



**Miami-Dade County  
Office of the Inspector General**

# Annual Report 2015

*Get involved...make a splash, create a ripple, cause a wave.  
Report fraud to the OIG and help ensure integrity in government.*



## Message From The Inspector General

I am pleased to present the Fiscal Year 2015 Annual Report. In the pages that follow you will find our activities for the period of October 1, 2014 through September 30, 2015. This Report is provided as a summary of our activities and achievements as we work to fulfill our mission of reducing fraud, waste and abuse in Miami-Dade County.

Recently I had the pleasure of speaking at the annual Ethics Conference sponsored by Florida Atlantic University. It was an opportunity to research and digest the importance of whistleblowers in ferreting out fraud, waste and abuse, and to showcase the work of the Board of County Commissioners (BCC) in amending our local law, the Employee Protection Ordinance. A review of national whistleblower cases demonstrates the stark need to protect the identity of those who come forward with information regarding fraud, waste and abuse in our County. In amending our local ordinance, the BCC recognized the importance of training all County employees to ensure that they are aware that they can report misconduct confidentially.

We are looking forward to this new year, during which we will be going through reaccreditation by the Commission on Law Enforcement Accreditation and a Peer Review by the Association of Inspectors General. We acknowledge and embrace our role as an independent oversight agency of the County and, as such, are committed to holding ourselves to the highest standards.

I would also like to thank the staff at the OIG for their dedication to their cases and their work to add value to our County government. They are committed to bringing their best to enhance the process and make meaningful recommendations.

Sincerely,

A handwritten signature in blue ink that reads "Mary T. Cagle". The signature is fluid and cursive.

Mary T. Cagle



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## Mission Statement

To detect, investigate and prevent fraud, waste, mismanagement, misconduct, and abuse of power through independent oversight of County affairs, and seek appropriate remedies to recover public monies.

## Vision Statement

To be recognized as the premier agency in holding Miami-Dade County government accountable, ensuring it continues to provide excellence every day.

# OIG VALUES

## INTEGRITY

We govern ourselves honestly and ethically

## IMPARTIALITY

We conduct our work objectively and independently

## PROFESSIONALISM

We maintain a staff of diverse and highly skilled professionals

## ACCOUNTABILITY

We take responsibility for providing thorough and fair findings and recommendations



## COMMITMENT

is a pledge to pursue  
a course of action

**We are committed** to providing the Miami-Dade community with independent and autonomous oversight of County affairs, without political interference.

**We are committed** to detecting, investigating and preventing fraud, waste, mismanagement, and the abuse of power in County government.

**We are committed** to promoting transparency in County programs, projects, contracts, and transactions.

**We are committed** to adhering to the professional standards set for the Inspectors General community that ensure our work conforms to the highest level of quality.

**We are committed** to maintaining a staff of diverse, highly skilled professionals.

**We are committed** to following our Vision Statement as we work towards accomplishing our goals.

**We are committed** to incorporating our OIG Values as a guide in our daily work.

**We are committed** to striving to restore trust in County government.





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## Watchdog Agency of Miami-Dade County

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**6,251,065,000** Miami-Dade County approved Budget for FY 2014-2015

**5,728,840,034** Dollar value of County contracts

**2,644,650** Population of Miami-Dade County

**25,427** County employee positions in the FY 2014-2015 Budget

**11,435** Registered County vendors

**1,249** Active County contracts for goods and services

**25** County Departments

**13** Commission Districts

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**1** County Watchdog

## **THE WATCHDOGS: OFFICES OF INSPECTORS GENERAL**

Offices of inspectors general, often referred to as watchdog agencies, are currently found in all levels of government: federal, state and local. The tradition of Inspectors General in the United States dates back to the American Revolution when an Inspector General for the Army was appointed to report on the proper expenditures for wartime munitions and supplies. Shoddy and defective equipment, mismanagement, and bribery were concerns back then as scarce resources were stretched to fulfill the war effort. Combatting waste, fraud and abuse in the supply chain was instrumental to our successes on the battlefield.

With the passage of the Federal Inspector General Act in 1978, Offices of Inspectors General (OIG) were first instituted in twelve federal agencies. Today, the federal Inspector General (IG) community includes over 72 watchdogs in all sectors of the federal government, including the military, defense and intelligence agencies. At the state level, Florida leads the way by having the highest number of OIGs of any state. The Florida Legislature followed the federal model by codifying, in 1994, the addition of an Office of the Inspector General in all of its state agencies. Florida also has a Chief Inspector General within the Office of the Governor who coordinates the activities of all executive branch agency OIGs.

The Miami-Dade County OIG was the first local OIG in the State of Florida. The enabling statute of the Miami-Dade County OIG has been nationally recognized as a leading model of what should be included in an OIG statute. Throughout the years, this Office has been contacted by numerous jurisdictions seeking ways to emulate our statutory and organizational best practices. OIGs have now been established in Palm Beach and Broward Counties, and the consolidated government of the City of Jacksonville and Duval County.

## **THE ORDINANCE FOUNDING THE MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**

In 1997, the Miami-Dade OIG ordinance was codified in Section 2-1076 of the Code of Miami-Dade County, after the Board of County Commissioners (BCC) passed the ordinance unanimously. Additional amendments have since been passed to expand OIG authority to include oversight of County contracting, selection, and negotiation processes; specifying procedures for how the OIG issues its findings and recommendations; establishing future IG selection procedures; and clarifying the OIG's investigative authority over County affairs and its ability to conduct criminal investigations.



## OIG AUTHORITY ESTABLISHED BY STATUTE

The Miami-Dade County OIG shall have the authority to make investigations of County affairs and the power to review past, present and proposed County and Public Health Trust (PHT) programs, accounts, records, contracts and transactions. Below are pertinent excerpts of Section 2-1076 that define the powers of our Office.

- The Office shall have the power to report and/or recommend to the BCC whether a particular project, program, contract, or transaction is or was necessary or was efficient both financially and operationally.
- The Office may, on a random basis, perform audits, inspections, and reviews of all County contracts.

## HOW OUR INDEPENDENCE IS SECURED BY STATUTE

- The Office shall have the power to require reports from the Mayor, County Commissioners, County agencies and instrumentalities, County officers and employees, and the PHT and its officers and employees on any matter within the jurisdiction of the IG.
- The IG shall be appointed by an Ad Hoc Inspector General Selection Committee, subject to approval by the majority of the whole number of members of the BCC.
- The IG shall be appointed for a term of four years, is given an employment contract subject to BCC approval, and may only be removed upon the affirmative vote of two-thirds of the whole number of members of the BCC.
- To provide for the cost of random audits, inspections and reviews, an IG fee shall be incorporated into the contract price of most contracts and shall be 1/4 of 1% of the contract price. (See page 36 for exclusions)
- The IG shall have, subject to budgetary allocation by the BCC, 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.
- The organization and administration of the OIG shall be independent to assure that no interference or influence external to the Office adversely affects the independence and objectivity of the OIG.

