of a County budget totaling over \$7.5 billion spread over 64 County departments, including the Seaport, Transit, Housing, Aviation, Community

and Economic Development, Water and Sewer, Public Works, Planning and Zoning, Solid Waste Management, Human Services, Cultural Affairs, the Libraries, and the Miami-Dade Public Health Trust/Jackson Memorial Hospital.

The Board of County Commissioners unanimously approved an Interlocal Agreement in December 2007 with the School Board of Miami-Dade County. Under the agreement, the Office of the Inspector General would take on the additional role of Inspector General for the nation's fourth largest school district. The Interlocal Agreement grants the OIG the authority to investigate any aspect of the school system. Independent oversight is essential to a school district managing \$4.3 billion in public funds. The second annual report of the Miami-Dade County Public Schools IG was published in July 2010, and can be viewed at www.miamidadeig.org/whatsnewMDCPS.html.



The OIG serves the Miami-Dade community of almost 2.4 million people by detecting, investigating, and preventing fraud, mismanagement, waste, and the abuse of power in County projects, programs and contracts. Above all, our principal objective is to promote honesty, efficiency and ethics in government, and to maintain and promote the public's trust in government. We must continue to stay vigilant to ensure that, in the final analysis, our citizens get a fair and honest accounting of taxpayer money.

Operational Structure of the Office

The Office is led by the Inspector General, who was appointed by the Board of County Commissioners. He is assisted by the Deputy Inspector General and the Assistant Inspector General. The Assistant IG also serves as the OIG's Legal Counsel. The Office is fully committed to recruiting a diverse team of qualified employees that reflect the makeup of Miami-Dade County. Our team consists of highly skilled professionals from various disciplines and backgrounds that include attorneys, certified public accountants, certified fraud examiners, former law enforcement officials, investigators, financial analysts, engineers, and forensic accountants. Additionally, some of our staff members have specialties in the fields of construction, information technology, investigative databases, and government procurement.

The OIG office structure is comprised of four operational units that work together to fulfill its primary mission of County oversight. The four operational units are: Investigations, Audit, Legal, and Administration.

The Investigations Unit

A staff of special agents with diverse backgrounds comprises the Investigations Unit. The Unit consists of employees who have various investigative backgrounds and disciplines possessing experiences that have been gained mostly by working in the public service sector for agencies whose activities ranged from traditional law enforcement to governmental regulation.



The Unit is supported by Investigative Analysts who have specific expertise in the usage and compliance required of specialized investigative databases that are instrumental in furthering the objectives and function of the Unit.



The Audit Unit

The Audit Unit consists of an Audit Manager and five auditors that are Certified Public Accountants, Certified Internal Auditors, and Certified Fraud Examiners. Additionally, the Unit is supplemented with two contract oversight specialists who have professional expertise in governmental budgets, finance, and engineering, as well as all being Certified Inspector General Auditors.

The Audit Unit recognizes that it is different in size, resources, and mission from other County audit departments, and thus concentrates its resources on distinct aspects of County contracts and projects. The Unit serves the OIG's mission by randomly providing procurement oversight and by participating in reviews, studies and evaluations, in addition to conducting specialized audits on County contracts and projects. The Unit also assists the Investigations Unit with cases that require investigative accounting in such a manner that the outcome will have suitable application to a court of law.



The Legal Unit

Legal counsel is provided to the Inspector General by the Legal Unit. OIG attorneys work closely with the Investigations Unit to assess the strengths and weaknesses of any investigation with potential civil, administrative or criminal implications. The Unit also reviews County contracts to assess contractual rights and liabilities, as well as the efficiency and cost effectiveness of these contracts. From time to time, OIG attorneys also assist with the Office's procurement and contracting oversight responsibilities. The Unit reviews proposed ordinances and resolutions to provide the Inspector General with independent legal assessments of the potential or possible impact of legislative items.



The Legal Unit reviews all subpoenas to be issued by the Inspector General. OIG attorneys are charged with making sure that the Office complies with its "advance notice" responsibilities in the areas of subpoena issuance and final report distribution. All public reports issued by the OIG are reviewed by the Legal Unit to ensure legal sufficiency and work product integrity. OIG attorneys also respond to public records requests and handle any litigation involving the Office.

The Administrative Unit

Unit members support the OIG's oversight mission and handle the day-to-day administrative functions required of any office. This is accomplished through the preparation and dissemination of our public reports; maintenance and updating of information on our independent website; the tracking and referral of all incoming complaints; and the design and distribution of OIG posters, flyers, and our annual report.



Our Executive Team

Christopher R. Mazzella

Christopher Mazzella became the first Inspector General appointed by Miami-Dade County in September 1998. He accepted the position upon retiring from a distinguished thirty-four year career with the FBI. Since the Office became operational in the fall of 1998, the OIG has investigated officials involved in bribery, official misconduct, election law violations, and fraud. In addition, Mr. Mazzella earned the designation of Certified Inspector General by the national Association of Inspectors General.

Mr. Mazzella has participated on a number of task forces aimed at restoring integrity and ethics in our County government. For instance, his participation on the Debarment Task Force played an important role in the adoption of legislation that strengthened the County's debarment policy to exclude dishonest contractors. He has also participated on committees studying procurement and lobbying reforms, and often lectures to various professional organizations regarding the types of fraud cases investigated by his Office.

During his career with the FBI, Mr. Mazzella investigated and supervised complex organized crime and public corruption cases. In a famous organized crime investigation code-named "Operation Gangplank," the leadership of the Philadelphia organized crime family was dismantled. Mr. Mazzella was also responsible for a number of prominent public corruption prosecutions in South Florida.

Mr. Mazzella also held a number of executive-level positions at the FBI. He was Legal Counsel for two field offices. While assigned to the Office of Legal Counsel in Washington, D.C., Mr. Mazzella conducted liaison activities with Congress and was instrumental in drafting legislation expanding the jurisdiction of the FBI. He served as the Organized Crime Drug Enforcement Task Force Coordinator for the Florida Caribbean Region. In that capacity, he coordinated the FBI's drug programs and investigations in the Florida Caribbean region, involving over 200 federal, state and local law enforcement personnel, and helped secure millions of dollars in federal funding for local law enforcement initiatives and personnel.

As the public's demand for ethical government continues to grow, Mr. Mazzella has been called upon to showcase the Miami-Dade IG Office, which has served as a successful model for other local governments.

Mr. Mazzella holds a Juris Doctor and Master of Arts degree and is a member of the Florida, New Jersey, and Missouri Bar Associations.

Alan Solowitz

The Deputy Inspector General has been with the Office since its inception in 1998, and is primarily charged with heading the Investigations Unit. Mr. Solowitz has received the designation of Certified Inspector General by the national Association of Inspectors General.

Prior to joining the OIG team, Mr. Solowitz was a Law Enforcement Investigator with the Florida Division of Insurance Fraud, a Senior Investigator with the State of Florida Medicaid Fraud Control Unit, and was a police officer with the City of Miami Beach Police Department for 28 years. There he held the positions of Assistant Chief of Police, Chief of Investigations, and SWAT Commander.

His extensive investigative background includes organized insurance fraud, health care fraud, corporate fraud, organized crime, money laundering, narcotics, and violent criminal and racketeering investigations. Mr. Solowitz is a graduate of the FBI National Academy and the Institute on Organized Crime.

Mr. Solowitz is a member of the American Institute for Industrial Security and is also a Certified Fraud Examiner. He has also recently served on the Board of Directors of the national Association of Inspectors General.

Patra Liu

As Assistant Inspector General and Legal Counsel for the Office, Ms. Liu manages and supervises the legal, audit, and administrative units of the Miami-Dade Office of the Inspector General. She is the chief legal advisor to the Inspector General, and in her role as Assistant Inspector General, she coordinates the activities of the Audit Unit and oversees all the administrative operations of the Office, including the Office's finances and its annual budget. Ms. Liu joined the Miami-Dade OIG in March 2000.

Ms. Liu began her legal career as a criminal prosecutor with the Miami-Dade State Attorney's Office. After working her way through various assignments within the State Attorneys Office, she was last assigned to the Economic Crimes Unit investigating and prosecuting cases involving health care fraud, insurance fraud, embezzlement, money laundering, and various schemes to defraud. Directly before joining the OIG, Ms. Liu was a Florida Assistant Attorney General in the Medicaid Fraud Control Unit. There she served as the Miami Bureau's in-house legal advisor, coordinating legal action with federal prosecutors and handling civil cases involving the False Claims Act, Florida's civil theft statute, applications for other injunctive relief involving the proceeds of Medicaid fraud, and forfeiture actions.

