

# Miami-Dade County Office of the Inspector General



## Annual Report 2018

# Message from the Inspector General



*On behalf of the dedicated employees of the Office of Inspector General (OIG), it is a pleasure to share with you this Annual Report that highlights many of the recent, notable accomplishments of our team. As you browse through this report, you will get a sense of the broad scope of work we undertake on behalf of the people of Miami-Dade County. The jurisdiction of the OIG covers every aspect of County government.*

*Under the Home Rule Charter, the scope of County responsibilities is expansive. Miami-Dade County operates airports, parks, public housing, public transportation, hospitals, water and sewer services, animal services, and more. The County is also responsible for the procurement of major capital projects: seaport terminals, courthouses, museums, etc. The County is responsible for guarding our environment, making land use determinations, inspecting buildings and other vital services. The budget and expenditure authority of Miami-Dade County is much larger than the budgets of many nations around the globe, \$7.8 billion. At the OIG we are tasked with the role of oversight. We were created by the Board of County*

*Commissioners to be independent from the Administration and to provide independent oversight of County affairs.*

*Public input is critical to our mission. We need concerned citizens to bring to our attention any County matter that appears to be out of line. County employees often have a desire to share their concerns with us, and we appreciate their input. We are always grateful when employees, vendors and contract workers contact our office to let us know something is not quite right. When any member of our team learns of a potential violation of the public trust, we pursue it. Our job is to get to the truth, whatever it is.*

*There is no matter too small or seemingly inconsequential. A single observation of an inappropriate activity is often a critical lead for our investigators. If you think there is something wrong with a county operation, let us know. It is a way for you to take an active role in improving your government.*

*Any time an employee, official, contractor, or vendor seeks to take advantage of their position or situation to unduly enrich or benefit themselves, the public trust is violated. In the following pages you will see the wide variety of cases investigated and audited this year. You will see the substantial work of our contract oversight unit. OIG activities touch many of the departments listed above.*

*It is our duty to remain vigilant and respond timely to protect the public treasury and in the process, protect the integrity of County government. To fulfill our watchdog role, the OIG relies heavily on public input from residents, employees, vendors, and officials. Feel free to contact us any time. We are here for you.*

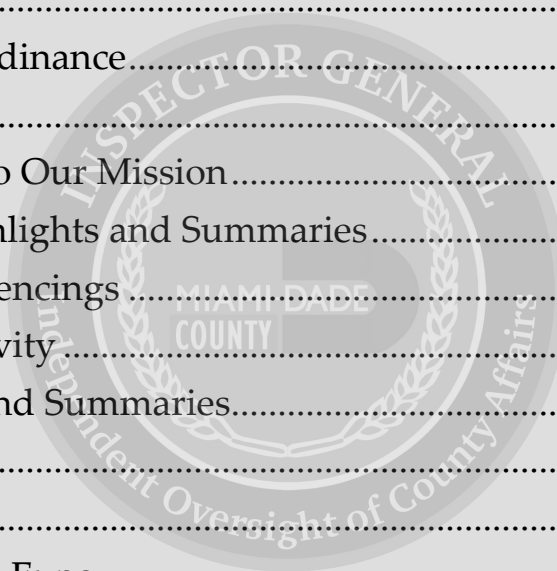
*Sincerely,*

A handwritten signature in dark ink, appearing to read "M. Cagle". The signature is fluid and cursive, written over the printed name below it.

Mary T. Cagle

# TABLE OF CONTENTS

|   |    |
|---|----|
| About This Report .....                                   | 2  |
| OIG Mission, Vision, and Values.....                      | 2  |
| Organization of the OIG .....                             | 3  |
| Holistic Business Model.....                              | 4  |
| The OIG Budget .....                                      | 5  |
| Reporting Fraud.....                                      | 6  |
| Employee Protection Ordinance.....                        | 6  |
| Performance Measures.....                                 | 7  |
| Public Input is Crucial to Our Mission.....               | 7  |
| Investigations Unit Highlights and Summaries.....         | 8  |
| Investigations Unit Sentencings.....                      | 12 |
| Contract Oversight Activity.....                          | 14 |
| Audit Unit Highlights and Summaries.....                  | 22 |
| IG Shares Best Practices .....                            | 28 |
| FAU Ethics Conference .....                               | 29 |
| 1 <sup>st</sup> Annual Procurement Expo.....              | 29 |
| Performance, Accountability, Savings, and Efficiency..... | 30 |
| Appendix: Code of Miami-Dade County, Sec. 2-1076          |    |
| Office of the Inspector General.....                      | 31 |



# ABOUT THIS REPORT

This Annual Report highlights the investigations, audits, and reviews concluded during the past fiscal year. It is produced in accordance with our statutory obligation to prepare and submit an annual written report. These results, whether in the form of financial savings, operational improvements, fraud prevention, or fraud detection, are all aimed with one goal in mind: promoting accountability and transparency in Miami-Dade County government operations and services.

As an independent agency responsible for preventing and investigating fraud, waste, and abuse throughout County government, the OIG is rigorous in its commitment to accountability. The content of this report will hopefully inspire County employees, business owners, and Miami-Dade County residents to report potential wrongdoing in County government to the OIG.

The Annual Report also serves to provide readers with an understanding of how this office operates and the type of work that we perform. It describes how we conduct investigations, audits, and contract oversight. It explains the complaint intake process and how inquiries and cases are initiated. It details the important contributions of our attorneys and administrative staff who support the case work of the office. This report also includes a selection of cases from the past year. As the cases reveal, the entire OIG staff is firmly committed to the mission, vision, and values of the OIG.

## OIG MISSION, VISION, AND VALUES

### 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.

### 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.

# ORGANIZATION OF THE OIG



Inspector General Mary Cagle heads the organization. Her executive team includes Deputy Inspector General Felix Jimenez, General Counsel Patra Liu and Audit Manager James Schlotzhauer.

Deputy Inspector General Jimenez leads the Investigations Unit with three squads of Special Agents supported by a team of Investigative Analysts. Investigations of fraud, waste, and abuse of authority often reveal criminal wrongdoing. For those cases, the Deputy IG coordinates with state and federal prosecutors to shepherd OIG cases to a successful legal resolution. The Investigations Unit also conducts administrative investigations and reviews, often resulting in recommendations to improve efficiencies and savings.

General Counsel Patra Liu heads the Legal Unit, which provides counsel to the Audit and Investigations Units on matters of jurisdiction and inter-agency coordination. The Legal Unit offers continuous support and guidance to OIG personnel, from the moment a complaint is received through the publication of final reports. Our attorneys provide independent legal advice to the Inspector General on all issues internal and external to the Office and, when necessary, seek legal enforcement of the Office's investigative authority. General Counsel Liu also manages the Contract Oversight Specialists—a team of professionals who monitor procurement and construction activities to ensure compliance with contract specifications.