## BUDGET OF THE OIG

The Office is funded by three distinct sources. This includes the IG Contract Fee assessed on County contracts, direct payments collected through Memorandums of Understanding (MOU) entered into with various County departments where we have committed substantial resources, and General Funds allocated through the County's budget process. The availability of carryover (higher than expected returns on IG proprietary fees and unspent accumulated savings) offsets the OIG's need for General Fund dollars.

The chart below shows the OIG's financial summary and comes directly from the County's Fiscal Year 2015-2016 Adopted Budget:

### FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 12-13	Actual FY 13-14	Budget FY 14-15	Adopted FY 15-16
<b>Revenue Summary</b>				
General Fund Countywide	1,612	1,969	1,931	1,510
Interest Earnings	2	2	0	0
Miscellaneous Revenues	11	13	0	0
Carryover	249	437	217	938
Departmental Oversight MOUs	721	759	850	860
Fees & Charges	2,520	2,848	2,550	2,725
<b>Total Revenues</b>	<b>5,115</b>	<b>6,028</b>	<b>5,548</b>	<b>6,033</b>
<b>Operating Expenditures Summary</b>				
Salary	3,593	3,274	3,989	4,367
Fringe Benefits	656	733	1,015	1,122
Court Costs	1	0	2	2
Contractual Services	18	2	6	6
Other Operating	387	348	482	482
Charges for County Services	23	17	36	36
Capital	0	8	18	18
<b>Total Operating Expenditures</b>	<b>4,678</b>	<b>4,382</b>	<b>5,548</b>	<b>6,033</b>
<b>Non-Operating Expenditures Summary</b>				
Transfers	0	0	0	0
Distribution of Funds In Trust	0	0	0	0
Debt Service	0	0	0	0
Depreciation, Amortizations & Depletion	0	0	0	0
Reserve	0	0	0	0
Other Non-Operating Adjustments	0	0	0	0
<b>Total Non-Operating Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## BLUEPRINT OF THE OIG

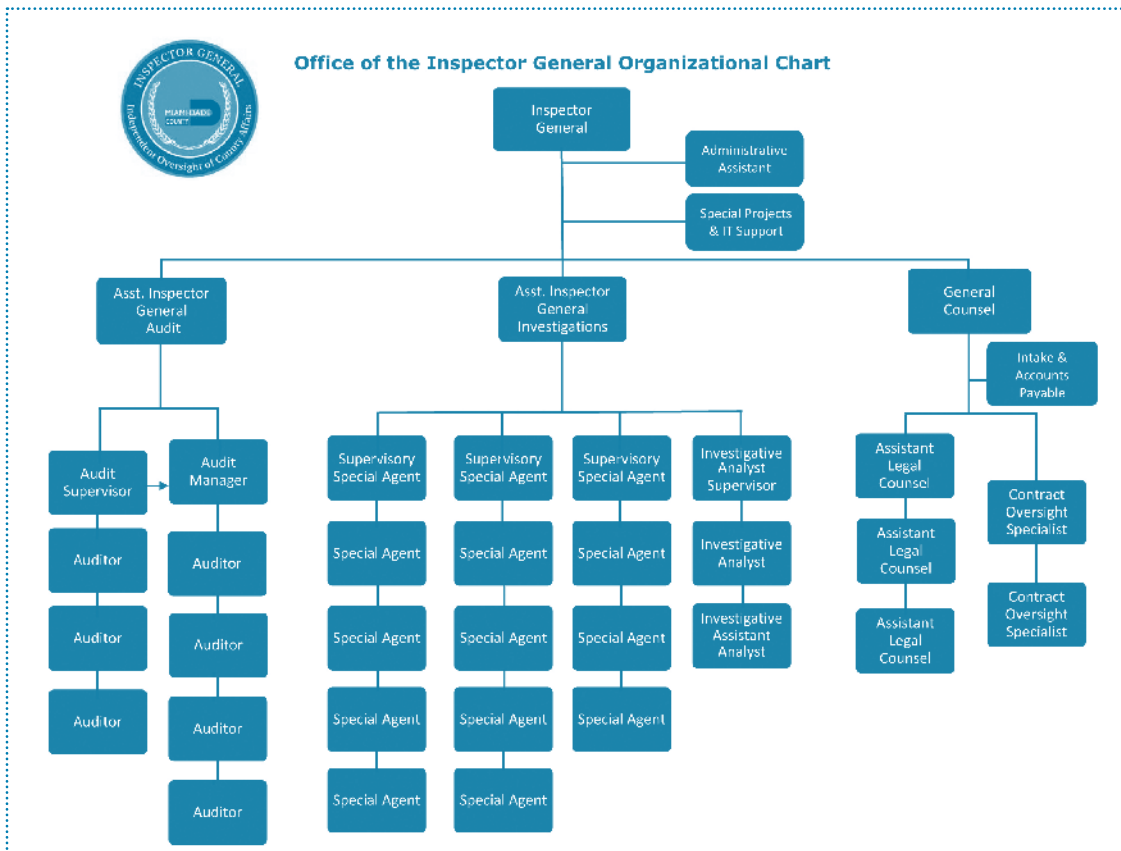
*...to adopt a business strategy that empowers our employees to take a holistic approach to ferretting out fraud, waste and abuse.*

Mary T. Cagle

Inspector General Cagle focused on a holistic approach in structuring the operations of the Office that led to some redesign of the core framework of the OIG in order to increase its

overall effectiveness. With the IG at the head, two Assistant IGs steer the two primary activities of the Office: audit and investigations. The Assistant IG for Audit is charged with designing the OIG’s audit plan with an emphasis on the prevention of fraud, waste and abuse throughout County programs. The Assistant IG for Investigations directs fact-finding activities to ferret out and detect criminal, fraudulent and abusive actions. The Assistant IG for Investigations coordinates with criminal prosecutors to shepherd OIG cases to a successful legal resolution. Both units work together to advance the mission of the Office.

The General Counsel also reports directly to the IG and heads the Legal Unit, which includes the Contract Oversight function. The Legal Unit provides the Audit and Investigation Units with the fundamental guidance necessary to set the stage to effectively pursue legal action to prevent, remedy, and rectify loss and damage caused by those committing fraud, waste and abuse in County affairs. Below is the OIG Organization Chart.







## THE AMENDED EMPLOYEE PROTECTION ORDINANCE SAFEGUARDING THE HEROES THAT REPORT FRAUD

On October 20, 2015, the BCC unanimously passed amendments to the Employee Protection Ordinance. The amendments were intended to ensure County employees are aware of their protections when reporting fraud, waste and abuse. The OIG has already started training County employees on the amendments.

The Employee Protection Ordinance (EPO), also known as the “Whistleblower” ordinance, was amended to empower employees to take responsibility for an efficient and effective government and to be empowered to safely and securely disclose activity that constitutes misconduct. It provides clarification regarding employees’ rights under the ordinance, and below we highlight the changes in the law.