Ms. Liu received her Juris Doctor degree from the University of Washington in Seattle, Washington. She has a Bachelor of Arts in History from the same institution. She is a member of the Florida and Washington State Bar Associations. Ms. Liu became a Certified Inspector General in 2003 and earned the designation of Certified Inspector General Auditor in 2009. Both certifications are accorded by the Association of Inspectors General (AIG), a national organization that Ms. Liu is an active member of and which she has served on its Board of Directors since 2006. Ms. Liu was also recently made a Board member of the Florida Chapter of the AIG.

Training, Lectures, and Speaking Engagements

Mr. Mazzella played an instrumental part in the creation of IG offices in Palm Beach and Broward Counties. Mr. Mazzella testified before the statewide Grand Jury in April of 2009 regarding corruption issues. Mr. Mazzella also spoke before the Palm Beach Ethics Commission and other governmental entities regarding the role of the IG in local government. Consequently, OIGs were created and modeled after the Miami-Dade County IG's office.



Mr. Mazzella was invited to address civic organizations, rotary clubs, and other groups this year.



OIG Special Agents are sometimes requested to lend their professional expertise to the community. This year, OIG staff taught several courses at the Association of Inspectors General/Certified Inspectors General Institute. The focus of one course, *Multi-Jurisdictional Investigations*, highlighted aspects of an OIG investigation that required international extradition of a County public official from Hungary back to Miami. Another course, *Digital Evidence*, focused on probative information stored or transmitted in digital or electronic form that can be used in trial.

Upon receiving Ethics Instructor certification from the Federal Law Enforcement training center, OIG staff conducted a series of training classes in the law enforcement community. This fiscal year, *Ethics Training for Law Enforcement* was presented by OIG staff to Officers at Miami-Dade Schools Police Department and the Surfside Police Department.

Professional Development of Staff

The most highly skilled and experienced professionals in their fields are recruited for the OIG team. To maintain these levels, the Office has made a commitment to invest resources for specialized training and certifications. Continuing education, advanced training, and technology expertise are prerequisites for successful operations.

In accordance with fulfilling these goals, staff received specialized training at such courses as: *Ethics for Governmental CPAs in Florida*; *Governmental Accounting and Auditing*; *Non-profit Accounting*; *Individual Gross Income*; Jackson's *Advanced Clinical Knowledge System*—Cerner Learning Services; *INVISION Patient Accounting*; *Updates to the Ethics Ordinance*; *OIG Policies & Procedures*; *Anatomy & Illusiveness of Procurement Fraud and Fraud Schemes in Your Contracting Process*—the Association of Inspectors General; *Red Flags of Collusion*—USDOJ Antitrust Division; *Diversity Matters for Supervisors*; *Bisk CPE Network Accounting and Auditing*; *Compliance Auditing and Other Types of Engagements*; *Audit Evidence and Work Paper Documentation*; *Behavior Pattern Recognition*—Miami Dade Aviation Department; *Law Enforcement Training Seminar*—Palm Beach Economic Crime Unit Financial Institution; *Intelligence Analysis Training*—Michigan Intelligence Operations Center for Homeland Security; and *Financial Crimes and Fraud Investigations*—Financial Institutions Security Association.

OIG staff also attended a wide variety of educational seminars and conferences this year. These include: *Back to Basics* and *Compliance 101 for Certified Fraud Examiners*—Association for Certified

Fraud Examiners; the *2010 Fraud Conference*; the South Florida Inspector General Council; the *Criminal Justice Information Services Annual Training Symposium* by the Florida Department of Law Enforcement; the *Financial Institution/Law Enforcement Training Seminar* by the Palm Beach Police Department Economic Crime Unit; and monthly training seminars at FISA (Financial Institutions Security Association).



Administration staff furthered their office skills by completing classes such as *Advanced Excel*, *Business Writing for Professionals*, *Finance & Accounting for Non-Financial Managers*, and *Dreamweaver Advanced* website training. Staff also completed various County proprietary systems courses.



Miami-Dade Office of the Inspector General Achieved Accreditation

In July 2010, the Miami-Dade County Office of the Inspector General was accredited by the Commission for Florida Law Enforcement Accreditation (CFA). Accreditation is the certification that the Office of the Inspector General adheres to the highest level of professionally recognized best business standards and practices. Accreditation for Offices of the Inspector General is a relatively new process and the Miami-Dade

County Office of the Inspector General is one of just a few OIGs in the State of Florida that have received this prestigious recognition.

In 1993, the Commission for Florida Law Enforcement Accreditation was formed. Initially the accreditation process was just for law enforcement and correctional agencies. In 2009, the Commission for Florida Law Enforcement Accreditation expanded their program to include Offices of the Inspector General. An accreditation program has long been recognized as a means of maintaining the highest standards. Accreditation is the certification by an independent reviewing authority that an entity has met specific requirements and prescribed standards.

The CFA Board is comprised of four sheriffs, four chiefs, and one representative each from the Association of Counties, the League of Cities, the State Law Enforcement Chiefs' Association, the Judiciary, and in 2009, an Inspector General was added. The CFA worked closely with Florida's Inspectors General to develop professional standards for Florida Inspector General Investigative functions.

In May 2010, an assessment team from the CFA arrived to examine all aspects of the Miami-Dade County Office of the Inspector General's policies and procedures, management, and operations. The Miami-Dade County Office of the Inspector General had to comply with approximately 40 standards in order to receive accredited status. The CFA's assessment team was composed of law enforcement practitioners from similar agencies. The assessors reviewed written materials, interviewed individuals, and visited offices, and other off-site places.

Once the CFA's assessors completed their review, they reported back to the full Commission Board. The Miami-Dade County Office of the Inspector General received accreditation July 2010 that is valid for three years.

Verification by the team that the Miami-Dade County Office of the Inspector General meets the Commission's standards is part of a voluntary process to gain or maintain accreditation—a prized recognition that the Office's performance and investigative work meets high standards of excellence.



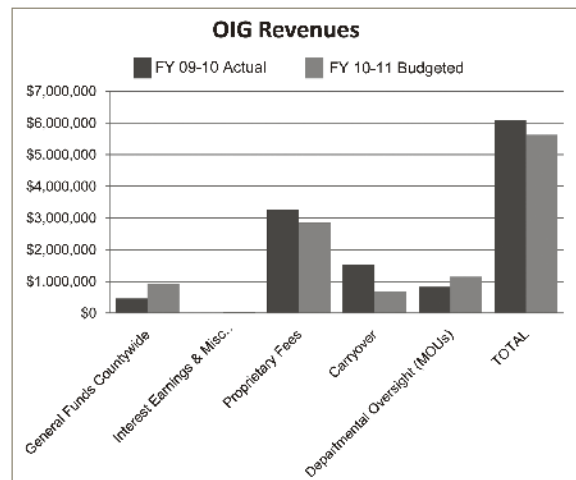
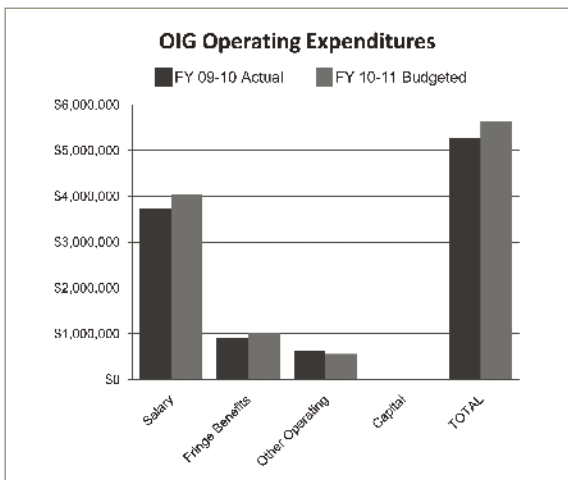
Prized Recognition

Our Financial Report

The OIG's budget is funded by three distinct sources. These include the IG proprietary fees assessed on County contracts, direct payments collected through memorandums of understanding contracted with various County departments, and general funds allocated through the County's budget process. A fourth category is OIG carryover (higher than expected returns on IG contract fees and unspent accumulated savings), which greatly offsets the OIG's need for general fund dollars.



For the fiscal year 2009-10, the OIG's budget was approved at \$5,329,000 for 38 positions. The actual 09-10 expenditures came in much lower — at \$274,000 below the budget. IG contract fees collected in 2009-10 combined with the IG's fiscal restraint resulted in a healthy carryover of over \$1.5 million into the fiscal year budget of 2010-11, which the Board of County Commissioners approved at \$5.6 million.