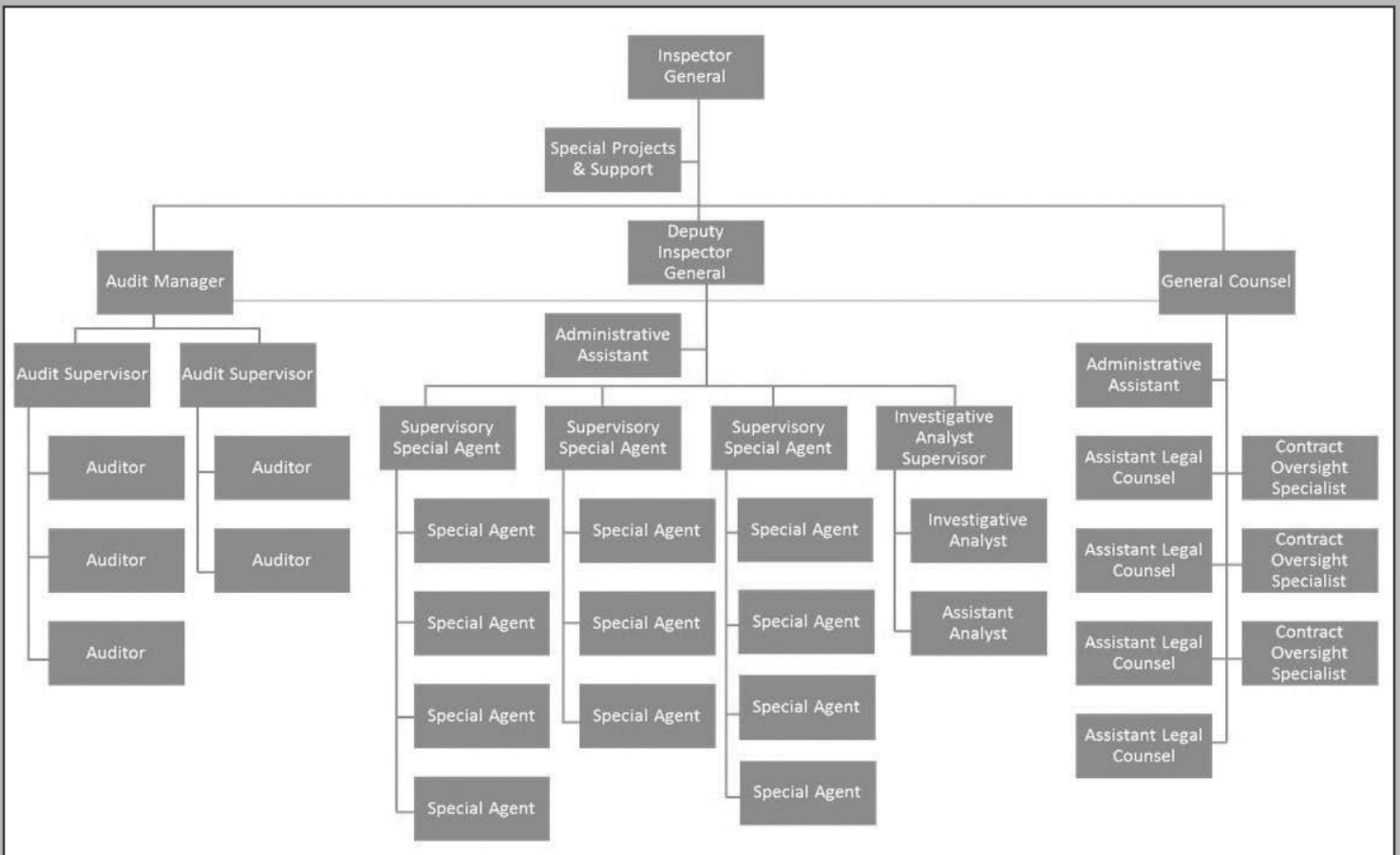
Audit Manager James Schlotzhauer leads the Audit Unit, which consists of a team of certified professionals with a wide range of government and private sector experience. The Audit Manager formulates the OIG's annual Strategic Work Plan and expedites audit reviews that are frequently conducted in coordination with the Investigations Unit and Contract Oversight Specialists.

# HOLISTIC BUSINESS MODEL

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. The OIG's mission is to detect, investigate and prevent fraud, waste, mismanagement, misconduct, and abuse of authority, and our methods to accomplish these results differ among the units.

The Miami-Dade County OIG has adopted a holistic business model. Expertise needed to investigate allegations of fraud, waste, and abuse of authority include both investigative and financial skills. Knowledge of procurement and contracting is also essential. When working their cases, Special Agents, Contract Oversight Specialists, Auditors, Attorneys, and Analysts work collectively to leverage each other's diverse areas of expertise. Taking the holistic approach to problem-solving has ignited a spirit of teamwork among staff, and resulted in multifunctional efforts between units.

On an annual basis, the Inspector General reviews the OIG's organizational chart to ensure productivity and maximize efficiency. The following chart depicts the current organization and chain of command of the Miami-Dade County OIG:



# THE OIG BUDGET

In Fiscal Year 2017-2018, the Miami-Dade County Office of the Inspector General's approved budget was set at \$6.135 million to fund 38 positions and cover operating expenses. The OIG receives its funding from three distinct sources: 1) a formula fee assessed on certain County contracts, 2) negotiated payments from County departments seeking dedicated OIG resources, and 3) an allocation from the General Fund. Combined, the financial resources dedicated to the OIG are less than 0.1% of the overall County budget.

The insert below is a page from the County's Fiscal Year 2018-2019 Adopted Budget that summarizes the finances for the upcoming year. As you can see in the chart below the OIG approved budget for Fiscal Year 2018-2019 is \$6.371 million. In Fiscal Year 2018-2019, the County adopted an annual budget of \$7.942 billion.

| FY 2018 - 19 Adopted Budget and Multi-Year Capital Plan   |          |                |                |          |   |                        |        |                 |        |
|---|----------|----------------|----------------|----------|---|------------------------|--------|-----------------|--------|
| TABLE OF ORGANIZATION   |          |                |                |          |   |                        |        |                 |        |
| INSPECTOR GENERAL   |          |                |                |          |   |                        |        |                 |        |
| <ul style="list-style-type: none"> <li>Provides oversight to Miami-Dade County operations by investigating, auditing, and reviewing County programs, projects, and contracts to detect and prevent fraud, mismanagement, waste, and abuse; provides all professional support to these functions including publicly reporting findings; initiates civil, administrative, and criminal legal processes or makes referrals where necessary; communicates the Office's accomplishments through report distribution, website communications, and public awareness initiatives</li> </ul> |          |                |                |          |   |                        |        |                 |        |
|   |          | FY 17-18<br>38 | FY 18-19<br>38 |          |   |                        |        |                 |        |
| The FY 2018-19 total number of full-time equivalent positions is 38   |          |                |                |          |   |                        |        |                 |        |
| FINANCIAL SUMMARY   |          |                |                |          |   |                        |        |                 |        |
| (dollars in thousands)  | Actual   | Actual         | Budget         | Adopted  | (dollars in thousands)                    | Total Funding          |        | Total Positions |        |
|   | FY 15-16 | FY 16-17       | FY 17-18       | FY 18-19 |   | Expenditure By Program | Budget | Adopted         | Budget |
| <b>Revenue Summary</b>  |          |                |                |          | <b>Strategic Area: General Government</b> |                        |        |                 |        |
| General Fund Countywide   | 1,174    | 834            | 1,385          | 721      | Inspector General                         | 6,135                  | 6,371  | 38              | 38     |
| Carryover   | 2,185    | 2,102          | 500            | 1,400    | Total Operating Expenditures              | 6,135                  | 6,371  | 38              | 38     |
| Departmental Oversight (MOUs)   | 890      | 826            | 900            | 800      |   |                        |        |                 |        |
| Fees and Charges  | 3,314    | 3,460          | 3,350          | 3,450    |   |                        |        |                 |        |
| Interest Earnings   | 6        | 11             | 0              | 0        |   |                        |        |                 |        |
| Miscellaneous Revenues  | 20       | 29             | 0              | 0        |   |                        |        |                 |        |
| Total Revenues  | 7,589    | 7,262          | 6,135          | 6,371    |   |                        |        |                 |        |
| <b>Operating Expenditures Summary</b>   |          |                |                |          |   |                        |        |                 |        |
| Salary  | 4,101    | 4,172          | 4,526          | 4,648    |   |                        |        |                 |        |
| Fringe Benefits   | 1,077    | 1,173          | 1,314          | 1,425    |   |                        |        |                 |        |
| Court Costs   | 0        | 0              | 2              | 2        |   |                        |        |                 |        |
| Contractual Services  | 1        | 0              | 5              | 2        |   |                        |        |                 |        |
| Other Operating   | 334      | 160            | 221            | 183      |   |                        |        |                 |        |
| Charges for County Services   | 65       | 85             | 49             | 68       |   |                        |        |                 |        |
| Capital   | 0        | 83             | 18             | 43       |   |                        |        |                 |        |
| Total Operating Expenditures  | 5,578    | 5,673          | 6,135          | 6,371    |   |                        |        |                 |        |
| <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 and Depletion   | 0        | 0              | 0              | 0        |   |                        |        |                 |        |
| Reserve   | 0        | 0              | 0              | 0        |   |                        |        |                 |        |
| Total Non-Operating Expenditures  | 0        | 0              | 0              | 0        |   |                        |        |                 |        |

# REPORTING FRAUD

The OIG received over 300 complaints this year. Many of these complaints allege serious acts of malfeasance and misfeasance against County employees, elected officials, and others. The OIG has a duty to seek the truth by conducting investigations in a fair and thorough manner, free from impairment and bias. However, as with any agency that accepts anonymous complaints, the OIG is cognizant that the complainant may be mistaken or the complaint itself may be deliberately false. The OIG recognizes that we have a grave duty to follow the evidence wherever it leads – whether to criminal charges, administrative reports and recommendations, or case closures due to insufficient evidence to substantiate the allegations.

Tips received from residents, employees, vendors, contractors, and subcontractors have resulted in many of the administrative investigations, criminal cases, audits, and reviews featured in our annual reports. Individuals can report their complaints to the OIG without fear of consequences. Complaints can be taken over the phone, by mail, electronically, or in person. In person meetings can be at the OIG office or at a convenient location away from government facilities. Complainants may receive protections under the County's Employee Protection Ordinance.

# EMPLOYEE PROTECTION ORDINANCE

To advance the mission of the OIG, the County provides protection for individuals who contact us to report fraud, waste and abuse in government. Consistent with the State of Florida's Whistleblower Act, the Employee Protection Ordinance of Miami-Dade County ensures a complainant's identity remains confidential even after the case is closed.