**Why was the Employee Protection Ordinance enacted, what is its intent, and how was it amended?** The EPO was initially enacted to provide protections for employees who came forward and reported misconduct they observed in County government. The initial ordinance was modeled, in part, on the State of Florida’s Whistleblower law. The recent amendments simplify how and where to report and clarify the afforded protections.

**Who should the misconduct be reported to?** Prior to the October 2015 amendments, the misconduct had to be reported to either the OIG or the Mayor or his designee. The only exception was that misconduct at the Miami-Dade Aviation Department was to be reported to either the OIG or the Commission on Ethics and Public Trust (COE).

The EPO was amended so that all County employees, regardless of their department, can now report misconduct to the OIG, COE, or to the Mayor or his designee—without losing the protections provided under the ordinance. A section was also added that provides that the COE or the Mayor or his designee, at their discretion, may refer appropriate complaints to the OIG for investigation.

**Does the EPO provide protections to employees regardless of the type of misconduct reported?** No, only reports of certain types of misconduct are covered. This section of the ordinance was not amended. An employee only receives protections provided under this ordinance if the nature of the misconduct is:

- A violation of any law, rule, or regulation that creates a substantial and specific danger to public health or safety
- Gross mismanagement
- Gross waste of public funds
- Gross neglect of duty
- Malfeasance
- Misfeasance

### **What are some examples of the types of misconduct employees should report to the OIG, COE, or Mayor under the Ordinance?**

Examples include contractor overbilling, payroll fraud, bid rigging, kickback schemes, bid steering, bribery, theft, gross mismanagement of a program that puts others at risk, and fraud or cover-ups by employees or contractors that endanger the public. Generally, employee grievances involving personnel matters do not fall into the protected category under the EPO and should be handled through the County's grievance procedures.



**How should an employee report?** Employees disclosing information to the Mayor, his designee, or the COE need to report in a written and signed complaint to receive the protections afforded by the EPO. The new amendment allows for additional methods of reporting to the OIG. Employees can now report to the OIG in a variety of ways and still be protected: through our website ([www.miamidadeig.org](http://www.miamidadeig.org)), our hotline (305) 579-2593, email, in person to OIG staff, or by written and signed correspondence.

### **When an employee reports information regarding misconduct to the appropriate entity, what protections are provided to them?**

**CONFIDENTIALITY:** The most important protection provided to the employee under the ordinance (based on state law) is that they can report the information confidentially—their identity will not be revealed during or subsequent to the investigation. The only exception is in the event criminal charges are filed; then the decision regarding confidentiality will be at the discretion of the State Attorney's Office or a judge.

**PROTECTION FROM RETALIATION:** In the event the identity of the complainant is known or discovered, and the complainant feels they are being retaliated against because they have disclosed the misconduct, then they may file for protection with the Mayor's Designee (the Director of Human Resources) through the grievance process. If unsatisfied, they may file a complaint with the COE and ask the COE, as an independent body, to investigate their retaliation complaint.

**What happens if an employee makes a false complaint alleging misconduct by another employee?** The ordinance was amended to put employees on notice that providing false information will be taken seriously, and investigated and prosecuted where appropriate. Additionally, an employee who is involved in the misconduct does not receive the protections provided to others under the ordinance.

**Were there any other amendments to the EPO that employees should be aware of?** The monetary awards provision was deleted.

### **Where can questions be answered regarding the EPO and the new amendments?**

The ordinance was amended to ensure that employees receive information regarding their protections. The amendment mandates the OIG to provide training. The COE and the Mayor's Designee (the Director of Human Resources) may also provide information regarding the ordinance. Employees can contact:

- OIG at (305) 375-1946 or online at [www.miamidadeig.org](http://www.miamidadeig.org)
- COE at (305) 579-2594 or online at [www.miamidade.gov/ethics](http://www.miamidade.gov/ethics)
- Human Resources Department at (305) 375-4171

## REPORTING FRAUD

In accordance with our mission to detect, investigate and prevent fraud, waste, mismanagement, misconduct, and abuse of power through independent oversight of County affairs, we provide the public with a process to register and address their concerns to ensure that the County operates with honesty and integrity.



Tips from citizens, employees, vendors, contractors, and subcontractors have resulted in many of the criminal cases, audits, and reviews featured in our annual reports. Information from employees has helped create and strengthen policies and procedures, and the enforcement of existing statutes and regulations. In many cases, pursuant to the Employee Protection Ordinance, a complainant's identity remains confidential even after the case is closed.

## PROCESSING COMPLAINTS

When the OIG receives a complaint, it is logged in and reviewed. If a determination is made that further review is warranted, then it is assigned to an analyst, investigator, auditor, or contract oversight specialist.

### CONTACT US TO REPORT FRAUD



HOTLINE (305) 579-2593



ONLINE [www.miamidadeig.org](http://www.miamidadeig.org)



MAIL TO 19 West Flagler Street, Suite 220  
Miami, FL 33130



FAX TO (305) 579-2656

Some complaints result in OIG contact with the appropriate entity and the complainant is notified of the results. Some complaints involve personnel matters or other issues that may best be referred to the appropriate County departments to address. The OIG also receives complaints that are not within our jurisdiction that are referred to other governmental agencies that can directly address the concerns. When we refer a complaint, typically the complainant's contact information is included (unless the OIG was asked not to disclose the identity of the complainant) so that the department or agency can make contact if more information is needed.



Because the OIG does accept anonymous complaints, we often receive complaints that have insufficient information or detail to warrant further review. When possible, the OIG will provide the results of its review to the complainant. When contact information is provided, the OIG copies complainants on its complaint referrals.

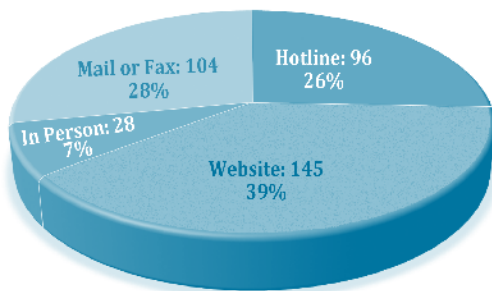
### THIS YEAR'S COMPLAINTS

The Office received 373 complaints in FY 2014-2015, which was an 8% increase over last fiscal year. Of these, 96 were received through our hotline, 104 by mail or fax, 145 were made using our website's on-line complaint form, and 28 were received from individuals who came to the Office and met with an investigator.