The impact of the Office of the Inspector General extends beyond just the financial considerations. We strive to create an atmosphere of credibility within government. The outcome of maintaining transparency and trust in local county government is invaluable, and public officials want the same thing. We continue to stay vigilant to ensure that, in the final analysis, County taxpayers receive a fair and honest accounting of their funds. We are a productive and cost efficient Office with an ultimate goal to prevent misconduct and abuse, and to seek appropriate remedies to recover public monies that would otherwise be lost to waste, fraud, or abuse.

OIG Achievements

Questionable Costs, Savings, and Restitutions

For the fiscal year 2009-2010, the OIG identified over \$6.1 million in questionable costs, losses, damages, and lost revenues for the County. During this same reporting period, over \$2.57 million in averted losses, projected savings, and financial recoveries have been achieved for the County.



The Office of the Inspector General was created in 1998, and since its inception has identified over \$140 million dollars in questionable costs, losses and damages, and lost revenues.

Fraud Complaint Summary

In accordance with our mission to promote ethics, honesty, and efficiency in government and to restore and promote the public's trust in government, the OIG continues to provide the public with access to register their concerns via the OIG Fraud Complaint Program. This program is an essential element in our efforts to combat fraud, as it provides an invaluable means in generating fraud leads from citizens, vendors, contractors, subcontractors, and employee sources throughout the County. These leads from the public are a key component in the continued development and productivity of the office.



Our investigations are initiated upon the receipt of credible information alleging an act of fraud, waste, financial mismanagement, or corruption that falls within the OIG's jurisdiction. We encourage any person to contact us to report suspected instances of fraud or corruption involving the County. There are a variety of convenient methods available



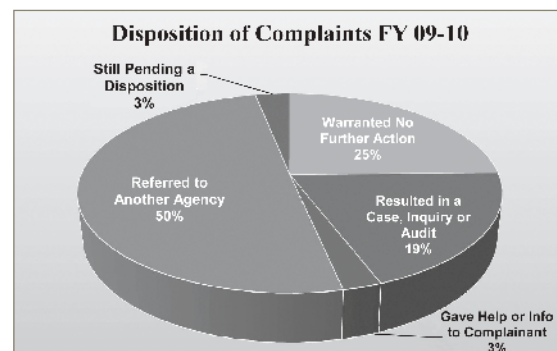
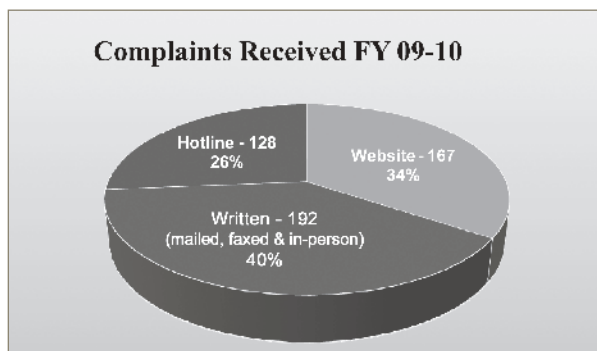
to register a fraud complaint. Written complaints can be mailed to us at 19 West Flagler Street, Suite 220, Miami, Florida 33130. Calls can be made to our dedicated Fraud Hotline at (305) 579-2593, or




a complaint can be faxed to us at (305) 579-2656. The public may also visit our website to report fraud confidentially on-line at www.miamidadeig.org.

While you may remain anonymous if you wish, we do encourage you to identify yourself in case we need additional information that might prove helpful in our review of the matter. If you believe that making a report to the OIG will place you at risk of retaliation, you should inform the OIG of this concern. There are certain provisions under the Code of Miami-Dade County and Florida law that protects employees, independent vendors, or contractors under contract with the County or school district, from retaliation under certain circumstances.

The Office received 487 fraud complaints for the 2009-10 fiscal year: 167 complaints were received on-line; 192 complaints were mailed, faxed, or received in person; and 128 complaints came in on the dedicated fraud hotline. The majority of the complaints (50%) were referred to appropriate County departments or other governmental agencies that could directly address the complaints. It was determined that 25% did not warrant further action. However, 19% of the complaints received did lead to the initiation of a case, audit, or inquiry, or related to an investigation.



Some Examples of Reviews From Our Complaint Files

- An inquiry was opened on a anonymous fraud complaint alleging there was a problem with the manner that video equipment was purchased, inventoried, and stored at the Video Shop Services of the Miami-Dade Aviation Department. Despite repeated requests to remedy the problem, equipment was routinely purchased without a proper accounting of the existing equipment. The underlying complaint was substantiated. As a result, corrective measures were put into place in the form of standard operating procedures for inventory tracking of video shop equipment. 
- A money order submitted to the Miami-Dade Tax Collector to pay the property taxes of a third-party was returned to the Finance Department from the Federal Reserve Bank, as it was drafted on an account that did not exist. An OIG investigation revealed that the perpetrator had prepared two fraudulent money orders, totaling \$150,498.83, while he was an inmate in a U.S. Bureau of Prisons facility. The counterfeit money orders contained details similar to those used by the *Sovereign Citizen Movement*, a radical group that believes they are not subject to any statutes or proceedings at the federal, state, or municipal levels – and reject most forms of taxation as illegitimate. The case has been referred to the U.S Secret Service for possible criminal charges.
- An OIG review into the claims process from damage by excavators to Miami-Dade Water and Sewer Department underground water and sewer lines resulted in the implementation of a number of procedural changes aimed at improving the effectiveness of their damage assessment and collections. This included the reassignment of management personnel in the claims and collections department, improved review of the damage investigation process, and the timely referral of claims to the County Attorney’s Office.
- U.S. Postal Inspectors requested OIG assistance in their investigation of an identity theft ring when a County employee, who was not the target of the investigation, was identified as a possible source of information related to individuals suspected of having involvement in this ring. Through the assistance of the OIG, the County employee was located and subsequently interviewed, resulting in information that enabled the Postal Inspectors to identify the individuals and serve a search warrant. The Postal Inspectors obtained additional information that was significant to their investigation and are currently awaiting prosecution approval.

Arrest Statistics Summary

Criminal Investigations — Arrests, Convictions and Guilty Verdicts

Since the formation of the Miami-Dade OIG in 1998, there have been 202 arrests and 11 companies indicted for crimes and frauds against the County.



OIG investigations resulted in a number of significant fraud-related arrests and convictions in 2010. A central theme that underscored the fraudulent misconduct uncovered by the OIG this



fiscal year was the falsification by wrongdoers of documents and forms that are required to be filed with various Miami-Dade County, State of Florida, and federal governmental departments and agencies. Our investigations led to 5 arrests this year. The arrest charges included Grand Theft, Organized Scheme to Defraud, Forgery, and Uttering Forged Instruments.

Ten defendants pled or were found guilty this fiscal year for various crimes ranging from Organized Scheme to Defraud, White Collar Crime, Money Laundering, Grand Theft, Official Misconduct, to Forgery and Notary Fraud.

Former Judge and His Assistant Sentenced for Misuse of County and State Grants

Based on an OIG investigation, former Circuit Court Judge Phillip S. Davis was convicted and sentenced to 20 years in state prison followed by 10 years of probation. His assistant, Joan Marie Headley, was sentenced to 10 years in state prison followed by 10 years of probation. Davis and Headley were each found guilty of Organized Scheme to Defraud, Aggravated White Collar Crime, Grand Theft, and Money Laundering.



Davis and Headley, Director and Administrative Assistant of Miami-Dade Resident College (MDRC) respectively, were convicted of defrauding the County and the State of Florida of approximately \$80,000. MDRC, a not-for-profit corporation established to provide disadvantaged juveniles or those within the criminal justice system with social work services, sought and received a variety of grants from the County and State. The frauds were committed against three grants awarded by Miami-Dade Housing Agency (now PHA) and one State grant that were meant to fund social work services and programs for disadvantaged youth.

Davis and Headley developed a sophisticated scheme through the use of a shell corporation, WorkForce Management, Inc., to provide MDHA and the State with invoices for employee payroll showing false wage rates. Once MDHA provided the grant monies to MDRC, the employees were paid at much lower rates. The invoices submitted also falsely stated the scope of work being done by some of the employees. Davis and Headley were also able to increase their own salaries above the amounts allowable by the grants for their alleged work.

Arrest of County Employee Who Stole County Grant Funds to Repay Stolen City Grant Funds

The arrest of County grant recipient Charles Leon Cutler was a result of a joint investigation by the OIG and the Miami-Dade State Attorney's Office. Cutler headed the non-profit Veteran's Employment Transition Services, Inc. (VETS) and was charged with Grand Theft for misappropriating grant funds.