An integral part of receiving these tips is the ability to keep a person's identity confidential, pursuant to applicable laws and ordinances. Inspector General Mary Cagle trains all recently hired County employees during New Employee Orientation on their role in maintaining honest government. The Inspector General also ensures that all employees understand the protections they are afforded when reporting fraud to the OIG (listed below).

**CONFIDENTIALITY:** The most important protection provided to the employee or vendor under the ordinance (based on state law) is that information can be reported confidentially – the reporter's identity will not be revealed by the OIG during or subsequent to the investigation. If the investigation results in criminal charges, the OIG could be required by a court order to reveal the identity of a complainant. It is worth noting that there has been no such order upon this office to date, as the OIG has made every effort to avoid revealing the identity of complainants in these circumstances.

**PROTECTION FROM RETALIATION:** In the event the identity of the complainant is known, discovered or suspected due to circumstances beyond the control of the OIG, and the complainant believes that they have been subjected to retaliation, the employee should obtain guidance from the Department of Human Resources to seek protection through the grievance process. If unsatisfied with the administrative intervention, a complaint may be filed with the Commission on Ethics and Public Trust, an independent body, to investigate the retaliation complaint.

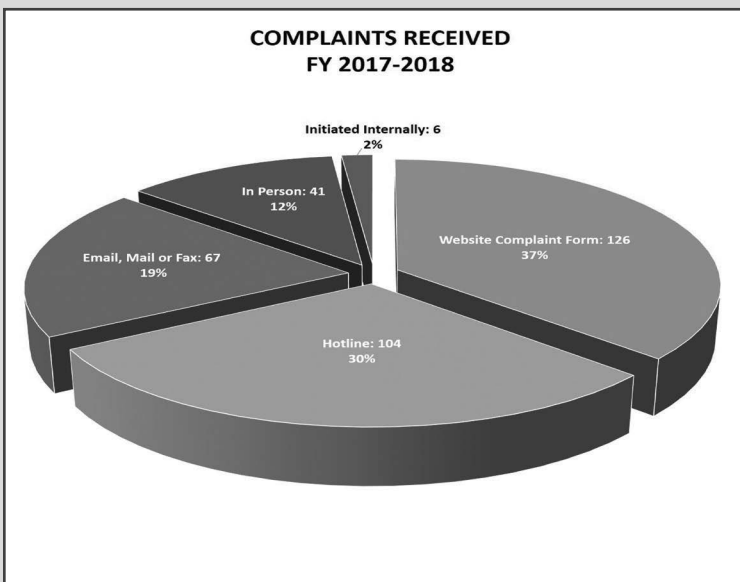


# PERFORMANCE MEASURES

The very existence of this office has a deterrent effect on fraudulent activity within the government of Miami-Dade County. Unfortunately, there is no way of accurately measuring incidents that do not occur. We do track the financial impact of our cases and the corrective measures against responsible parties [See Page 30]. And, the OIG measures how the complainants are kept informed of our cases and the steps taken by the office on a daily basis to curb fraud, waste and abuse.

In Fiscal Year 2017-2018, the OIG set a goal of ensuring every complainant receives an initial response from our office within 30 days. The OIG also set a goal of 90 days to complete preliminary inquiries, the initial review phase of any complaint. Additionally, there is an ongoing measure of the number of audits, reports, and memoranda issued by the Office. These performance metrics are routinely reported as part of the County's Annual Budget.

## PUBLIC INPUT IS CRUCIAL TO OUR MISSION



An overwhelming majority of cases opened each year, more than 90%, are developed from tips, comments, observations, and formal complaints submitted to the office by County employees, vendors and other concerned citizens. Of course, a number of cases are initiated internally, as part of OIG operations, stemming from contract oversight, audits, or active investigations. Clearly though, input from the public is a vital source of information for developing cases.

The OIG tracks all forms of public input (anonymous tips, observations, comments) as complaints. The OIG received 344 complaints in Fiscal Year 2017-2018. Of those, 104 were received through our hotline, 67 by email,

mail, or fax, 126 were made via the on-line complaint form on our website, 41 were received from individuals who came to the office in person and met with an investigator, auditor, or contract oversight specialist and 6 were initiated internally.

If there is no need to open an OIG case for investigation, the information may be referred to law enforcement or appropriate authorities for direct action. In most instances, the OIG requests a written response documenting the resolution of the complaint. To properly account for all referred complaints, the OIG maintains a log of the complaints and closely monitors responses. Based upon the response, the OIG may close the complaint, return it for additional clarification, or open an OIG investigation into the matter.

# INVESTIGATIONS UNIT HIGHLIGHTS AND SUMMARIES

The Investigations Unit works toward accomplishing the OIG's mission by conducting investigations of fraud, waste, abuse, and misconduct related to County programs, operations, contracts, and employees. OIG Special Agents have a wide variety of experience from law enforcement and regulatory agencies. They are experienced in conducting investigations of white collar crimes, financial fraud, and public corruption. The Investigations Unit coordinates with the Miami-Dade State Attorney's Office and other law enforcement agencies to leverage resources and fraud-fighting efforts. Our investigations often lead to criminal cases, administrative reports with recommendations, and monetary recoveries.

Directly supporting investigations, through intelligence gathering and analytical support, is the Analyst Unit. OIG Investigative Analysts maintain relationships with organizations such as the Financial Institution Security Association and the Florida Department of Law Enforcement.

The Miami-Dade County Board of County Commissioners has created 85 advisory boards comprised of volunteers nominated by individual commissioners. As part of the appointment process, the OIG Analyst Unit conducts Florida criminal history background checks on advisory board nominees. In 2018, 114 criminal history background checks were conducted. The analysts also manage the OIG Hotline that allows the public, stakeholders, and others to report suspected fraud, waste, and abuse.

During this past fiscal year, numerous investigations were completed pertaining to identity theft, contracting fraud, tenant leasing fraud, candidate residency challenges, and wage payment schemes. In the following pages we describe some of these cases.



# INVESTIGATIONS UNIT

## **Miami-Dade Public Housing Contractors Indicted on Fraud Charges**

In 2017, the OIG was involved in a multi-agency investigation with the U.S. Department of Labor Office of the Inspector General, U.S. Department of Housing and Urban Development Office of the Inspector General and the Miami-Dade Police Department. This multi-agency investigation concluded with a four-count federal indictment for Wire Fraud and Conspiracy to Commit Wire Fraud against two principals of a construction company, which renovated and repaired low-income housing units throughout the County. The two principals engaged in a scheme to unlawfully enrich themselves by securing Miami-Dade Public Housing and Community Development contract awards and causing payment on those contracts by making materially false and fraudulent representations and concealing material facts. The company has been a Miami-Dade County contractor since April 2009 and is a certified Small Business Enterprise firm. The Company provided services via the County's 7360 Miscellaneous Construction Contract. This project was funded by U.S. HUD.

The investigation revealed that between June 2014 and December 2016, the company employed undocumented laborers, utilized unlicensed subcontractors, and failed to carry the appropriate amount of workers' compensation coverage. Because of these illegal practices, it gained an unfair advantage and undercut bids from other firms. They made false statements and concealed material facts in invoices submitted for the work performed. The company's president and vice president were criminally indicted and surrendered to authorities on June 25, 2018. The case is being prosecuted by the United States Attorney's Office for the Southern District of Florida.

## **Contractor Pays \$70,000 in Back Wages to Employees**

The OIG conducted a review based on a complaint from a former employee of a construction company that had been contracted by the County to perform improvements to the Old Cutler Trail Bicycle Route. The complainant alleged that the company was paying employees much less than the higher contractually-mandated wage.

The OIG interviewed several company employees, as well as the on-site compliance monitor. Contracts, payroll records, and monitoring reports were also examined, and appeared to substantiate the complaint. However, because the Old Cutler Route is 100% federally funded, the County's living wage ordinance did not apply. The OIG referred the case to the U.S. Department of Transportation and the U.S. Department of Labor.

The original allegations were substantiated against the contractor and a federal administrative settlement was negotiated, which included payment of over \$70,000 in back wages to the affected employees. The OIG continued monitoring the case until the affected employees confirmed they had received their back pay.

## **Aviation Department Employee Arrested for Stealing an ATM Card**

An OIG investigation resulted in an arrest of a Miami-Dade Aviation Department (MDAD) Public Service Assistant. The MDAD employee was arrested after the investigation found she attempted to use an ATM card that had been inadvertently left at a Dade County Federal Credit Union ATM machine by the previous user. The County employee made several unsuccessful attempts with the card to withdraw cash from the machine. The OIG obtained bank surveillance video and discovered she committed these acts

while wearing her official Miami International Airport uniform. The card was later used by her accomplices to make several purchases at a fast food restaurant and a retail store. The employee was arrested and charged with Grand Theft.