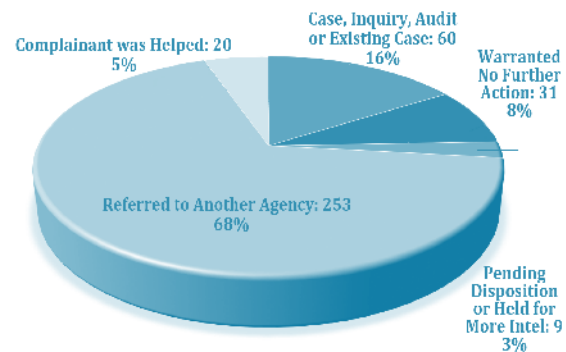
The majority of the complaints received (68%) were referred to the appropriate County departments or other governmental agencies that could directly address the complaints. The OIG provided direct assistance to 5% of the complainants. It was determined that 8% warranted no further action for various reasons, such as a lack of sufficient detail. However, 16% of the complaints received led to the initiation of an audit, inquiry, or investigation. The remaining 3% are still under review or are pending additional information or resources.

During an active inquiry, case, or review, all of our work product is deemed confidential by statute. When the case is closed, the identity of the complainant remains confidential in many situations. Specifically, this applies if the complaint concerned possible violations of any federal, state, or local law or regulation that presented a substantial and specific danger to the public's health, safety or welfare, or the commitment of an act of gross mismanagement, gross waste of public funds, malfeasance, misfeasance, or gross neglect of duty.

**Number of Complaints Received FY 2014-2015**



**Disposition of Complaints Received FY 2014-2015**





Much of the OIG's workload involves the examination of selected programs, projects, contracts, transactions, entities, and individuals. These examinations may be in the form of audits, investigations, or contract oversight. While the OIG's mission to detect, investigate and prevent fraud,

waste, mismanagement, misconduct, and abuse of power is focused Countywide, the methods to accomplish these results differ among the OIG's units.

## THE INVESTIGATIONS UNIT

### Investigative Analysts—Providing Support to Our Investigations

OIG investigative analysts provide intelligence support for criminal and administrative investigations and other inquiries undertaken by the OIG. OIG analysts process intelligence information collected from a variety of sources that is compiled, analyzed, and disseminated in support of OIG activities. Analysts retrieve and examine records such as bank accounts, civil court records, and criminal histories. They produce court exhibits, bank analyses, and criminal intelligence charts. In essence, they collaborate with investigators and exchange information that may support their investigations.

OIG investigative analysts are dedicated to maintaining relationships with the intelligence community and other organizations such as the Financial Institution Security Association (FISA) and the Florida Department of Law Enforcement (FDLE). Two members of the OIG's staff are certified through the FDLE and hold the title of Certified Law Enforcement Analyst.

In 2009, the BCC required the OIG to assist with the Advisory Board appointment process by conducting Florida Criminal History Background Checks on Advisory Board Nominees. Advisory Boards are groups created by the Mayor or the BCC to advise or inform in the decision-making process through fact-finding discussions, information gathering, and reporting. This past fiscal year, OIG analysts conducted 155 Florida Criminal History Background Checks to support the BCC in its appointment of candidates to the Advisory Boards.





## OIG CASE HIGHLIGHTS AND SUMMARIES

The OIG's Investigations Unit engages in both criminal fraud investigations and administrative investigations involving allegations of waste, abuse and mismanagement.

Throughout its 18-year history, the OIG has maintained a successful partnership with the Miami-Dade State Attorney's Office (SAO) that has led to the successful prosecution of over 200 wrongdoers. Our mandate to "investigate County affairs" allows us the scope and flexibility to examine programs, contracts, and transactions across the entire spectrum of County government. From these efforts, criminal cases over the past year resulted in charges of Absentee Voter Fraud, Filing a False Insurance Claim, Workers' Compensation Fraud, Forgery and Uttering Forged Instruments, False Official Statements, Organized Scheme to Defraud, Grand Theft, and Aggravated Identification Fraud. The cases summarized below highlight some of the wide variety of criminal investigations the OIG conducted during the fiscal year.

### Childcare Benefits-for-Cash Scheme

An OIG investigation concluded in January 2016 with three individuals pleading guilty to submitting fraudulent paperwork to the County's former Child Development Services (CDS) Division of the Community Action & Human Services Department (CAHSD). The trio were arrested in February 2015 for the fraudulent submission of referrals for subsidized pre-school and day care services. Until July 2013, the County's CDS contracted with the Early Learning Coalition of Miami-Dade/Monroe to process the applications and determine eligibility of children to the School Readiness Program. The fraudulent paperwork submitted to the

County categorized children as "at-risk," enabling the parents to obtain immediate placement in the subsidized pre-school and day care services. The trio scammed the parents by charging them up to \$500 for the referrals and they scammed the County by submitting false and forged documents. Their scheme resulted in the disbursement of over \$156,000 in childcare benefits. The ringleader worked for the social service agency

*Facts from Office of Early Learning  
Florida Department of Education*

- *There are approx. 1.3 million children younger than age 6 in Florida.*
- *About 49% of those children are from low-income families. Of this 49%, approximately 25% were in the School Readiness Program.*
- *In 2012-2013, 222,817 children received school readiness services from 9,818 providers.*





Children’s Home Society, where she not only falsified the paperwork submitted to the County, but forged the signatures of CHS supervisors. The trio were charged with Organized Scheme to Defraud and Grand Theft, and the ringleader was also charged with Uttering Forged Instruments.

OIG investigators also found that four of the ringleader’s co-workers similarly submitted forged and false applications to benefit their friends and family. They were subsequently arrested and have entered into deferred prosecution agreements with the State.

This investigative effort by the OIG and the SAO could not have succeeded without the collaborative efforts of the Offices of the Inspector General for both the Office of Early Learning and the U.S. Department of Health and Human Services. Their partnership and commitment to eliminating program fraud is appreciated.

### **PHT Contractor Arrested for Forgery**

An OIG investigation uncovered that CT Mechanical Co., a mechanical construction firm, submitted a Schedule of Intent Affidavit to the Jackson Health System’s Procurement Department that contained the forged signature of the president of a Community Small Business Enterprise (CSBE) firm. The fraudulent Schedule of Intent Affidavit was allegedly submitted in order for CT Mechanical to be awarded a contract for the replacement of an air handler unit at Jackson Memorial Hospital. CT Mechanical was paid \$484,817 for the job. The



CSBE program measures for this project required the prime contractor to subcontract a minimum of 10% of the total value of the project to a CSBE certified subcontractor. By allegedly submitting the forged Schedule of Intent Affidavit, four other prime contractors who submitted qualified bids, along with the certified CSBE firms, were denied access to the work and related compensation. Based on our investigative findings, criminal charges have been filed against the president of CT Mechanical. The case is pending trial.



The OIG will also seek to prevent this company from doing any future business with the Jackson Health System or the County.

## Would-be Lobbyist Charged with Tainting Local Elections Process

In July 2014, a County resident contacted the State Attorney's Office and the Miami-Dade Elections Department alleging that his home address was being wrongfully used by a candidate for a Community Council position. The Elections Department then notified the OIG of the complaint. Thanks to this resident's tip, a joint investigation by the OIG and the SAO's Public Corruption Task Force uncovered evidence that a would-be lobbyist solicited unqualified individuals to run for Community Council positions.