Cutler received County monies to fund job training programs and an educational and informational summit for military veterans residing in the County. He also received City of Miami funds for a separate job training and placement program. The investigation uncovered that Cutler misappropriated funds from the City of Miami grant and then misappropriated County grant funds to repay the city theft. When the city grant was assigned to Miami-Dade



College, VETS was required to return any unused funds. Cutler wrote several checks to himself, totaling \$4,000, instead of transferring the funds. Cutler's theft was uncovered by Miami officials who advised that they would notify law enforcement. The very next day, Cutler repaid Miami-Dade College by diverting funds from the County grant funds by falsely certifying the amounts of employee salaries. Additionally, he diverted \$1,000 for his personal use, and paid his daughter \$2,500 and his ex-wife \$2,000 for summit coordination and catering services. The investigation determined that the summit was actually organized by the Liberty City Trust, held on city property, and catered with city funds—with no financial support from VETS.

Water & Sewer Department (WASD) Employee Arrested for Stealing County Tools

Donald L. Richard was charged with Organized Scheme to Defraud and Grand Theft when an investigation by the OIG and the State Attorney's Office uncovered his scheme to steal tools that he purchased for the WASD Interama Electrical Shop. Richard was a 33-year WASD employee and a Plant Electrical Supervisor at the shop for almost two decades. Richard manipulated an internal control log, reusing inventory numbers on the log to keep purchases for his personal use. Richard admitted to OIG Special Agents that two tool chests were at his home, which the Agents found to be full of unused, name brand tools. The OIG was later advised that Richard returned a pressure washer to the plant. To date, an additional 48 tools have mysteriously appeared at the Interama Electrical Shop that Richard supervised. The value of the tools first recovered exceeds \$2,000; the value of the additional returned tools has not yet been determined.



Arrest of Former Jackson Health System (JHS) Employee for Theft

Based on information received from JHS, the OIG conducted a joint investigation with the State Attorney's Office that resulted in the arrest of Michael R. Clarke on charges of Organized Scheme to Defraud, Grand Theft, and Petit Theft. The investigation found that Clarke, a Patient Care Assistant at the Batchelor Urology Center, deposited 17 patient checks into his personal credit union account after telling patients or their relatives to leave the payee line of the check blank or to make the checks out to cash. The checks were written between June 2008 and July 2009 and totaled \$7,781. He then manipulated the JHS computer system to ensure that no bill would be generated for the services provided. His scheme unraveled when a patient and her husband complained to JHS that their billing statement did not reflect the payments they had made to the Batchelor Center.



Tax Collector Employee Arrested for Defrauding the Florida Housing Finance Corp.

Kenneth Arthur Ferguson of the County Finance Department's Tax Collector's Office was arrested on charges of Organized Scheme to Defraud, Forgery, and Uttering Forged Instruments. Departmental officials suspected forgery and alerted the OIG. The investigation uncovered his scheme to fraudulently obtain reduced rent housing through the Florida Housing Finance Corporation's low-income rent program. Ferguson's salary as a Tax Records Specialist II was higher than the qualifying limits for rental reduction at Villas Del Lago Apartments, so he forged his supervisor's signature on employment verification forms and altered payroll statements as proof of income in order to qualify. The OIG found that Ferguson had submitted fraudulent forms since 2005 to receive over \$37,000 in reduced rent housing benefits.



OCED Grant Recipient Sentenced on Uttering Forged Instruments and Notary Fraud

The President of Rezkitna Corporation, Abdallah Masoud Mustafa, pled guilty to Notary Fraud and Forgery. Rezkitna Corporation owns the M&M Supermarket in Homestead, a recipient of a community redevelopment grant with the Office of Housing and Community Development.



An OIG investigation uncovered that Mustafa forged required insurance certificates to obtain the grant, and also notarized his own signature on documents submitted to the County. The County paid various companies over \$49,000 for improvements to the M&M Supermarket. At his sentencing he was ordered to repay the costs of investigation to the OIG and the costs of prosecution to the SAO. Rezkitna Corporation will also be debarred from contracting with the County for five years.

Former Transit Employee Pleads Guilty to Jury Duty Fraud

Anna Maria Doleman was arrested after an OIG investigation uncovered that she falsified documents as proof of jury duty to excuse her from a week of work. The OIG found that Doleman had not been summoned to jury duty and the documentation submitted was completely fabricated—down to the fake person whose signature was on the fake Clerk of the Courts memorandum. Doleman, a five-year Rail Vehicle Mechanic for Miami-Dade Transit, pled guilty to Forgery, Uttering a Forged Instrument, Grand Theft, and Official Misconduct.



Property Tax Exemption Case Concluded

Four criminal cases were concluded this fiscal year from an investigation reported in 2008, identifying 42 properties where a Total & Permanent Exemption for disabilities was erroneously continued. The 42 properties had a cumulative assessed value of over \$6 million. The criminal cases resulted in restitution to the County of \$77,957 and repayment of \$10,000 in investigative costs to the OIG. Remedial measures were also implemented by the Property Appraiser's Office.

Acquisition of Scheduling Consulting Services for the Miami-Dade Fire Rescue Department (MDFR) Training Facility Construction Project

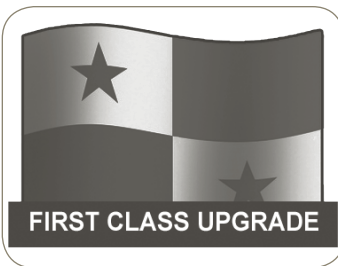
This investigation involved reviewing the MDFR acquisition process for professional services of an "Owner Scheduling Independent Consultant" via a pass-through arrangement with the general contractor, MCM Corporation. The scheduling consultant was paid by the general contractor with funds from the construction contract's contingency allowance account, which the OIG found to be against sound contract administration principles. It subverts the qualification



and selection process and creates a conflict of interest. An owner's consultant should not be paid by the entity it is overseeing. County procurement processes were circumvented and construction contingency funds were used for non-conforming expenses. The means and methods employed by MDFR put the department's reputation at risk in managing and overseeing its own construction projects.

Review of Miami-Dade Transit's (MDT) Credit Card Payment Security Features

An OIG investigation into the MDT Fare Collection System—which allows riders to purchase an “Easy Card” to pay when using Metrorail, Metro Buses, and STS vehicles—was initiated when a rider reported observing two men offering to sell Easy Card passes at a discounted amount to other MDT patrons. The investigation determined that Cubic Transportation System, Inc. failed to install anti-fraud features into ticket vending machines as contractually required, allowing credit card thieves to routinely purchase Easy Cards and sell them at a discount. MDT failed to fully monitor Cubic's installation efforts, failed to conduct a final inspection of the ticket system, failed to ensure contractual compliance and operational security, and failed to take other measures within its control to minimize losses. Cubic is now working with MDT to install the required security features that allow for the identification of suspicious credit card activity and has agreed to perform the repairs at no cost. Substantial losses were incurred by MDT in a one year period—in part as a result of the use of stolen credit cards at ticket vending machines. The OIG recommended referral of this matter to the County Attorney's Office to seek monetary recoupment caused by the failure to implement contractually required credit card security features, and to seek liquidated damages for untimely performance of its contractual obligations.



Abuse of Miami-Dade County Restrictions on Outside Employment by the Mayor's Former Chief of Staff and Miami-Dade Police Department Officials

The OIG investigation determined that the former Chief of Staff to the Mayor's Office and several Miami-Dade County Police Department (MDPD) officials violated County restrictions on outside employment, engaged in questionable leave usage, and improperly obtained first-class airplane ticket upgrades while traveling to Panama as paid consultants for a private company.