## **Field Officer Uses Her Official Position to Obtain Unauthorized Affordable Housing for Family Members**

The OIG investigated a complaint alleging that a Public Housing and Community Development field officer used her official position to exert undue influence in the preferential placement of her daughter and her daughter's boyfriend in affordable housing. It was also alleged that the employee's daughter falsified documents to evade income restrictions and qualify for affordable housing. During the 12-month lease, the couple fraudulently benefited from approximately \$4,800 in rental discounts that they were not qualified to receive. Upon learning of the falsifications, the lease was terminated.

In lieu of criminal charges being filed against the daughter, the County employee agreed to resign her public employment and is prohibited from seeking reemployment with the County.

## **Water and Sewer Department Subcontractor Arrested for Forgery in Connection with Defrauding the County's Responsible Wages and Benefits Program**

A Water and Sewer Department (WASD) subcontractor was arrested in March 2018 and charged with several counts of Forgery, Uttering Forged Instruments, and Scheme to Defraud. The subcontractor was working on WASD Contract S-890, an upgrade to the Central District Wastewater Treatment Plant's Chlorination

Facilities. The OIG initiated this investigation upon a referral from the Internal Services Department, Small Business Development Division (SBD), after staff suspected phony documents were being supplied as proof of compliance with the County's Responsible Wages and Benefits Program.

The subcontractor was hired to do site prep and excavation work on the \$13.4 million WASD Consent Decree project. As part of its compliance monitoring at WASD, SBD determined that the subcontractor was not paying its employees the correct responsible wages as mandated by the contract and the County's schedule of wage rates. Once detected, SBD instructed the owner to pay the employees what they were owed. As proof of compliance, the subcontractor was required to submit affidavits from each worker and copies of the negotiated checks to SBD. SBD also imposed a penalty.

The OIG investigation revealed that the signatures on the affidavits, purportedly of the subcontractor's workers, were all forged. The workers had not signed the documents and had not received the back pay that they were owed. The investigation also found that copies of the negotiated checks submitted to SBD as proof of employee repayment had actually been deposited by the owner into his personal account.

The owner confessed to OIG Special Agents that he forged the signatures on the checks and affidavits, and deposited the items into his personal account. He was charged with 10 counts of Forgery, 10 counts of Uttering Forged Instruments, and one count of Organized Scheme to Defraud – all third degree felonies. The workers



ultimately received the back pay they were owed from the prime contractor. The collective total of back wages paid to the employees was \$16,712.

## Qualifications of a Candidate for a County Commission Seat in a Special Election Challenged

The OIG commenced an investigation upon receiving official notification by the Miami-Dade County Elections Department of a sworn written complaint challenging the qualifications of a candidate in the May 22, 2018, Special Election to fill a vacancy on the Board of County Commissioners. In accordance with Section 12-11 of the Code of Miami-Dade County:

“The Inspector General, upon receipt of a sworn written statement challenging the qualifications of a candidate, shall have ten (10) days to conduct an investigation as to the allegation(s) contained within such statement. If the Inspector General determines that the candidate does not meet the qualifications of the office for which he or she has qualified, the Inspector General is authorized and directed to file and prosecute an appropriate action in Circuit Court with an attorney other than the County Attorney.”

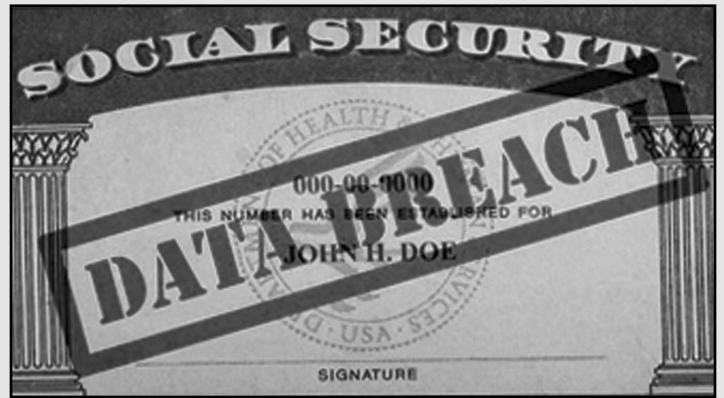
The complaint alleged that the candidate did not meet the residency requirements because he was registered to vote in a different County Commission District. Under the Miami-Dade County Charter, Article 1, Section 1.04, to qualify for the BCC, a candidate must “be a qualified elector residing within his or her district for at least six months and within the County for at least three years before qualifying ...”

The OIG investigation revealed that the candidate’s voter registration and Florida driver’s license showed him residing outside the district. Shortly after he declared his candidacy, the address was updated on both to within the district. The OIG reviewed all of the relevant records and conducted numerous interviews, which included the candidate’s estranged wife, his

girlfriend, his current roommates, and others. The OIG determined that the candidate had, in fact, been residing within the district for approximately the last two years. The candidate was also able to provide leases and tax returns in furtherance of his residency claim.

Taking all the evidence into consideration, the OIG determined that the allegation that the candidate did not meet the residency requirements was unsubstantiated. Accordingly, the OIG did not file and prosecute an action in Circuit Court seeking to disqualify his candidacy.

## Jackson Health System Data Breach Investigation



The OIG participated in a joint investigation with federal agencies concerning a data breach at Jackson Health System (JHS) where over 24,000 patient records were compromised. The OIG assisted the other agencies and monitored the hospital’s response to the breach.

The subject of the investigation was a 10-year JHS employee, a secretary in the Perioperative Services Unit, who had access to patients’ personal information. It is suspected that she illegally accessed patient information for approximately five years. The employee provided the illegally-gained information to co-conspirators, who filed fraudulent unemployment claims and/or tax returns under JHS patients’ names.

As a result of the investigation, the employee was indicted and subsequently pled guilty to a fourteen-count federal indictment. Some of the

charges were Conspiracy to Commit Access Device Fraud, Possessing Fifteen or more Unauthorized Access Devices, Aggravated Identity Theft, and Computer Fraud. She was sentenced to 56 months in federal prison followed by a three-year term of supervised release.

Meanwhile, JHS implemented new computer information safety protocols to monitor user behavior and track unauthorized use. JHS adopted numerous proactive procedures to help eliminate and/or quickly identify any similar future breaches of patient records. Lastly, JHS instituted mandatory employee training sessions focusing on patient confidentiality.

## **Airport Contractor Employee Arrested for Fraudulently Obtaining Childcare Benefits**



An employee of the Aviation Department's contractor that operates the shuttle buses at Miami International Airport was arrested in May 2018 for defrauding the Early Learning Coalition to obtain reduced childcare benefits. In the course of a separate investigation into the company's contract with the airport to operate the employee shuttles, the OIG discovered records on a County-owned computer that appeared to contain false information. The computer—used by the contractor's employee in office space on the airport premises—contained copies of applications purportedly sent to the Early Learning Coalition that falsely reported her employment status. Claiming she was a full-time student instead of a full-time employee, this individual was able to obtain reduced childcare services valued at approximately \$20,000 over five years. The employee is facing multiple theft charges and her cases pending trial.

# **SENTENCINGS**

## **Former County Employee and her Boyfriend Arrested for Defrauding the County— Boyfriend Sentenced to Jail**

An OIG investigation led to the arrest of a former manager of the County's Surplus Property Unit at the Internal Services Department (ISD). Also arrested was the employee's boyfriend, a frequent bidder at County auctions. The couple was arrested for orchestrating a scheme to defraud the County relating to the auctioning of several vehicles.

ISD operates the County Store, located in Hialeah, which sells various types of County surplus property, including vehicles. The OIG initiated the criminal investigation upon a referral from ISD. At the time of the referral, ISD had suspended the County Store manager for various violations related to her administration of sealed bid auctions. The OIG investigation uncovered that the County Store manager, who had sole control of auction documents once the bids were opened and publicly read aloud, was altering them to favor her boyfriend. Both were charged with Organized Scheme to Defraud.

The OIG investigation also found that the boyfriend orchestrated an elaborate scheme to further defraud the County after ISD terminated his girlfriend. Although the County had blocked him from participating in on-line auctions for surplus property, the OIG found that he created fictitious on-line accounts. The fictitious accounts allowed him to manipulate the on-line auction system. His elaborate scheme included bidding against himself to raise the price of the items and then defaulting. Ultimately, upon a re-auction, he used straw buyers to purchase vehicles at significantly lower prices than his original bids. As a result he was charged with an additional count of Organized Scheme to Defraud, and Offenses Against Computer Users.