The investigation uncovered that the subject used Facebook to phish



for candidates, based upon their names, after determining that candidates whose names appear first on the ballot have a better chance of being elected. The subject also allegedly used social events and other networking techniques to solicit candidates. If identified candidates did not

live in the Community Council areas, the subject allegedly overcame this obstacle by finding fraudulent addresses for the candidates to use in order to meet the residence requirements necessary to qualify to run for election. The subject hoped to control the Community Council candidates' qualification process by filing false and fraudulent documents with the Elections Department. A review of digital video security footage from the Miami-Dade Elections Headquarters shows the subject meeting with candidates to exchange documents. The subject allegedly procured one person to submit false voter registration information, and allegedly submitted various campaign treasurer reports containing false information on behalf of multiple candidates.

When the candidates were campaigning, the subject allegedly directed the candidates to make campaign expenditure payments to his family members and to vendors who, although unfamiliar to the candidates, had an affiliation to him. The investigation determined that the subject expected to obtain influence from the candidates that he had installed in order to benefit his lobbying and consulting business. His attempt to corrupt the political process, by putting individuals whose votes he could control on the Community Council, thwarts good government



for the people. Based on our joint investigative findings, the case is pending trial and multiple criminal charges have been filed.

## Quitclaim Deed Fraud: Stealing Homes from the Vulnerable

In an offshoot of a 2012 investigation into \$2.4 million in fraudulent real estate transactions that resulted in the arrest of 4 people, the OIG and SAO discovered that the head of that ring was allegedly still active and committing crimes while on house arrest and pending trial on the original charges. In this new scheme, the ringleader sent out family members and acquaintances to scout for distressed-looking abandoned homes. Once identified, computer research revealed that many of the owners of the homes were deceased. The subjects then allegedly drafted a Quitclaim Deed, forging the signature of the deceased owner. The fraudulent deeds were recorded at the Miami-Dade County Clerk's Office, changing the owner of record. The subjects then allegedly mortgaged or sold the properties to innocent third parties. In one case the owner was alive and the subjects had her evicted from her home, rendering her homeless for six months. An OIG investigator located her and took her to Legal Aid of Miami-Dade County, where an emergency civil action was filed to get her back into her home.



The OIG and SAO identified at least 15 homes involved in this scheme. These criminals took advantage of a loophole in the County Recorder's Office procedures. According to the County Recorder, the Recorder's



Office does not have legal authority to refuse to record facially sufficient deeds. Deeds are allowed to be recorded by anyone, without presentation of any identification. The ringleader was re-arrested and is in jail awaiting trial. Additional arrests are anticipated. The OIG and SAO have joined with the Miami-Dade Police Department, the Miami-Dade Clerk's Office, the Administrative Offices of the Court, and Miami-Dade Legal Aid to find

a collaborative solution to this problem. This process is underway. As a result of this investigation, the SAO has created a special Hotline for citizens to call if they suspect they are the victim of this type of fraud. The Hotline acts as a clearinghouse to help coordinate investigative efforts. After only one month in operation, the Hotline has netted a tip on a second ring of thieves utilizing the same scheme of fraudulent



deeds to illegally gain title to approximately 27 homes in Miami-Dade County. If you believe you have been the victim of deed fraud or wish to report suspicious activity related to deed fraud, please contact the SAO Hotline at (305) 547-3300.



### **Joint Investigation Puts the Brakes on Parking Garage Scheme**

At the request of the Internal Services Department (ISD), the OIG and the Miami-Dade Police Department (MDPD) initiated an investigation into the handling of collected parking fees by the ISD's Parking Office. ISD senior management discovered—through a preliminary reconciliation of monthly parking receipts issued versus deposits—that \$13,000 could not be accounted for during the preceding six months.

Throughout the course of the investigation, the OIG and MDPD reviewed records related to the collection of monies at the County Parking Management Office, including the results of an internal audit by ISD.

One of the County employees working in the parking office admitted to investigators that he stole \$4,000 to \$5,000 in cash from the Parking Management Office. He took the investigators to his home, showing them where he kept Miami-Dade County receipts detailing the amount of money he had taken. The receipts totaled \$6,088, and a portion of the stolen money was recovered from his home. He was arrested and has since pled to a felony charge of Grand Theft.

As a result of this investigation, the Parking Facilities Manager was terminated and an account clerk voluntarily resigned. ISD has enhanced the monthly parking payment process, instituted training, and established stricter internal controls in the money collection process.

### **Clerk's Office Employee Caught with Hand in the Till**

The OIG received a confidential tip that a cashier at the Miami-Dade County Clerk's Office was stealing money, which resulted in her arrest. The employee was charged with one count of Organized Scheme to Defraud. The twenty-five year employee was assigned to the Marriage License Bureau. The investigation found 15 incidents of theft during a



six-month period. The employee stole cash fees when she could void the cash payment and charge the ceremony costs to the credit card of an unsuspecting, subsequent customer. To complete the thefts, she manipulated up to 30 different customer transactions. As a result of the investigation the employee resigned from her position and pled guilty.

## **PortMiami Facilities Superintendent Submits False Inspection Reports**

A PortMiami Facilities Superintendent was found to have submitted false reports to the County's Life Safety Inspectors. As part of his duties, the Facilities Superintendent was responsible for ensuring that PortMiami's fire sprinkler systems were properly maintained, inspected, and repaired as required. PortMiami contracts with companies to conduct annual inspections that are required by state law. The inspection reports prepared by these private companies are provided to the County's Fire Marshal.

The OIG investigation was initiated based on a complaint made by an inspection company that alleged the superintendent requested that the deficiencies be listed on a separate document, and not contained in the actual inspection report. The prior firm had noted in its inspection reports that there were numerous deficiencies throughout PortMiami's various facilities, including passenger terminals, requiring repair. The OIG investigation revealed that the vast majority of the deficiencies were not repaired during the following year, and some were not fixed until our investigation brought these issues to light.



PortMiami then contracted with a new firm to perform the annual inspections. The Facilities Superintendent requested that the new company exclude identified deficiencies in the inspection report, and instead list them in a separate document. The new firm acquiesced and prepared two separate documents: the annual inspection report and the list of deficiencies. The repairs were not made. Instead, the employee

knowingly furnished the sanitized inspection reports to the County's Life Safety Inspectors. He did not provide the separate list of deficiencies and, in fact, expressed to them that there were no deficiencies noted. The failure to repair the deficiencies exposed the public to potential life safety issues and the County to potential liability. Upon learning of the deficiencies and the OIG's investigation, PortMiami made the necessary repairs to correct the deficiencies and a new fire sprinkler inspection vendor was hired to perform the annual inspections. The Facilities Superintendent pled no contest to making false official statements.