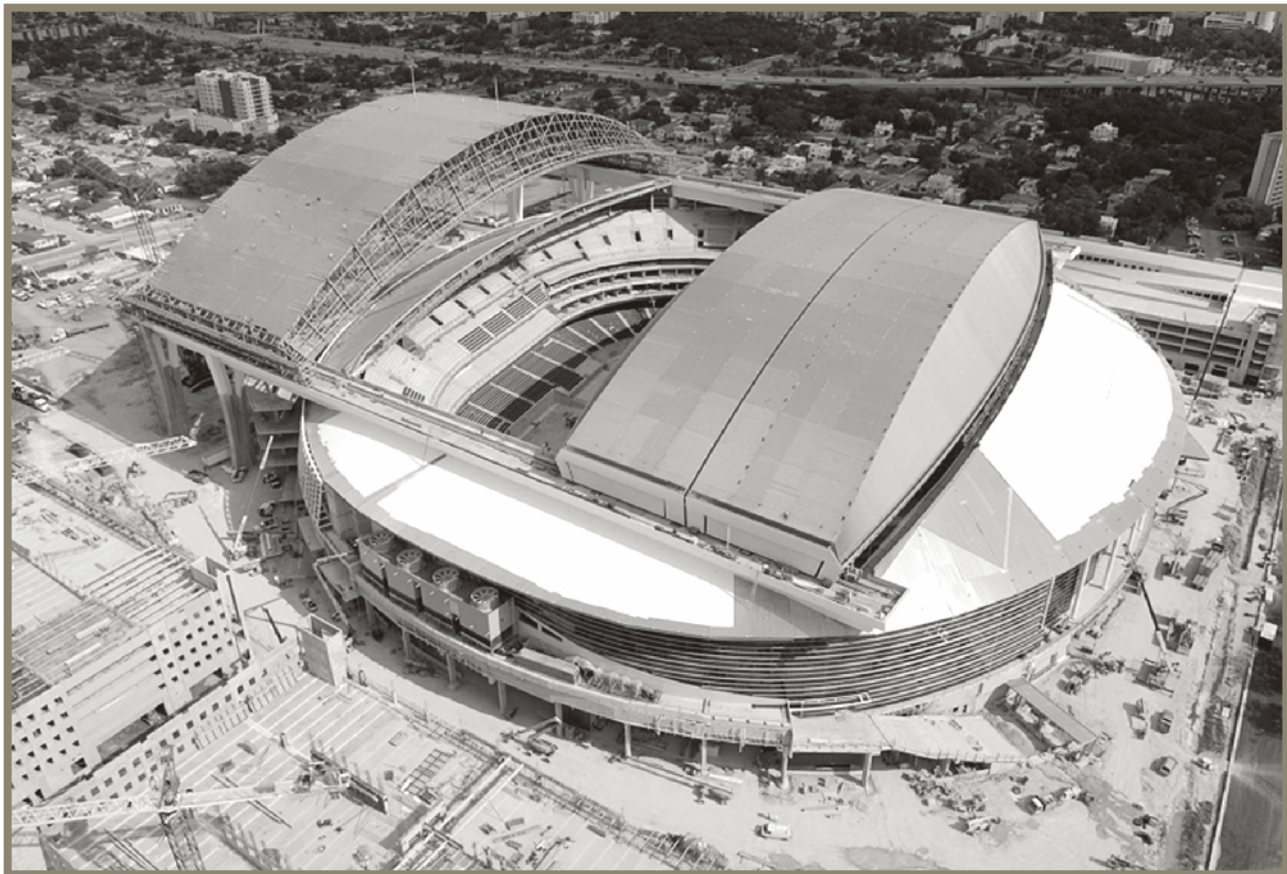
The OIG investigation revealed that between 2007 and 2009 the officials repeatedly failed to properly complete and submit County-mandated outside employment forms. During that time, the Mayor's former Chief of Staff and the MDPD officials were paid approximately \$418,363 in outside income from their Panamanian consulting work. One MDPD official, the former Director of the MDPD Police Institute who was directly responsible for the training of police recruits—never obtained authorization for outside employment for 2007-2009, yet made over \$250,000 in outside income. Second, the OIG investigation determined that the Mayor's former Chief of Staff and the MDPD officials used over 128 hours of paid administrative leave related to their outside employment. Some of the officials, while traveling in Panama, were not charged any leave for being away. Further, an MDPD policy prohibiting more than 20 hours of outside employment per payroll week was routinely ignored by the MDPD officials. Third, we

determined that between 2007-2009, the Mayor's former Chief of Staff and two other officials obtained a total of at least 10 first-class ticket upgrades for travel to Panama. In October 2009, they were upgraded after a uniformed MDPD sergeant made a request on their behalf to an American Airlines gate agent, despite an MDPD policy directive issued a month beforehand that specifically prohibited such solicitations. Although the County Code requires such upgrades to be disclosed as gifts if valued over \$100, there was only one instance where such a disclosure was made, and that was after the October 2009 trip.

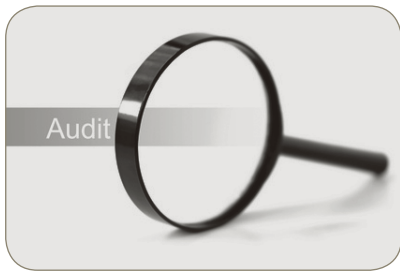
The investigation concluded that these abuses could have been detected by routine scrutiny of the information contained on the forms that were filed, as well as timely scrutiny into the fact that many required forms were not filed at all. Instead, the outside work obligations of the officials could reasonably be perceived as having hampered performance of their official duties, a situation that could have been detected and prevented by MDPD. As such, several recommendations were offered by the OIG to remedy these deficiencies.

Monitoring/Oversight of Major Projects

In addition to its mission to investigate fraud, waste, and abuse, the OIG also has contract oversight specialists that monitor and review major projects. For instance, the OIG has an engineer on-site at the Florida Marlins Stadium Project.



Audits, Reviews, and Contract Oversight



The purpose of the OIG's Audit Unit is to support the mission of the OIG by detecting and preventing fraud, waste, mismanagement, and abuse of power in County projects, programs, and contracts, and, where possible, to recover public monies. This is achieved through the performing of audits, reviews, inspections, and other audit-related activities. Most OIG audits involve one or more of the following reviews:

Type I Procurement and contracting evaluations where we look at process transparency and integrity surrounding individual activities throughout the procurement cycle or at the complete cycle itself, beginning with planning stages, and going through solicitation and award, administration, goods/services delivery, payment, and, lastly, close-out.

Type II Expenditure analyses where we test spent monies for propriety, reasonableness, and necessity.

Type III Revenue verifications where we substantiate that County permittees are accurately, completely, and promptly reporting their revenues earned under County permits and remitting to the County its portion thereof.

Type IV Procedural reviews where we evaluate an entity's processes and practices looking for weaknesses or deviations from the norm or a failure to meet standards or noncompliances with authorizing legislation or other regulatory guidance.

In addition, OIG Auditors have been reporting on concerns that certain activities, processes, conditions, etc., observed during their audits pose a reputational risk to the audited entity specifically and to the County overall. Common risks that the OIG auditors have encountered in the past that contribute to an entity's reputational risk include unacceptable accounting, excessive costs, unachieved objectives and goals, undocumented deviations from standard practices, erroneous management decisions, and loss of assets.

Audit of Zoo Miami's Commodity Purchases (Metro Zoo)

An OIG audit found three conditions warranting management's attention. First, two resolutions provided Zoo Miami with continuous bid waiver authorizations for specified purchases along with a funding allocation. However, Zoo Miami only acknowledged one of those resolutions and its funding—the one with blanket bid waiver authority for specified purchases and a not-to-exceed annual funding allocation of \$800,000, in perpetuity. The other resolution provided limited bid waiver authority and a not-to-exceed one-time funding allocation of \$800,000, for a period up to six years. The audit found that the first resolution's bid waiver authority and funding allocation, in perpetuity, was a nonstandard, undesirable condition incompatible with good governance. This nearly decade old resolution no longer reflected current procurement best practices and should be replaced.



In addition, this resolution's blanket bid waiver authority for the acquisition of animals and their transportation costs was too broad of an authorization when purchasing commodity items. Second, the audit found that Zoo Miami's purchasing activities for animal foods and pharmaceutical products was completed singlehandedly without adequate compensating controls for the lack of duty segregation. Good business practice dictates that the responsibilities for asset custody, asset dispensing, asset ordering, asset receiving, and payment approval should be divided among staff to reduce the risk of undetected errors or inappropriate actions. Smaller organizations may have to task one individual with incompatible duties and responsibilities; however, even small organizations can institute compensating controls. While the audit found no evidence of wrongdoing (e.g., missing inventory), that does not lessen the risk inherent in the observed conditions.

The third condition found was that Zoo Miami could make greater efforts to document that purchases of specialty foods and pharmaceutical products are at fair and reasonable prices. Infrequent need and limited vendor selection may subject some of these goods and services to varying market conditions that prevent guaranteed prices for any length of time. The audit found that some vendors had been consistently providing goods and services for several years and recommended that Zoo Miami negotiate pricing provisions with these vendors to secure agreed upon terms for how prices will be set, ensuring some mitigating effect on the otherwise limited or sole source conditions influencing some of the Zoo Miami's specialty purchases.

As a result of the audit recommendations, Procurement is establishing competitive solicitations for the award of pharmaceutical products used by veterinary staff and a new contract was awarded for zoo specialty food items. The procurement of these commodities is moving away from bid waivers to open and competitive procurement awards and in establishing a limited bid waiver for the acquisition and transportation of animals.

Comprehensive Review of Architectural & Engineering and Construction Contracts Administered by Jackson Health System (JHS)

This audit was initiated after the OIG received complaints alleging favoritism in the procurement of architectural and engineering (A&E) services. The audit was part of a comprehensive review of A&E and construction contracts administered by JHS, including those awarded under the County's Miscellaneous Construction Contract Program (MCC) and the Equitable Distribution Program (EDP).