On August 20, 2018, the boyfriend plead guilty and was sentenced to 90 days jail, a one-year term of house arrest followed by three years of probation. As part of his sentence, he paid restitution in the amount of \$160,471.03 to Miami-Dade County and costs of the investigation to the OIG. At the end of 2018, the criminal case against the former County Store manager was still pending.

## **Former Public Housing and Community Development Employee Arrested for Falsifying Application for Disability Pension – Enters a Pre-Trial Diversion Program**

An OIG investigation at the request of the Miami-Dade County Risk Management Division resulted in the arrest of a former Public Housing and Community Development employee for falsifying a Florida Retirement System (FRS) pension application. Although the employee had been legitimately injured on the job and had been receiving workers' compensation benefits, he subsequently filed a false pension application with FRS, resulting in benefits to which he was not entitled. The employee falsely claimed that he was totally disabled and fraudulently received over \$11,000 in FRS benefits.

The employee was charged with one count of Workers' Compensation Misrepresentation by False or Misleading Statement and eight counts of Grand Theft. On April 19, 2018, the employee entered a Pre-Trial Diversion Program with the State Attorney's Office, wherein he agreed to pay restitution to FRS and the costs of investigation to the OIG. In addition, the former employee forfeited over \$217,000 in future disability benefits.

## **Former County Community Action and Human Services Department Temporary Employee Guilty of Theft of Customer's Check**



Based upon an anonymous complaint, the OIG proved that a temporary employee of the Miami-Dade County Community Action and Human Services Department stole a customer's refund check. Florida Power and Light issued the customer a \$360 refund pursuant to a Low-Income Home Energy Assistance Program. Instead of mailing the check to the customer, the temporary employee deposited the check into her own personal bank account.

The County terminated the employee during the investigation. She was subsequently arrested and charged with Grand Theft. She pled guilty and was sentenced to probation, and ordered to pay restitution and costs of investigation.

# CONTRACT OVERSIGHT ACTIVITY

Under the direction of General Counsel Patra Liu, a team of Contract Oversight Specialists monitor and track procurement engagements across the entire spectrum of county departments and agencies. As the combined purchasing power of Miami-Dade County and the Jackson Health System is enormous, the OIG is committed to rigorous adherence to procurement policies and procedures at all times. When concerns arise about the management of a specific bid process or contract, OIG staff are assigned to observe, critique, and provide input.

The Contract Oversight group helps ensure vendors, contractors and firms interested in doing business with Miami-Dade County are able to compete on an even playing field. There are over 14,000 active vendors registered to do business with Miami-Dade County and Jackson Health System. It is not uncommon for a vendor to contact the OIG to complain about specific bid qualifications, or to question selection criterion that appear to provide an unfair advantage to a competitor. Contract Oversight Specialists, exempt from Cone of Silence restrictions, are uniquely positioned to timely address these concerns during a procurement process.

The work of the Contract Oversight Specialists does not end when contracts are awarded. To protect the public's interest throughout the term of a contract, the OIG monitors and investigates to determine if expenditures are justified and contracted deliverables have been received. Depending on the preliminary findings, County administrators may be advised to take immediate corrective actions, or a case may be opened in collaboration with either the OIG's Investigative Unit or Audit Unit for further examination.

The Contract Oversight function is staffed by professionals with a wide range of public sector experience, and is housed within the OIG's Legal Unit. The authority to oversee all County procurement activities stems directly from the duties and responsibilities outlined in the OIG enabling ordinance. Section 2-1076 of the Code of Miami-Dade County expressly authorizes the OIG to:

- Review and recommend whether a particular program, contract, or transaction is necessary, and assist the Board of County Commissioners in determining whether the project or program is the most feasible solution to a particular need
- Monitor, oversee, and inspect procurement processes to include the establishment of project design and bid specifications, bid submittals, and activities of the contractor
- Attend procurement selection and negotiations meetings and pose questions and concerns consistent with the functions, authority, and powers of the Inspector General
- Monitor existing projects or programs and report whether they are on-time, within budget, and in conformity with plans, specifications, and applicable law
- Ensure compliance with contract specifications

The OIG's Contract Oversight function often results in substantial direct savings, measurable cost avoidance, and/or an improved procurement process that is fair and equitable to the vendor community. The Contract Oversight Specialists are committed to promoting integrity and accountability in the County's procurement processes and contracting activities. The following pages highlight some contract oversight activities performed in Fiscal Year 2017-1018.



## Design, Build, Finance, Operate, and Maintain Civil and Probate Courthouse

In January 2018, the OIG began monitoring the Public-Private Partnership (P3) initiative to acquire a new civil and probate courthouse. Following extensive public discussions among elected County officials and judges, Request for Qualifications (RFQ) No. 00820 for the Design, Build, Finance, Operate, and Maintain Civil and Probate Courthouse was issued. Concurrently, the OIG began monitoring an unsolicited proposal submitted by New Flagler Courthouse Development Partners (NFDP) for a similar project at an alternate location.

During this time, the OIG became aware that the County's P3 consultant had inadvertently released a copy of NFDP's unsolicited proposal to an unauthorized party. As a result, the OIG undertook an independent review to obtain assurances that the disclosure incident was an inadvertent occurrence and that the integrity of the process was not harmed. Based on the OIG's independent review, the OIG was sufficiently assured that the incident was inadvertent and there was no evidence that the information was accessed, shared, or inappropriately handled once the error was discovered. A report of our review was shared with all stakeholders.

The OIG has remained actively involved in this P3 venture to ensure fair and open competition in a transparent process. This became a primary concern due to the complicated launch of this P3 project. To accommodate the competing processes, the County rescinded the RFQ and issued a modified 2-step Request for Proposals (RFP) in order to allow NFDP and the other qualified firms to present innovative P3 development concepts for a new courthouse. The OIG was also concerned about the public record surrounding this unique procurement because none of the end users, the future occupants of the facilities, were constrained by County procurement regulations, in particular the Cone of Silence.

The Cone of Silence Code provisions are intended to limit private communications during the bidding process. Fortunately, the OIG was successful in strengthening the RFP provisions to restrict communications between the bidding entities and any stakeholders of the project. All parties, including the future occupants of the courthouse, have been apprised of, and have acknowledged, this communication restriction that has been placed on the firms presenting bids. Any firms engaging in private communications with stakeholders are subject to being disqualified.

Further, the OIG has been actively monitoring meetings of various groups, including the internal group developing specifications for Phase II of the RFP, the stakeholders working group, and the selection committee. The OIG will continue monitoring this project through completion.

## Parking Access and Revenue Control at PortMiami Parking Garages



In the latter part of 2017, the OIG conducted a data-mining project to review electronic parking system data generated at PortMiami's parking

garages. The OIG performed various types of statistical analyses on 368,149 tickets issued during a 12-month period to determine normal use trends and identify outlier variables.

Conclusions were not drawn exclusively from data-mining, as the original data and aggregation methodologies were less than ideal. The OIG's data analysis was supplemented with operational reports of cruise ship sailings and anecdotal information from Seaport personnel. Concerns regarding opportunities for theft of parking fees were shared with the Port Director.

The OIG has been advised that the Seaport Department is in the process of developing an RFP

for a new parking access and revenue control system. The obsolescence of existing hardware and the challenges associated with upgrading the existing software have been documented. Thus, the OIG, rather than pursue deficiencies in the existing system, has used the opportunity to provide the Seaport Department with observations and weaknesses in the existing parking system that may be addressed during the development of specifications for the new system. The OIG will continue to monitor this procurement through completion.

## Synchronizing the Traffic Lights



In July 2017, the Board of County Commissioners approved a resolution put forth by the Department of Transportation and Public Works (DTPW) awarding an \$11 million bid waiver to update the local traffic controllers and vehicle detection devices located at 300 County intersections. This action served as a precursor to a sub-

sequent large-scale procurement to outfit traffic intersections countywide with Advanced Traffic Management System devices and functionalities. A Request for Proposals (RFP) for this procurement was published on October 4, 2018; respondent proposals were due November 1, 2018.

During the past year, the OIG has met individually and collectively with representatives from DTPW's Traffic Signals and Signs Division, as well as with the County's Internal Services Department (ISD) Strategic Procurement Division (Procurement) and the County's Information Technology Department (ITD). The purposes of our meetings were to gain an understanding of the subject procurement, review contract terms, conditions and specifications, as well as to offer our suggestions for improving the procurement process. The OIG began this oversight effort in the spring of 2018, as the specifications were being developed.