### **Supervisor Caught Stealing Fuel from Parks, Recreation and Open Spaces**

The OIG and the Miami-Dade Police Department's Public Corruption Unit caught a supervisor with the Parks, Recreation and Open Spaces Department (PROS) stealing diesel fuel. The employee used various fuel cards designated for PROS equipment to fill a large tank in the bed of his County pickup truck. Once the tank was full, he sold the diesel fuel to a local resident for \$2 a gallon. The scheme took place over a four-month period and resulted in losses in excess of \$6,700. The employee has pled guilty.



### **ADMINISTRATIVE INVESTIGATIONS**



In addition to pursuing criminal wrongdoing, OIG Special Agents investigate a wide variety of non-criminal allegations ranging from employee misconduct to waste of taxpayer resources. Our investigative findings are shared with County management and the BCC, and we provide recommendations aimed at improving operations and procedures. The OIG frequently requests that management provide updates so that we can monitor the implementation of our recommendations. The following is an example of one of the non-criminal cases the OIG investigated during the fiscal year.



## OIG Makes Recommendations to the Value Adjustment Board (VAB) to Improve the Timely Certification of the Tax Rolls

In April 2014, the OIG began its review of the Miami-Dade County Value Adjustment Board's process of handling citizen appeals of property valuations made by the Property Appraiser's Office (PAO).



The Miami-Dade County Public Schools Superintendent requested that the OIG look into his concerns that continuous delays in the VAB appeal process resulted in the late certification of the tax rolls, and consequently delayed revenue to the School District. The Miami-Dade County School District suffers from a two-year lag in recouping funds as a result of the VAB's delays in hearing appeals and consequent delay in certification of the tax rolls.

The OIG's review focused on three primary areas of concern. First, whether tax agents filed petitions with the VAB without the authorization and knowledge of the taxpayers, thereby increasing the number of petitions and contributing to the delays. Second, whether excessive and improper rescheduling of hearings, due to taxpayer requests, contributed to delays in the VAB process. Finally, the third concern was whether improper relationships between special magistrates and tax agents resulted in rulings favorable to the tax agents and taxpayers at the expense of the taxing authority.

On September 14, 2015, the OIG issued its final report on the VAB. The OIG's comprehensive review yielded sixteen recommendations for the VAB, the Clerk of Courts (COC), and the PAO to consider. The objective of our recommendations was not merely to revamp processes and procedures, but to ensure the completion of the VAB hearings and certification of the tax rolls in a timelier manner.



In January 2016, the OIG met with representatives of the COC, PAO, and the VAB to discuss and review the implementation of the OIG recommendations. Documentation was provided to the OIG from each of these entities, establishing that eleven of the sixteen recommendations were implemented or in the process of being adopted. The OIG will continue to work with the VAB, the PAO, and other stakeholders in furtherance of these initiatives.



## THE AUDIT UNIT

The OIG Audit Unit supports the overall OIG mission by conducting independent, objective analysis and evaluation of programs, operations, and finances, and issuing public reports proposing targeted recommendations to enhance the delivery and quality of

County services. The Audit Unit conducts compliance, performance, operational, financial, and forensic audits that typically focus on assessing the efficiency, effectiveness, and financial integrity of programs and processes.

The Audit Unit derives its jurisdictional authority from Section 2-1076 of the County Code, empowering the OIG to audit, inspect and review past, present and proposed County programs, accounts, records, contracts, and transactions; conduct reviews and audits of County departments, offices, agencies, and boards; and perform random audits, inspections, and reviews of County contracts.

During the last year, the Audit Unit augmented its workforce to better meet the County's needs, and is fully-staffed with professionals who bring valuable, diverse auditing backgrounds and experiences to the Unit. In September 2016, the Audit Unit will be formally peer-reviewed by the Association of Inspectors General, for purposes of confirming compliance with *Generally Accepted Government Auditing Standards* (GAGAS or "Yellow Book") established by the United States Government Accountability Office. This peer-review will also assess the Audit Unit's conformance with the quality assurance requirements of the *Principles and Standards for Offices of Inspector General* ("Green Book").

In 2016, the OIG will also publish its first Annual Audit Plan, presenting its fiscal year priorities and objectives by proposing a list of potential audit topics. Our inaugural Audit Plan proposes 15 projects in five functional groups that are aligned with the County's Strategic Plan. The audit projects listed below are not prioritized. Please visit the OIG's website at <http://www.miamidadeig.org> to view the full text of the Audit Plan.



## OIG AUDIT PLAN 2016

### TRANSPORTATION

1. Miami-Dade Aviation Department Permittees (in progress)
2. Miami International Airport Concessions
3. Miami-Dade Transit Bus Maintenance and Operations

### NEIGHBORHOOD AND INFRASTRUCTURE

4. Water and Sewer Dept. ID Badge and Security (in progress)
5. Water and Sewer Dept. Capital Construction Management (in progress)

### ECONOMIC DEVELOPMENT

6. Community Redevelopment Agency (in progress)

### HEALTH AND HUMAN SERVICES

7. Homeless Trust
8. Children's Trust
9. Administration of Federal Neighborhood Stabilization Program Funds by Miami-Dade Public Housing and Community Development

### GENERAL GOVERNMENT

10. County Procurement and Inventory Strategies
11. Management and Use of Temporary Services Contracts
12. Internal Services Department Fleet Management
13. Professional Services Direct Labor Multipliers
14. Water and Sewer Department Overtime
15. Internal Services Department Cost Recovery and Chargeback

\*It should be noted that the Audit Plan is intended to be a guiding document, and is subject to change, as circumstances may arise that alter planned project priorities.



# AUDIT REPORTS



## PWWM Application of Internal Charges to PTP Neighborhood Improvement Funds

The OIG is presently auditing the Public Works and Waste Management Department’s (PWWM) application of administrative charges to People’s Transportation Plan (PTP) construction projects. Our primary objective is to assess the accuracy and propriety of PWWM’s calculation and allocation of Administrative Charges, as concerns were raised about amounts shown on an internal PWWM document entitled *PTP Neighborhood Improvements Balance Report* (Balance Report).



The PTP is funded by a “One-Half Cent Charter County Sales Surtax” approved by voters in 2002. Funds collected are to be used for transportation and transportation-related County projects and programs. These include free Metromover service; free public transportation for individuals over age 65; Metrorail extension; traffic signalization upgrades; highway, roadway, and neighborhood improvements; and various municipal projects. The Citizens’ Independent Transportation Trust (CITT) oversees the PTP and use of surtax funds. PWWM administers PTP funds for highway, roadway and neighborhood improvements and related projects. Under the “Neighborhood Improvements” component of the PTP, the 13 Commission Districts have received an aggregate \$9.14 million annually during the last 10 years, with individual allocations to each District based on population and roadway lane miles. Annual allocations averaged \$703,000, ranging from \$288,000 (District 5) to \$1,205,000 (District 8).

Our audit is examining the composition of administrative charges presented on PWWM’s Balance Report. We are also reviewing the processes and procedures involved in acquiring and compiling these administrative charges. Our report containing our findings and observations will be released in the first half of 2016.