Part I — PHT/JHS' Equitable Distribution Program

Preparing and maintaining complete records is essential as equitable distribution programs and architectural & engineering services are procured based on which A&E firm is the most qualified. The determination of a firm's qualifications and its selection to perform work must be based on reasonable, objective criteria and should not be influenced by bias or favoritism. Complete selection process documentation helps minimize the business risk to JHS that it might award an EDP assignment to a less qualified firm that may result in added project costs and time delays. In addition, it helps to minimize any reputational risk to JHS if its documented EDP selections can be shown to be free from project manager bias and contractor favoritism.

Our first two audit findings described deficient record keeping by JHS project managers that raised red flags about their EDP procurements. Of ten project files inspected for documentation of selection factors, we found no evidence for five projects that the firms provided to JHS, in accordance with EDP protocols, were even contacted. These project files contained no criteria documenting how the firms were selected, which lent credence to the OIG complaints alleging favoritism and bid steering. The OIG concluded that JHS must repair any reputational damage by ensuring that contract selection processes are transparent, based on objective factors, and free from bias. Documentation of these selection processes should provide the extrinsic evidence of such transparency. Three recommendations were made related to the County's Office of Capital Improvement (OCI) that they should update EDP procedures to specifically define scope deviations/modifications, establish dollar thresholds for reporting deviations, and establish corresponding higher-level approvals for larger deviations with designated authorized personnel to approve scope deviations and price modifications. Also recommended was that OCI, with JHS input, formalize a technical trade category in OCI's information system (CIIS) to list firms with hospital experience, and establish objective criteria for discerning a firm's eligibility for inclusion on the list. The third recommendation addressed how one project's design plan was not reviewed nor approved by the Florida Agency for Health Care Administration until the project was nearly complete, although State law requires design plan approval prior to construction starting.



Part II — PHT/JHS' Use of the County's Miscellaneous Construction Program

This audit was the second in a series and focused on JHS' use of the County's Miscellaneous Construction Contract (MCC) Program. The audit found at least one condition identical to a condition noted in the first audit of JHS' use of the County's EDP—a lack of documentation plaguing project procurement and status reporting. JHS project managers often lacked complete files documenting the project cycle from Request for Price Quotation through project closeout. In addition, JHS project managers did not take steps to ensure that project information was entered into CIIS. The MCC relies on CIIS to store MCC project files and forms. Prospective contractors solicited for the projects were not drawn from the MCC contractor rotational pool. Also, subsequent award and payment amounts were not entered into CIIS. As a result, contractor standings in the rotational pool were based on incomplete data. This affects later MCC awards, as a contractor's prospective eligibility to submit proposals for future work is based on its ranking in the rotational pool, which is based on past award and payment amounts. A rotational pool is used to equitably distribute work among the participants based on their respective standings. Standings based on incomplete award totals and payment data would result in improper contractor selections—defeating the purpose of the rotational pool.

Another problematic condition found during our review of JHS' Strategic Sourcing and Procurement Department Relocation project was questionable judgment and poor management on the part of JHS project management staff when they continued a procurement—knowing that the described advertised project work scope was materially different from that shown on the project's drawings. This also reinforces the perception that JHS project management is not following the rules or using good judgment when operating in non-standard conditions.

In summary, the OIG continues to highlight risk areas in JHS construction contracting and

project management activities that, by their existence, lend credence to the complaints received alleging favoritism in JHS construction and related procurements. In response to the audit, JHS actions are on the right track to make these activities more efficient and effective, and with a documented objectivity and transparency that will serve to reassure process participants that contractor selections are free from project manager bias and contractor favoritism.



Review of the Jackson Health System Business Plan for the Proposed Civica Tower

This review involved examining the circumstances in which this Business Plan was prepared, authored, and distributed. The Civica Tower Project was proposed by the Swerdlow Development Company, LLC (Swerdlow) as a mixed-use office tower to be occupied by multiple JHS administrative divisions. The OIG's report revealed serious concerns about the integrity and objectiveness of the Business Plan. Two specific findings cast a cloud over the transparency of the proposed project. First, the PHT executive tasked with developing the Business Plan disavowed any involvement with development, writing, and production of the Business Plan. He did not know who prepared it or where it came from, but had no problem distributing it as a product of the PHT. Second, the PHT Board Chairperson collaborated with Swerdlow representatives to prepare and produce this Business Plan during the time the proposed Civica project was an official item under consideration by the PHT Board of Trustees that, as the Board's Chairperson, he would ultimately vote on its approval.

The OIG also questioned certain projections in the Business Plan, such as failing to account for principal repayment in its pro forma statement of annual debt service; funding for debt service payments during construction; funding for debt service reserve funds; additional costs to build out vacated hospital space, etc. Additionally, the two pro forma financials for third-party space, at 95% and 50% occupancy, had no basis for its occupancy projections. There was no study on the ability to fill these spaces with new doctors and no study showing that existing physicians would want to move their offices to Civica because it would be more economical, more conveniently located, or because it would be a new facility. There was no study addressing the loss of revenue to the PHT by tenants vacating its facilities in favor of Civica and no study to show the cost of renovating space left vacant by functions/ departments moving to Civica. There was no study of the PHT's true square footage needs. Before any advancement of the Civica or any similar project is made, objective data must be analyzed by unbiased professionals to justify such a large JHS financial commitment.

Environmental Task Force Trust Funds Administered by the Miami-Dade Police Department (MDPD)

In this audit of the South Florida Environmental Task Force (SFETF) Trust Fund and the Florida Environmental Task Force (FETF) Trust Fund (collectively "Trust Funds"), OIG Auditors evaluated expenditures from the Trust Funds to determine if they were: allowable under the terms and conditions of their governing authorities and agreements; reasonable and necessary; adequately supported by authoritative documentation; approved for payment by authorized personnel; and if equipment purchased with Trust Fund monies was properly safeguarded.

OIG Auditors found significant questionable business practices surrounding MDPD's administration of the Trust Funds. MDPD had unilaterally expanded the expenditure authority

granted to it by the Board of County Commissioners (BCC). Without seeking authorization from the BCC, MDPD expanded the authorized uses of the SFETF monies to non-environmental related purposes, heavily skewed in favor of supplying itself with vehicles, phones, and equipment instead of following its commitment to provide other Task Force member agencies with education, technology, and training. OIG Auditors also documented purchases where the stated justification for the purchase did not match the actual use of the equipment. Additionally, only about \$1.4 million of the \$4.1 million of FETF Trust Fund expenditures were approved by way of expenditure requests that included a stated amount.

It was also evident that purchases were excessive, unreasonable, and unnecessary for the Environmental Task Force. An example of both unreasonable and excessive expenditures was the purchase of 23 sports utility vehicles and trucks for over \$714,000 from the FETF Trust Fund during fiscal years 2000 through 2009. In addition, MDPD approved expenditures over this same timeframe (totaling over \$292,000) for up to 14 vehicle rentals per month; \$135,000 for motor fuel; and over \$25,000 for vehicle accessories, such as police sirens and lights. Notably, most of these vehicle related expenditures—totaling over \$1.1 million—were spent on MDPD personnel who were not members of the Environmental Task Force. No such vehicle expenditures were made for other FETF member agencies. MDPD also spent \$330,000 on computers, and another \$25,000 was spent on three Segways—two of which were found unused in a warehouse. The third Segway was located at MDPD Headquarters and used periodically for security patrol of the premises. Three Sharp 52” flat screen televisions that cost nearly \$6,000 were purchased from the SFETF Trust Fund. The justification documented on the request form states “the 52” televisions will be mounted with the Intergovernmental Bureau (IB) North Office Command Post...” OIG personnel observed two of the televisions at the IB North Office Command Post; however, the third television was observed by the OIG unused and in its original box at the Critical Incident Logistics Unit (CILU) warehouse. Moreover, MDPD also purchased three motorized flat screen TV mounts for \$3,334 using Trust Fund monies. Only one mount was being used; the other two mounts were found in storage at the CILU warehouse.



MDPD purchased a texture and paint sprayer that cost over \$4,000 using SFETF Trust Fund monies that was found in unopened packaging two years later. A review of phone services found that of 125 cell phone lines charged to the Trust Fund, only 19 were given to Task Force members. On one phone provider’s invoice for monthly service fees and usage, MDPD paid for 12 cellular phone lines and 26 connection card plans that had no usage.