Due to the complexity of this undertaking, essentially a turnkey operation to engineer, acquire

and implement a countywide traffic control system, and the voluminous number of questions posted by potential bidders, it was suggested by the OIG that ISD sponsor an "industry day" prior to publishing the second RFP. (The first RFP was cancelled and a revised RFP issued shortly after.) During the industry day meeting, County representatives from DTPW, ISD, and ITD, met with representatives from the prospective respondents. The interested parties had an opportunity for an open exchange of information to develop a better understanding of the challenges and objectives of the procurement prior to the final editing and advertising of the RFP. The OIG will continue to oversee this County endeavor during the proposal evaluation process, negotiations, the eventual contract award and, ultimately, contract implementation.

## Concession Program at Miami International Airport

In late 2017, the OIG began monitoring the procurement process for concessions at Miami International Airport. That process is outlined in the Mayor's memorandum entitled "Implementation of Organizational Changes and Management Oversight for All Miami-Dade Aviation Department Concessions, Real Estate and Procurement Functions." The October 30, 2017 memorandum included an aggressive schedule to procure all concessions for Terminal E, F, G, H, & J "within the next 12 months." There has been substantial progress in structuring the solicitation process, but no concession agreements have been approved as of this writing. Upon completion of this phase, a subsequent solicitation for Terminal D is anticipated by 2024.

The two-step structure for this procurement process involves the establishment of an open pool (RTQ-00822) of qualified vendors which would be eligible to respond to future solicitations. The pool may be asked to respond to bids based upon different business models, such as developer, fee manager, master concessionaire, or prime operator.

Throughout 2018, the OIG has been monitoring activities including the development of the qualifications and specifications for the pool eligibility and will continue monitoring the development of specifications for the upcoming RFP, through the evaluation and award of final contracts.

Concurrently, the OIG has also been monitoring the procurement process for “Pop-Up” concessions (RFA-00833). This procurement involves the award of seven pop-ups in post-TSA locations. The OIG will continue monitoring this procurement.

## Security Credentialing at MIA and the Associated Fee Collections System

At the onset of a joint investigative and audit review of the credentialing function at MIA, immediate concerns arose due to the Miami-Dade Aviation Department’s use of two independent, obsolete, and incompatible systems for the production of identification credentials and the collection of associated fees. In the process of reconciling the data of the two systems, the OIG was advised that the Aviation Department was in the process of developing specifications for the procurement of an integrated credentialing system. The issues and shortcomings of the dual systems identified by the OIG were noted in the final bid specifications. After the RFP was issued for a Commercial-Off-The-Shelf Security Credentialing and Identification Management System the OIG continued its monitoring to ensure a fair, open, and transparent process. Further, the OIG intends to participate in the implementation tests to ensure all noted concerns have been addressed.

## Embedded Consultants at MIA

The OIG maintains ongoing oversight of the Miami-Dade Aviation Department’s Capital Improvement Program (CIP), known as the Terminal Optimization Program (TOP). The OIG is frequently engaged to probe TOP procurements and contracts. The OIG’s most recent efforts included investigating a complaint that the winning respondent to a MDAD Notice to Professional Consultants misrepresented the professional qualifications and certifications of some of its proposed team members. It was also alleged that the proposer misrepresented its own qualifications. The OIG found the allegations to be unsubstantiated.

The OIG took notice of a related BCC directive to MDAD that the professional services agreement (PSA) for a TOP managing consultant not be extended past an eighth amendment. During deliberations on this directive, MDAD agreed to present the Commissioners with a revised capital improvement program and a plan to utilize more County staff for program management oversight, thus reducing the department’s reliance on consultants.

The OIG obtained records from MDAD showing its service orders and related payments to the soon-to-be-terminated TOP consultant, and interviewed MDAD management knowledgeable of the circumstances. MDAD did eventually terminate the subject PSA, and the consultant personnel are no longer working at MDAD. We also learned that MDAD has developed a draft CIP and staffing plan that it intends to share with the BCC in the near future.



## **Employee and Public Remote Parking Lot Shuttle Bus Service**

In late 2017 through 2018, the OIG monitored the procurement process for Employee and Public Remote Parking Lot Shuttle Bus Service at Miami International Airport in order to ensure a fair, open, and transparent process. OIG activities included reviewing all proposals submitted, attending competitive selection committee meetings, and attending negotiations with the top ranked proposer. The OIG will cease monitoring this activity upon award of a contract by the Board of County Commissioners.

## **Removing and Replacing Special Taxing District Security Guard Firms**

The County's Causeways and Special Taxing Division engaged the OIG prior to responding to a security vendor's complaint. The complaint primarily alleged that the vendor was improperly terminated by Parks, Recreation and Open Spaces (PROS) at three different security taxing districts. In fact, the terminations were not based upon contract compliance issues or any service-related deficiencies of the vendor. The PROS administrators initiated the termination actions at the request of Homeowners Association (HOA) representatives who were seeking lower cost options.

An OIG Contract Oversight Specialist attended several meetings with County staff. It was learned from PROS administrators that it has been the historic practice to defer to the expressed desires of the HOA representatives within the Security Taxing Districts. In this instance, the respective HOAs were made aware of the bid price differentials among the County contracted security firms and chose firms with a lower fixed price than the assigned, incumbent vendor. There was also reason to believe some HOAs had been enticed to use the lower price firms, as PROS staff observed the installation of camera technology at certain locations.

While PROS and Procurement staff are concerned about vendors enticing the HOAs with offers of gratuitous/complimentary services beyond the scope of the contract, there is no specific prohibition banning such ancillary offers contained in the current agreements. PROS and Procurement staff advised that they will address this matter in future bid documents. The complainant was satisfied there was no record of negative findings relative to the service delivered to the County. Representatives of the firm indicated they will not pursue the matter further, given the unique pricing provisions of the existing pool contract. They look forward to future bidding opportunities. Contract Oversight will continue to monitor this issue.

## **Landing the Miami Transplant Institute Contract for Charter Jet Service**

The Miami Transplant Institute (MTI) of the Jackson Health System contracts for charter jet service to transport surgical teams to medical facilities, wherever and whenever donor patients are identified by the United Network for Organ Sharing (UNOS). The contracted charter jet service is a critical factor in this life-saving activity. UNOS manages the nation's organ transplant system under contract with the federal government; when UNOS matches an organ donor opportunity, the MTI response must be immediate.

The OIG responded to complaints from an incumbent vendor alleging bias in the award and administration of the existing charter air service contract. The allegation of bias in the award of the contract was unfounded, but concerns about the process of assigning flights to the primary and secondary vendor, and the costs of brokered flights arranged by the primary vendor, did warrant discussions with the management of MTI. Procedural problems were recognized and addressed. MTI then advised the OIG of plans to issue a new bid for service, rather than exercise the options to renew for additional years.

During development of the new Request for Pro-

posals, the OIG provided input to MTI about the pricing formula, aircraft features, and the provision for brokered flights (spot bidding by the vendor when their aircraft is not available). The advertised bid incorporated many of the OIG suggestions.

During the bid evaluation process, the OIG took exception to the JHS procurement staff's recalculation of the price sheets that were submitted by two of the vendors. It was suggested that the County Attorney review the matter. Subsequent to the legal review, the bids were deemed non-responsive and rejected (wrong pricing schedules submitted). The remaining responsive, qualified bidder was awarded the contract on September 26, 2018. The OIG continues to monitor this charter air service agreement for compliance purposes.

## **Kiteboarding Fees at Public Parks**

When kiteboarding enthusiasts took exception to concessionaires at Miami-Dade County Parks imposing access fees, complaints were lodged with elected officials and the OIG was asked to review the situation. Though the concession contract allowed for the imposition of user fees, private owners of kiteboarding equipment had strongly objected to paying vendor fees to access public waters. The kiteboarders alleged the practice was a violation of the Home Rule Charter.

Following a review of the existing concessionaire agreements, a Contract Oversight Specialist met with the Deputy Director of the Parks, Recreation, and Open Spaces Department to discuss the justification of, and the administrative approval process for, the user access fees. It was acknowledged by PROS that the 2018 fees had been introduced and increased by the concessionaires without proper approval. A committee of PROS administrators was convened to evaluate the proposed fees and make a recommendation to the Director.

The justification for the access fees was based on the contractual obligation of the concessionaires to provide for the safety and well-being of all

kiteboarding activities in the park waters, including those individuals who do not rent equipment from the vendors. The commitment of qualified life safety personnel during operating hours is a benefit to everyone who participates in kiteboarding activities at these locations, and the fees are imposed to offset the vendors' cost of this public service. A memorandum was issued by the PROS Director on June 29, 2018 setting the 2018 fees, which include a discount for Miami-Dade County residents.

## **Skilled Nursing Home Services for JHS Patients**

To reduce the high cost of serving patients in a hospital environment, Jackson Health System (JHS) contracts with private nursing home providers for those patients in need of long-term care. Agreements with existing vendors selected through the prior competitive RFP process are scheduled to expire in 2019. A new RFP for Skilled Nursing Homes Services is currently under development.