## MDAD Permittees Review

Consistent with the OIG's on-going oversight efforts at the Miami-Dade Aviation Department (MDAD), we are currently auditing MDAD's Real Estate Management & Development Division's (MDAD Properties) permittee application and renewal process. Our audit involves reviewing MDAD Properties' policies, procedures, and internal controls to promote accountability and transparency throughout the Permittee management and oversight process.

Any individual or entity requiring access to a Miami-Dade County airport property to transact business with an airline or other airport tenant operating outside a terminal must obtain a Permit Agreement or other similar written instrument (such as a lease or license) issued by MDAD Properties. The MDAD Rates, Fees & Charges Schedule (MDAD Fee Schedule) for FY 2015-2016 prescribes an "Opportunity Fee," applicable to most Permittees, of 7% of the Permittee's gross revenues derived from



services performed at a County airport. Permits are annual agreements, but may be extended for up to one additional year at the discretion of the Aviation Department, after which reapplication is required.

Our audit is examining the efficiency and effectiveness of procedures used by MDAD Properties to grant new permits, extensions and renewals, and ensure that these activities are conducted with consistency and timeliness. Our audit report is expected to be finalized and released in the first half of 2016.

## Closeout of the Building Better Communities General Obligation Bond Program Not-for-Profit Community Organization Capital Fund

Over the course of a series of audits, the OIG concluded that the County's General Obligation Bond (GOB) Program Not-for-Profit (NFP) Community Organization Capital Fund achieved its primary purpose of using bond proceeds to fund NFP capital needs. These funds enabled NFP recipients to upgrade their facilities, making them better able to provide services to their client populations, and thus benefiting the entire community. Through September 2015, the County awarded \$28.8 million to 34 NFPs that, with few exceptions, administered and utilized funds received in accordance with the terms and conditions of their grant agreements, as well as the Program's Administrative Rules.



The OIG issued four final audit reports and four audit closeout letters, covering 19 grant recipients. We generally found that these NFPs lacked sufficient understanding of many of the requirements outlined in the Administrative Rules and grant agreements. While each NFP is responsible for familiarizing itself with these requirements, we believe many lacked experience and adequate resources to manage the associated recordkeeping and reporting requirements. We suggested that, going forward, the County increase its assistance and guidance to the NFP community concerning the County's requirements.



Our audits also noted that GOB grant agreements did not always include a "reverter" clause to protect the County's interests in grant-funded projects, as each grantee is required to "maintain the Project for a minimum of twenty-five years." The Board of County Commissioners subsequently responded on September 4, 2013, by



approving Resolution #R-697-13. This resolution requires that future GOB NFP grants in excess of \$25,000 be in the form of a loan secured by a mortgage or other security instrument recorded in the County's public records. These loans may be forgivable or provide for deferred interest and payments as long as the recipient's obligations are fully performed. County staff has assured that future agreements would include covenants and restrictions to better protect the County's investments.

In 2015, we closed out our audit of GOB NFP recipients by reviewing the remaining 15 grantees, who received over \$18.1 million in funds. Through August 2015, eleven of these grantees had completed their projects, while three others were still in progress.

The last of the 15 projects, The Children's Psychiatric Center (currently known as the Institute for Child & Family Health, Inc.), recipients of a \$2.5 million grant, had not yet been initiated. We had no reportable findings for 13 of the 14 completed and in-progress projects. But in the case of South Florida Urban

Ministries, Inc. (currently known as Branches, Inc.), this \$1 million grant recipient lacked complete records and proper support for payment requisitions. As a result, OIG auditors could not determine whether the grantee's administration and use of funds complied with



terms and conditions of its grant agreement and the Administrative Rules. Nonetheless, OIG site visits and interviews of grantee and County staff indicated that funds were used toward the project's successful completion, and that it was providing services for the public's benefit.

## CONTRACT OVERSIGHT

Contract oversight activities generally involve the assessment of procurement activities, contract negotiations, and real-time performance as events unfold. Our mandate and authority to engage in contract oversight stems directly from the OIG's enabling statute, Section 2-1076 of the Code of Miami-Dade County. These subsections provide for:



- Monitoring existing projects and programs and reporting whether they are on-time, within budget, and in conformity with plans, specifications, and applicable law.
- Analyzing the need for and reasonableness of proposed change orders.
- Monitoring, oversight, and inspection of procurement processes to include the establishment of project design and bid specifications, bid submittals, and activities of the contractor.
- Recommending whether a particular program, contract or transaction is necessary, and assisting the Board of County Commissioners in determining whether the project or program is the most feasible solution to a particular need or program.
- Attending procurement selection and negotiation meetings and posing questions and concerns consistent with the functions, authority, and powers of the Inspector General.

The OIG's contract oversight function strives to promote accountability and transparency in decision-making processes and provide County staff with independent observations and comments relative to the propriety and soundness of proposed actions.

Many of the County's high-profile procurements and capital projects are multi-year and require continuous monitoring by the OIG. Some of the

procurements and projects monitored during 2015 included the *Request for Proposals for Master Developer Agreements with the County for the Design, Financing, Construction, Maintenance and Operation of a Compressed Natural Gas (CNG) Program* for the County's Transit, Public Works and Waste Management, Water and Sewer, and Internal Services departments. The Master Developers will be expected to renovate existing fuel facilities, provide the natural gas, and acquire (on behalf of the County) new CNG buses and other heavy-duty vehicles.

## **Reverse Osmosis Water Treatment Plant located in the City of Hialeah**

Under a Joint Participation Agreement (JPA), the County and the City are equal partners in paying costs for the design, construction, operation, and maintenance of the plant. Likewise, the County and City equally share



the water produced. The City, however, is responsible for the design, construction, operation and maintenance of the plant. The project cost was estimated at \$160 million at the completion of Phase 3—when the plant would have a capacity of 17.5 million gallons per day. Construction began in September 2011. In August 2013, WASD requested the OIG's assistance to provide independent monitoring of this project. At present, the project still has not achieved Phase

1 completion, which is significantly overdue. In the past two years, the OIG has been actively monitoring discussions and negotiations concerning the application of delay damages, proposed change orders, proposed settlements of contractor claims, as well as proposed amendments to the JPA between the County and City. We have also been vocal in the need to make sure that the contractor "certifies" its claims as a safeguard measure. The OIG is committed to continued monitoring of this much anticipated capital project.

## **Jackson Health System's Miracle-Building Bond Program**

In November 2013, Miami-Dade County voters approved the issuance of \$830 million in general obligation bonds for the modernization and expansion of the Jackson Health System (JHS). These funds are committed towards JHS's 10-year capital modernization and expansion—a program totaling \$1.3 billion. Within this program, some of the projects that the OIG is actively monitoring include:



- The procurement processes to select professional consultants;
- Expansion of the medical service area that includes Jackson West and urgent care centers; and
- Modernization projects at Jackson North, Jackson South, and Jackson Main.