In another troubling instance, MDPD misrepresented the status of the funding source in order to expedite the procurement process by waiving County requirements. In the case of six sport utility vehicles, the funds were misrepresented as deriving from grants that were about to expire. The trust fund monies do not expire, and thus had no need to be used quickly. Six hybrid Chevy Tahoe SUVs that cost over \$293,000 were purchased with FETF funds and assigned to MDPD command staff and the Mayor, although the justification memo stated the SUVs were needed to investigate local environmental crimes activity in rural hard-to-access areas that were void of paved roads and overgrown with vegetation. More issues included that MDPD overstated \$351,588 of FETF Trust Fund expenditures to federal oversight agencies; a \$250,000 settlement amount was incorrectly credited to the SFETF Trust Fund; and auditors observed instances

when the same expenditure request was attached to multiple invoices. For example, OIG auditors identified 42 payments totaling \$153,743 that were charged against two expenditure requests.

Another problematic area specifically involved the FETF, where MDPD and the United States Environmental Protection Agency signed an agreement stipulating certain protocols and uses of the funds. Accounting transactions show that MDPD spent on itself about \$3.6 million (or 87%) of the \$4.1 million collected—and other Task Force member agencies did not have an opportunity to use these funds. Furthermore, most of the MDPD expenditures were unrelated to investigating environmental crimes. We found that 50% of fund expenditures were made for vehicles, vehicle-related expenses, and mobile communications devices. Yet according to the agreement, task force members would supply their own cars and communications equipment.

Lastly, OIG Auditors assessed that MDPD did not maintain sufficient control over equipment purchased with Trust Funds. All such equipment was intended for use by Task Force members, but MDPD co-mingled this equipment with its own. Until the MDPD performed a physical inventory of these assets, which it began at the time of our audit, the MDPD did not have a central log, or other method, to track items purchased with SFETF and FETF funds. Several pieces of equipment were not located and other equipment was located in places where it blatantly should not have been. For example, a MDPD detective had in his possession—at his personal residence—a \$2,600 portable air conditioning unit. To date, a \$3,000 generator is still missing. In addition to the generator, over \$70,000 worth of cameras and GPS devices are missing.



As a result of this audit, a number of OIG recommendations aimed at curtailing the inappropriate expenditures of Trust Fund monies were implemented by the MDPD.

PARTNERSHIPS WITH OTHER AGENCIES



American Express Corporate Security
Association of Inspectors General
Association of Certified Fraud Examiners
Bank of America, Corporate Security
Broward County Clerk of Courts
Broward County Property Appraiser
Broward County State Attorney's Office
Citibank Security
City National Bank
City of Chicago OIG
City of Doral Building Department
City of Key West Citizen Review Board
City of Miami Building Department
City of Miami Police Department
City of Miami Civilian Investigative Unit
City of Miami Beach Building Department
City of Miami Beach Police Department
City of Miami Office of Internal Audits
Commission for FL Law Enforcement Accreditation
Dade County Federal Credit Union
District of Columbia OIG
District of Columbia, Office of Integrity & Oversight
Federal Bureau of Investigation
Financial Institutions Security Association
FL Agency for Health Care Administration
FL Agency for Workforce Innovation OIG
FL Attorney General's Office OIG
FL Chapter of the Association of Inspectors General
FL Dept. of Agriculture and Consumer Services
FL Dept. of Business & Professional Regulation
FL Dept. of Children & Families OIG
FL Dept. of Corrections OIG
FL Dept. of Environmental Protection OIG
FL Dept. of Financial Services OIG
FL Dept. of Health Office of Vital Statistics
FL Dept. of Health OIG
FL Dept. of Juvenile Justice
FL Division of Insurance Fraud
FL Dept. of Law Enforcement
FL Dept. of Revenue
FL Dept. of State – Division of Corporations
FL Dept. of State – Licensing Division
FL Dept. of State – Notary Section
FL Dept. of Transportation OIG
FL Highway Patrol
FL Medicaid Fraud Control Unit
FL Office of the Chief Inspector General
FL Office of Statewide Prosecution
FL Police Accreditation Coalition
Florida Bar Association
Florida International University
Institute of Internal Auditors
Internal Revenue Service
Interpol
Los Angeles County MTA OIG
Los Angeles Unified School District OIG
Louisiana State OIG
MDC Commission Auditor
MDC Commission on Ethics and Public Trust
Miami-Dade Clerk of the Board
Miami-Dade County Public Schools OIG
Miami Dade Dept. of Procurement Management
Miami-Dade Police Department
Miami-Dade Property Appraiser's Office
Miami-Dade Schools Police Department
Miami-Dade State Attorney's Office
Miami-Dade Tax Collector's Office
Miami-Dade Transit Department
Miami-Lakes Rotary Club
Miramar Police Department
Monroe County State Attorney's Office
NASA OIG
National Reconnaissance OIG
Ohio State OIG
Palm Beach County Clerk of Courts OIG
Palm Beach OIG
Palm Beach State Attorney's Office
Pinellas County Clerk of the Circuit Court OIG
Port Authority of NY & NJ OIG
Regions Bank
Social Security Administration OIG
South Florida IG Council
Surfside Police Department
SunTrust Bank Corporate Security
Texas Department of Criminal Justice OIG
University of Miami School of Law's Center for Ethics & Public Trust
U.S. Attorney's Office, Southern District of FL
U.S. Bureau of Prisons
U.S. Dept. of Health & Human Services
U.S. Dept. of Homeland Security
U.S. Dept. of Housing & Urban Development
U.S. Department of Labor
U.S. Dept. of State
U.S. Dept. of Transportation OIG
U.S. Environmental Protection Agency OIG
U.S. Immigration and Customs Enforcement
U.S. Justice Department
U.S. Marshals Service
U.S. Postal Services Inspector General
U.S. Probation and Pretrial Services
U.S. Secret Service
Wachovia Bank Security
Washington Mutual Bank

APPENDIX

Sec. 2-1076 Office of the Inspector General

(a) **Created and established.** There is hereby created and established the Office of Miami-Dade County Inspector General. The Inspector General shall head the Office. The organization and administration of the Office of the Inspector General shall be sufficiently independent to assure that no interference or influence external to the Office adversely affects the independence and objectivity of the Inspector General.

(b) **Minimum Qualifications, Appointment and Term of Office.**

(1) Minimum qualifications. The Inspector General shall be a person who:

(a) Has at least ten (10) years of experience in any one, or combination of, the following fields:

(i) as a Federal, State or local Law Enforcement Officer;

(ii) as a Federal or State court judge;

(iii) as a Federal, State or local government attorney;

(iv) progressive supervisory experience in an investigative public agency similar to an inspector general's office;

(b) Has managed and completed complex investigations involving allegations of fraud, theft, deception and conspiracy;

(c) Has demonstrated the ability to work with local, state and federal law enforcement agencies and the judiciary; and

(d) Has a four-year degree from an accredited institution of higher learning.

(2) Appointment. The Inspector General shall be appointed by the Ad Hoc Inspector General Selection Committee ("Selection Committee"), except that before any appointment shall become effective, the appointment must be approved by a majority of the whole number of members of the Board of County Commissioners at the next regularly scheduled County Commission meeting after the appointment. In the event that the appointment is disapproved by the County Commission, the appointment shall become null and void, and the Selection Committee shall make a new appointment, which shall likewise be submitted for approval by the County Commission. The Selection Committee shall be composed of five members selected as follows:

(a) The State Attorney of the Eleventh Judicial Circuit for Miami-Dade County;

(b) The Public Defender of the Eleventh Judicial Circuit for Miami-Dade County;

(c) The Chairperson of the Miami-Dade Commission on Ethics and Public Trust;

(d) The President of the Miami-Dade Police Chief's Association; and

(e) The Special Agent in charge of the Miami Field Office of the Florida Department of Law Enforcement.

The members of the Selection Committee shall elect a chairperson who shall serve as chairperson until the Inspector General is appointed. The Selection Committee shall select the Inspector General from a list of qualified candidates submitted by the Miami-Dade County Employee Relations Department.

(3) Term. The Inspector General shall be appointed for a term of four (4) years. In case of a vacancy in the position of Inspector General, the Chairperson of the Board of County Commissioners may appoint the deputy inspector general, assistant inspector general, or other Inspector General's office management personnel as interim Inspector General until such time as a successor Inspector General is appointed in the same manner as described in subsection (b)(2) above. The Commission may by majority vote of members present disapprove of the interim appointment made by the Chairperson at the next regularly scheduled County Commission meeting after the appointment. In the event such appointment shall be disapproved by the County Commission, the appointment shall become null and void and, prior to the next regularly scheduled Commission meeting, the Chairperson shall make a new appointment which shall likewise be subject to disapproval as provided in this subsection (3). Any successor appointment made by the Selection Committee as provided in subsection (b)(2) shall be for the full four-year term.