One nursing home vendor who received over \$5 million in business from JHS in less than 18 months – albeit its original \$249,000 contract for a limited period of 71 days that was administratively awarded outside the competitive process – was terminated. In April 2018, after a request to provide an additional \$4,000,000 to this particular vendor was withdrawn from the agenda of the Public Health Trust (PHT), an extensive litigation history between the vendor and the United States of America was discovered by the OIG. This information was shared with JHS Procurement. In July 2018, the PHT finalized a payment of \$424,381.82 to the vendor for services through May 2018 and closed the contract.

The decision by the PHT to close this contract may have been related to the disclosure of litigation history or possibly other compliance matters. The OIG will continue to work with JHS Procurement on clarifying the litigation disclosure affidavits and monitor the procurement of new contracts for these vital services.

# Water and Sewer Department Capital Improvement Program Oversight

A long-standing OIG oversight activity has been associated with the Water and Sewer Department's Capital Improvement Program. WASD's CIP is the largest in the County's history and is one of the largest utility CIPs across the nation. WASD will invest approximately \$13.5 billion over the next 12 to 15 years in capital projects related to water and wastewater system upgrades. The CIP is funded by WASD revenue bonds that are backed by revenues generated by water and sewer rates.

WASD's CIP consists of four major programs, each one driven by either an external or an internal impetus, which involve:

1. A federally mandated Consent Decree (CD) with the United States Environmental Protection Agency and the Florida Department of Environmental Protection
2. The State of Florida's Ocean Outfall (OOL) Legislation
3. A Pump Station Improvement Program (PSIP) responsive to pump station performance criteria established by the United States Environmental Protection Agency

4. Other capital improvements to its water and wastewater transmission, collection, distribution, and treatment systems to meet service needs not otherwise addressed by one of the other CIP components

This past year, the OIG completed its review of WASD's handling of two instances of "organizational conflicts of interest." These circumstances arose because of two instances of mergers/acquisitions between two organizations both serving WASD pursuant to one of its major programs. The two WASD programs impacted were its OOL program and the other being its PSIP. It was determined by the OIG that both WASD and the four subject organizations did comply with County guidance in identifying, reporting, and resolving the conflicts.

The OIG has also fielded payment complaints submitted by WASD Small Business Enterprise (SBE) contractors who rendered services in support of the WASD CD program. These contractors alleged that WASD was not timely paying them for their work. We learned that WASD was indeed holding payments for work performed. In some instances, the hold on payments was related to documented contractor performance delays and the final determination of appropriate liquidated damage amounts. Other delays were attributed to contractor-submitted change order requests for additional time and money. The OIG met with WASD and various contractor personnel and attended settlement negotiations between the parties. For



those cases monitored by the OIG, WASD/contractor issues have been resolved; WASD has made payments for the work performed and agreements have been reached on change order requests. Procedural improvements are underway to expedite resolution of these type of delays.

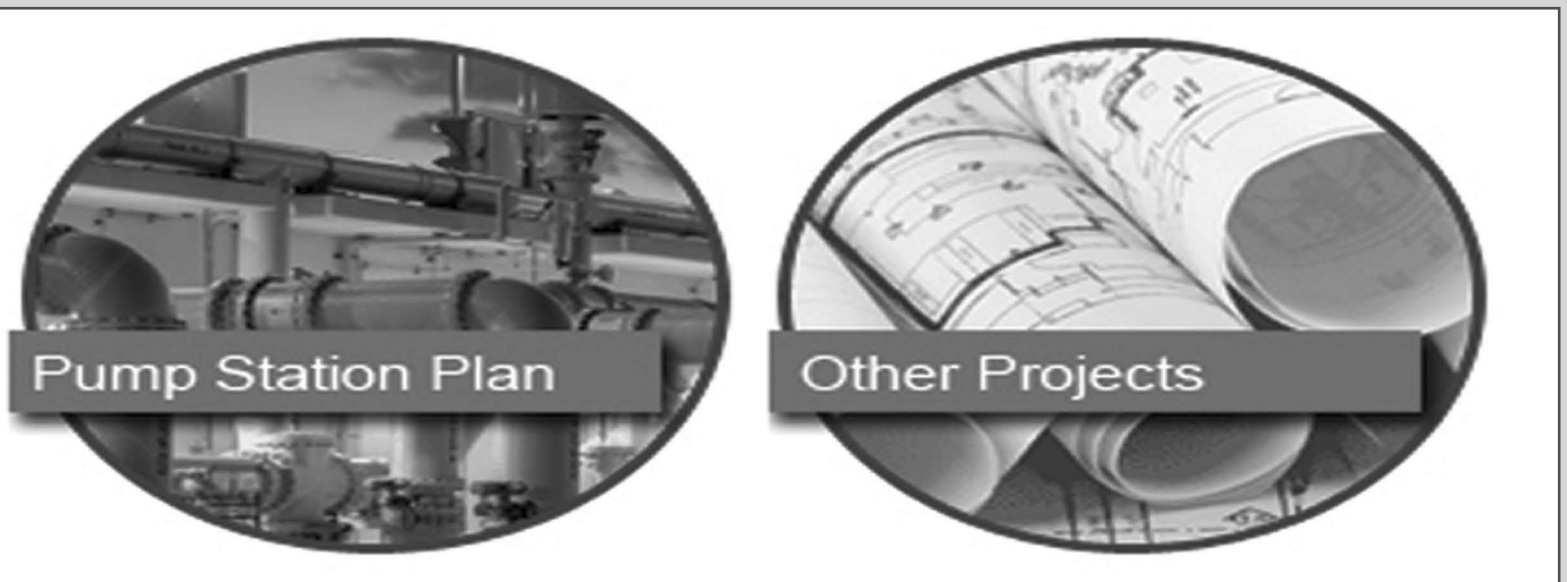
The OIG received a complaint from a WASD vendor alleging a competitor was awarded contracts, but did not meet the County's "Local Business" and experience requirements contained within three referenced solicitations. The OIG interviewed WASD personnel who were following up on these same allegations and examined the staff findings. The OIG concurred with WASD's determination that the alleged non-compliant organization did meet the County's Local Business criteria and experience requirements of the solicitations.

The OIG also looked into an issue that dealt with a prospective contractor's possible violation of the County's "Cone of Silence" guidelines. The contractor made an unauthorized, pre-award visit to a project site. WASD and OIG personnel looked into the circumstances and determined that the contractor, new to the County, was unfamiliar with the subject guidelines when it made its visit. During the visit to the project site to observe conditions, there were no discussions regarding the terms of the solicitation and no reason to infer a Cone of Silence violation.

The OIG also looked into the circumstances related to a proposer's contested disqualification during the procurement phase for a \$155 million design-build project.

The OIG reviewed procurement records and emails, interviewed ISD personnel, in addition to attending procurement-related meetings. Ultimately, this issue became moot when the prospective awardee withdrew from the procurement and WASD cancelled the procurement.

In addition to initiating inspections, evaluations, and reviews of specific WASD-related contracting activity, OIG Contract Oversight Specialists routinely attend pre-bid briefings, site visits for proposed projects, bid openings, selection and negotiation meetings, contract status update presentations, and change order review sessions; monitor procurement items throughout the legislative approval process; and, track the progress of contracted services for compliance with federal consent decrees and state legislative mandates. These activities are continuous throughout the year. Where our monitoring and oversight activities detect irregularities or non-conforming practices, the OIG's Contract Oversight Unit may refer the matter to the Investigations or Audit Units, as appropriate, or may initiate a more in-depth review.



# AUDIT UNIT HIGHLIGHTS AND SUMMARIES

The OIG Audit Unit conducts in-depth audits, inspections and reviews, to detect and prevent fraud, waste, and abuse of authority, as well as makes appropriate recommendations to mitigate control and operational risks and recover public monies when applicable. At the conclusion of each audit, inspection, or review a memorandum or report is issued that proposes targeted recommendations based on the findings or observations noted.

Audits, inspections, and reviews are conducted in accordance with established industry standards. Audits are conducted in accordance with the Government Auditing Standards, or Yellow Book, as issued by the Comptroller General of the United States. Inspections and reviews are conducted in accordance with the Principles and Standards for Offices of Inspector General, or Green Book, as issued by the Association of Inspectors General.

The Audit Unit is a diverse group of individuals with varied backgrounds, most of whom have attained and maintain the Certified Inspector General Auditor designation. Additional designations held among the Audit Unit team include: Certified Public Accountant, Certified Fraud Examiner, Certified Internal Auditor, Certified Construction Auditor, Certified Risk Management Assurance Auditor, Certified Government Auditing Professional, Certified Government Financial Manager, as well as Certified Financial Services Auditor.