## Building Better Communities General Obligation Bond Program, Economic Development Fund, Projects 124 and 320

In November 2004, Miami-Dade County voters approved the issuance of \$2.9 billion in general obligation bonds to make vast capital and public improvements throughout Miami-Dade County. Some of these funds were granted to cities to fund public improvements within their



municipal boundaries and to not-for-profit organizations to fund facility improvements. The County also set aside \$75 million (Project 124) to be awarded to countywide economic development projects. Similarly, \$15 million was set aside (Project 320) for economic development projects in targeted urban areas. During the fiscal year, the

BCC authorized eleven grant allocations from Project 124 funding and six allocations from Project 320 funding. The Administration has been negotiating the actual terms of the proposed grant agreements and the OIG has been actively monitoring those discussions. We have provided input and asked questions aimed at clarifying certain agreement metrics and criteria. The negotiated agreements will still require BCC approval.

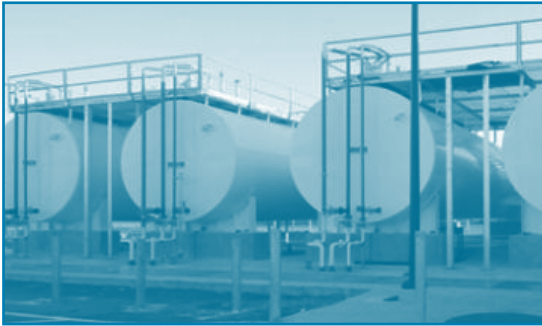
## Miami-Dade County Public Private Partnership Task Force



On February 2, 2015, the BCC adopted Resolution #R-150-15 to create the Miami-Dade County Public Private Partnership (P3) Task Force. The Task Force was created to recommend changes to ordinances, resolutions and regulations, and to implement orders and administrative practices that would advance public private partnerships. The OIG has been monitoring the progress of the Task Force, which has included attending Task Force meetings and reviewing draft Task Force reports. We are pleased that the Task Force recognizes the importance of OIG contract oversight in the future success of public private partnerships.

## Water & Sewer Department's \$13.5 Billion, 15-Year Countywide Capital Improvement Program

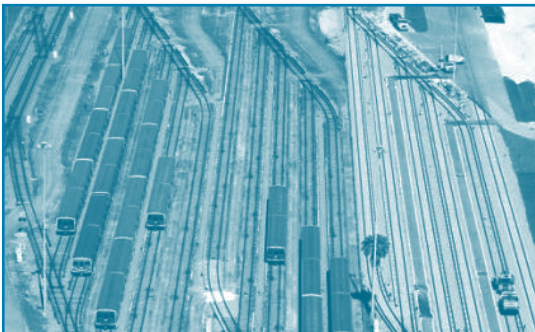
The OIG actively monitors the program's four major areas of work: (1) the federal environmental consent decree; (2) pump station improvements; (3) ocean outfall legislation; and (4) improvements to the wastewater and water treatment transmission and distribution systems.



To date, the OIG's oversight activities have focused on the procurement and contract execution processes, and the development and authorization of individual task orders. Base program services are commissioned on an annual basis, via task order, specifying "not-to-exceed" amounts. Other task orders are issued for discrete program

and project services. Active monitoring has resulted in our questioning some task order authorizations as being outside the scope of the consultant's contract, as duplicative of other tasks being commissioned and/or being performed in-house, and not properly planned and/or not adequately supported by labor resource estimates. Our comments and observations have been well-received by WASD management and adjustments have been made, as appropriate.

## Replacement of Metrorail Cars, Construction of the New Test Track, and Upgrades of the Lehman Storage Yard



This Transit project includes the design, fabrication and delivery of 136 new heavy rail cars that would be assembled locally. Concurrent with this is the construction of a new one-mile test track and additional storage tracks, and systems expansion in the Lehman Yard. The OIG began its oversight with the procurement

process and has continued through to the design development of the rail cars and the yard enhancements, the department's review and approval processes, and the construction and testing of the test and yard track systems. This project is behind schedule for the track and systems expansion; however, these delays are not anticipated to affect the expected delivery date for the new rail cars. Reaching the milestones that are scheduled to be achieved in the early months of 2016 will prove critical to the overall successful completion of this project.

## **APPENDIX: CODE OF MIAMI-DADE COUNTY 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 11th Judicial Circuit for Miami-Dade County;
- (b) The Public Defender of the 11th 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 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;
- (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 performs 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 the current Inspector General.** Notwithstanding any provision to the contrary, the incumbent Inspector General, Christopher R. Mazzella<sup>(1)</sup>, 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).

<sup>(1)</sup> Mr. Chris Mazzella, the County's first Inspector General and the incumbent when this subsection was enacted, retired in April 2013. Mary Cagle, the current Inspector General, was appointed in February 2014.

**(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)**



## MEASURING OUR FISCAL YEAR SUCCESSES



While the OIG derives valuable numerical performance measures from its investigative, audit, and contract oversight activities, there is no statistical gauge for a significant component of our positive impact. Specifically, these are the frauds, schemes, and other bad acts that were deterred, or prevented by our Countywide presence and outreach efforts. The OIG's holistic approach to coordinating the talents and experiences of its professional staff, coupled with their extensive knowledge of County operations and leadership, facilitates expanding our visibility and influence in areas with high levels of inherent risk. This provides unique opportunities to obtain actionable information for strategic, proactive risk identification and mitigation, which serves as a powerful tool for combatting fraud.

### Identified Financial Impacts

For Fiscal Year 2014-2015, the OIG identified \$6.1 million in questioned costs, damages, losses and overpayments impacting the County.

### Monetary Achievements

For Fiscal Year 2014-2015, OIG investigations, audits and other oversight activities resulted in achieving over \$8.1 million in restitution, recoveries, savings and funds that the County can put to better use.

### Arrests Made This Fiscal Year

OIG investigations resulted in 16 arrests and the indictment of one company during Fiscal Year 2014-2015.

### Criminal Charges Filed

These arrests included charges of Absentee Voter Fraud, Filing a False Insurance Claim/Workers' Compensation Fraud, Forgery and Uttering Forged Instruments, False Official Statements, Organized Scheme to Defraud, Grand Theft, and Aggravated Identification Fraud.

### This Year's Publications

The OIG issued eight public reports and eighteen advisory memoranda during the fiscal year. The reports include our audit reports and administrative investigative reports. Our advisory memoranda typically involve notices of investigations resulting in arrest and the dispositions of those criminal cases.



Felix Jimenez (Asst. Inspector General) recognizing the exemplary work of Juan Koop (Special Agent) and Carol Jordan (Attorney)



Field visit with Inspectors General from the Florida Department of Transportation and the City of Montreal



OIG Strategic Planning Staff Meeting



OIG Executive Team Left to Right: Felix Jimenez (Assistant Inspector General, Investigations), Patra Liu (General Counsel), James Rosenberg (Assistant Inspector General, Audit), Mary T. Cagle (Inspector General)



# Report Fraud, Waste, and Abuse

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