Upon expiration of the term, the Board of County Commissioners may by majority vote of members present reappoint the Inspector General to another term. In lieu of reappointment, the Board of County Commissioners may reconvene the Selection Committee to appoint the new Inspector General in the same manner as described in subsection (b)(2). The incumbent Inspector General may submit his or her name as a candidate to be considered for selection and appointment.

(4) Staffing of Selection Committee. The Miami-Dade County Employee Relations Department shall provide staffing to the Selection Committee and as necessary will advertise the acceptance of resumes for the position of Inspector General and shall provide the Selection Committee with a list of qualified candidates. The County Employee Relations Department shall also be responsible for ensuring that background checks are conducted on the slate of candidates selected for interview by the Selection Committee. The County Employee Relations Department may refer the background checks to another agency or department. The results of the background checks shall be provided to the Selection Committee prior to the interview of candidates.

(c) Contract. The Director of the Employee Relations Department shall, in consultation with the County Attorney, negotiate a contract of employment with the Inspector General, except that before any contract shall become effective, the contract must be approved by a majority of Commissioners present at a regularly scheduled Commission meeting.

(d) Functions, authority and powers.

(1) The Office shall have the authority to make investigations of county affairs and the power to review past, present and proposed County and Public Health Trust programs, accounts, records, contracts and transactions.

(2) The Office shall have the power to require reports from the Mayor, County Commissioners, Manager, County agencies and instrumentalities, County officers and employees and the Public Health Trust and its officers and employees regarding any matter within the jurisdiction of the Inspector General.

(3) The Office shall have the power to subpoena witnesses, administer oaths and require the production of records. In the case of a refusal to obey a subpoena issued to any person, the Inspector General may make application to any circuit court of this State which shall have jurisdiction to order the witness to appear before the Inspector General and to produce evidence if so ordered, or to give testimony touching on the matter in question. Prior to issuing a subpoena, the Inspector General shall notify the State Attorney and the U.S. Attorney for the Southern District of Florida. The Inspector General shall not interfere with any ongoing criminal investigation of the State Attorney or the U.S. Attorney for the Southern District of Florida where the State Attorney or the U.S. Attorney for the Southern District of Florida has explicitly notified the Inspector General in writing that the Inspector General's investigation is interfering with an ongoing criminal investigation.

(4) The Office shall have the power to report and/or recommend to the Board of County Commissioners whether a particular project, program, contract or transaction is or was necessary and, if deemed necessary, whether the method used for implementing the project or program is or was efficient both

financially and operationally. Any review of a proposed project or program shall be performed in such a manner as to assist the Board of County Commissioners in determining whether the project or program is the most feasible solution to a particular need or problem. Monitoring of an existing project or program may include reporting whether the project is on time, within budget and in conformity with plans, specifications and applicable law.

(5) The Office shall have the power to analyze the need for, and the reasonableness of, proposed change orders. The Inspector General shall also be authorized to conduct any reviews, audits, inspections, investigations or analyses relating to departments, offices, boards, activities, programs and agencies of the County and the Public Health Trust.

(6) The Inspector General may, on a random basis, perform audits, inspections and reviews of all County contracts. The cost of random audits, inspections and reviews shall, except as provided in (a)-(n) in this subsection (6), be incorporated into the contract price of all contracts and shall be one quarter (1/4) of one (1) percent of the contract price (hereinafter "IG contract fee"). The IG contract fee shall not apply to the following contracts:

- (a) IPSIG contracts;
- (b) Contracts for legal services;
- (c) Contracts for financial advisory services;
- (d) Auditing contracts;
- (e) Facility rentals and lease agreements;
- (f) Concessions and other rental agreements;
- (g) Insurance contracts;
- (h) Revenue-generating contracts;
- (i) Contracts where an IPSIG is assigned at the time the contract is approved by the Commission;
- (j) Professional service agreements under one thousand dollars (\$1,000);
- (k) Management agreements;
- (l) Small purchase orders as defined in Administrative Order 3-2;
- (m) Federal, state and local government-funded grants; and
- (n) Interlocal agreements.
- (o) Grant Agreements granting not-for-profit organizations Building Better Communities General Obligation Bond Program funds.

Notwithstanding the foregoing, the Commission may by resolution specifically authorize the inclusion of the IG contract fee in any contract. Nothing contained in this Subsection (c)(6) shall in any way limit the powers of the Inspector General provided for in this Section to perform audits, inspections, reviews and investigations on all county contracts including, but not limited to, those contracts specifically exempted from the IG contract fee.

(7) Where the Inspector General detects corruption or fraud, he or she shall notify the appropriate law enforcement agencies. Subsequent to notifying the appropriate law enforcement agency, the Inspector General may assist the law enforcement agency in concluding the investigation. When the Inspector General detects a violation of one (1) of the ordinances within the jurisdiction of the Ethics Commission,

he or she may file a complaint with the Ethics Commission or refer the matter to the Advocate.

(8) The Inspector General shall have the power to audit, investigate, monitor, oversee, inspect and review the operations, activities and performance and procurement process including, but not limited to, project design, establishment of bid specifications, bid submittals, activities of the contractor, its officers, agents and employees, lobbyists, County staff and elected officials in order to ensure compliance with contract specifications and detect corruption and fraud.

(9) The Inspector General shall have the power to review and investigate any citizen's complaints regarding County or Public Health Trust projects, programs, contracts or transactions.

(10) The Inspector General may exercise any of the powers contained in Section 2-1076 upon his or her own initiative.

(11) The Inspector General shall be notified in writing prior to any meeting of a selection or negotiation committee where any matter relating to the procurement of goods or services by the County is to be discussed. The notice required by this subsection (11) shall be given to the Inspector General as soon as possible after a meeting has been scheduled, but in no event later than twenty-four (24) hours prior to the scheduled meeting. The Inspector General may, at his or her discretion, attend all duly noticed County meetings relating to the procurement of goods or services as provided herein, and, in addition to the exercise of all powers conferred by Section 2-1076, may pose questions and raise concerns consistent with the functions, authority and powers of the Inspector General. An audio tape recorder shall be utilized to record all selection and negotiation committee meetings.

(12) The Inspector General shall have the authority to retain and coordinate the services of Independent Private Sector Inspectors General (IPSIG) or other professional services, as required, when in the Inspector General's discretion he or she concludes that such services are needed to perform the duties and functions enumerated in subsection (d) herein.

(e) Physical facilities and staff.

(1) The County shall provide the Office of the Inspector General with appropriately located office space and sufficient physical facilities together with necessary office supplies, equipment and furnishings to enable the Office to perform its functions.

(2) The Inspector General shall have, subject to budgetary allocation by the Board of County Commissioners, the power to appoint, employ, and remove such assistants, employees and personnel and establish personnel procedures as deemed necessary for the efficient and effective administration of the activities of the Office.

(f) Procedure for finalization of reports and recommendations which make findings as to the person or entity being reviewed or inspected. Notwithstanding any other provisions of this Code, whenever the Inspector General concludes a report or recommendation which contains findings as to the person or entity being reported on or who is the subject of the recommendation, the Inspector General shall provide the affected person or entity a copy of the report or recommendation and such person or entity shall have 10 working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation. The requirements of this subsection (f) shall not apply when the Inspector General, in conjunction with the State Attorney, determines that supplying the affected person or entity with such report will jeopardize a pending criminal investigation.

(g) Reporting. The Inspector General shall annually prepare and submit to the Mayor and Board of County Commissioners a written report concerning the work and activities of the Office including, but not limited to, statistical information regarding the disposition of closed investigations, audits and other reviews.

(h) Removal. The Inspector General may be removed from Office upon the affirmative vote of two-thirds (2/3) of the whole number of members of the Board of County Commissioners.

(i) Abolition of the Office. The Office of the Inspector General shall only be abolished upon the affirmative vote of two-thirds (2/3) of the whole number of members of the Board of County Commissioners.

(j) Retention of current Inspector General. Notwithstanding any provision to the contrary, the incumbent Inspector General, Christopher R. Mazzella, shall serve a four year term of office commencing on December 20, 2009, as provided in the Memorandum of Understanding approved by Resolution No. R-1394-05, and shall not be subject to the appointment process provided for in Section 2-1076(b)(2).

(Ord. No. 97-215, § 1, 12-16-97; Ord. No. 99-63, § 1, 6-8-99; Ord. No. 99-149, § 1, 10-19-99;
Ord. No. 00-105, § 1, 7-25-00; Ord. No. 01-114, § 1, 7-10-01; Ord. No. 05-51, § 1, 3-1-05;
Ord. No. 06-88, § 2, 6-6-06, Ord. No. 07-165; § 1, 11-6-07)



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