Summaries of our reports issued in Fiscal Year 2017-2018 are noted in the following pages.





# Vendors Without Permits Operating at Miami International Airport



On multiple occasions, the Board of County Commissioners has expressed concerns about revenue accountability at Miami International Airport. As part of the OIG's on-going oversight activities at MIA, the OIG launched a series of audits that have validated the concerns of the BCC. To date, MDAD has reported to the OIG that nearly one million dollars in revenues is owed by vendors operating without permits at the airports.

The Audit of Miami-Dade Aviation Department's Permit Application, Extension, and Renewal Process has been conducted in three (3) phases. Phase I focused on the regulatory processes for issuing the permits required of every business entity active on airport properties. Phase II focused on identifying unpermitted vendors providing services to tenants and leaseholders at airport properties. Phase III involves monitoring MDAD's efforts and progress in securing full compliance with permitting requirements, enforcement efforts, and the collection of delinquent permitting fees, penalties, and interest.

Phase I examined the permitting process. As noted, all companies doing business on airport properties require a permit. These companies, often referred to as permit holders or permittees, must satisfy certain requirements for the opportunity to do business at the airport. Every company interested in doing business at the airport must submit an application with the appropriate fee, post a se-

curity deposit, satisfy all insurance requirements, and agree to disclose all business activity with other tenants at the airport. Most importantly, permittees agree to pay MDAD a percentage of the gross revenues that the company earns from its business dealings at the airport. This last requirement, known as an "opportunity fee," varies depending on the type of services that the permittee provides. In most cases, MDAD collects seven percent (7%) of the permittee's gross revenues.

Phase II of the audit highlighted the need to strengthen internal controls to verify permittees are disclosing all business activities at the airport. In the past, all MDAD tenants were asked to identify the vendors supplying goods and services to their sites. This critical practice was inexplicably suspended after 2011. As recommended by the OIG, in August of 2016, the Tenant/Vendor Letter (Letter) was reinstated and sent to all 214 MDAD tenants. The OIG later recommended that subsequent Letters to airport tenants request not only to identify their vendors (permittees) but to also include the amounts paid to permittees for the preceding year. Even though 2/3 of the tenants responded, the information obtained revealed major revenue losses.

Based on the responses to the Letter, MDAD administrators have reported to the OIG that they have identified 164 unpermitted vendors. Without permits, these 164 vendors earned \$13.8 million in revenue on airport properties. Had these businesses been properly permitted, MDAD would have collected over \$966,000 in opportunity fees.

For Phase III of the audit, the OIG is monitoring MDAD's progress in identifying and remedying unpermitted vendor activities at airport properties. As of October 2018, MDAD has issued 13 new permits to previously unpermitted vendors, and sent invoices for over \$168,000 to recover a portion of the unpaid opportunity fees. In December 2018, MDAD issued its most recent Letter to the tenants regarding the issue of unpermitted vendors. This Letter includes a notification to all airport tenants that fees will be assessed on tenants utilizing unpermitted vendors in the amount of \$500 per occurrence, unless cured within 60

days. If not remedied, the tenant will be invoiced \$500 every 30 days until the unpermitted vendor complies or is no longer providing services to the tenant. Moreover, in the recent Letter, MDAD has advised tenants that there will be a fee of \$50 per day imposed for not responding to the request for information by the requested due date. The OIG will continue to monitor this activity.

## Countywide Use of Temporary Contract Employees



In August 2018, the OIG issued its Final Report of the Audit of the Temporary Employment Agency Services Contract, Contract No. 9432-4/16 (the Contract).

While a central focus of the audit was the

Contract, the utilization of temporary contract personnel (contract employees) by County departments and the County administrators' compliance with rules and regulations governing access to the Contract provided the most significant findings. The Contract, which was in effect from December 2011 through June 2017, provided contract employees through various employment agencies, to supplement the County's workforce. A successor contract has been awarded and the OIG will continue to monitor the utilization of contract employees to meet the human resource needs of the County.

During the six and a half years that the Contract was in effect, County departments expended over \$100 million on contract employees. In December of 2016, there were 651 contract employees working across the various County departments.

The OIG audit assessed overall user department compliance with the Contract and Administrative Order 7-35 (the A.O.). The A.O. stipulates the conditions necessary to justify hiring contract employees: (1) an assessment of a department's operational need, such as whether a contract

employee is more advantageous than reassigning a County employee; (2) a determination that hiring contract employees will not exceed budgeted allocations, or be used to avoid establishment of County budgeted positions; and (3) the hiring of a contract employee is not being used to circumvent the County's standard recruitment process.

To assure compliance with these criteria, the A.O. further requires the Office of Management and Budget (OMB) and the Human Resources Department (HR) to review and approve contract employee tenures that exceed six months and again if the tenure is to exceed twelve months. Of these 651 contract employees identified by the OIG, 361 (55%) exceeded a six month's tenure; 135 (21%) exceeded a tenure of two years; and, two had been contracted for more than 10 years. These findings led the OIG to question the effectiveness of the review by OMB and HR.

The OIG audit concentrated its review of contract employee utilization at six (6) user departments. The audit revealed issues in several areas, including overtime billing rates, pre-employment background checks, applicant qualifications, and invoice discrepancies. Separately, the audit evaluated the effectiveness of the departments charged with oversight responsibilities (OMB and HR) and learned they were relying on the County user departments to self-report their contract employee utilization. However, those user departments were not engaging in self-reporting of their contract employee utilization. The OIG found that 21 out of 23 departments utilizing the Contract had not obtained approvals for contract employees to exceed the six and twelve months tenure, as required by the A.O.

The OIG's report contained three recommendations and identified a need for enhanced oversight to ensure appropriate tracking and utilization of contract employees. During the course of the audit, two notable enhancements were implemented to improve control and compliance with the A.O. The first enhancement required County departments to obtain approval from OMB prior to accessing the Contract for temporary employee services. The second enhancement compels

County departments to provide contract employee information to OMB and HR on an annual basis, including a listing of all contract employees, their working title, and their starting and ending dates. These added steps to obtain and share information related to contract employees were designed to increase awareness and enhance oversight of contract employee usage.

The OIG continues to have an interest in the County's utilization of contract employees, including the new contract. Under the new contract, vendors are provided the format for reporting information pertaining to employees assigned to the various departments. This format provides for both the hourly rate paid by the department for the contract employee, and the hourly rate paid by the vendor to the contract employee. The OIG will be monitoring the utilization reports that will be provided to the BCC.

## CareerSource of South Florida: Questionable Job Placement Numbers



The Office of the Inspector General conducted an audit of the job placement numbers reported by the South Florida Workforce Investment Board d/b/a CareerSource of South Florida (CSSF). CSSF serves as the job placement provider for the State of Florida in Miami-Dade and Monroe Counties. CSSF contracts with multiple service providers (Providers) to operate its 15 "One-Stop" career centers (Centers) throughout the region. The audit was initiated pursuant to a request from a Miami-Dade Commissioner who questioned the job placement numbers being reported to the Board of County Commissioners.

The audit revealed that in Program Year 2016-2017, CSSF reported 60,283 job placements. The

audit report explained that a job placement was not necessarily one person finding full-time employment. The audit revealed that seasonal and temporary employment, such as migrant farm work, and limited duration event staffing, such as working one week during Art Basel, are included in the job placement numbers. The annual job placement numbers reported by CSSF also counted the same individuals who were placed two or more times during the reporting year as several job placements. While this practice is acceptable under the Federal Program, the audit was able to clarify for the public that the number of job placements reported by CSSF did not correspond directly to the need for long term, self-sustaining employment.

Additionally, the audit focused on two CSSF contracted service providers, Arbor E&T, LLC (Arbor) and Youth Co-Op, Inc. (Youth Co-Op) that collectively operated 12 of the 15 Centers. The audit report contained two significant findings: one related to Arbor's reporting activities, whereby placements were inappropriately assigned to meet contractual obligations of different Centers; and, the second related to Youth Co-Op's lack of documentation to support its placement numbers. Both findings resulted in disallowance and repayments to CSSF.

As a result of this audit, CSSF has introduced a series of policy changes and contractual modifications to prevent Providers from engaging in the various manipulations revealed by the OIG. As part of its proactive measures, jobseekers now complete a customer satisfaction survey whenever a direct job placement is recorded by the Center thereby allowing CSSF to assess the services received by the participant. All other recommendations made by the OIG to increase the accuracy and efficiency of the validation process were adopted by the CSSF.

# North Miami Community Redevelopment Agency



**NORTH MIAMI CRA**  
COMMUNITY REDEVELOPMENT AGENCY

In July 2004, the Miami-Dade County Board of County Commissioners authorized the creation of the North Miami Community Redevelopment Agency (NMCRA), a geographical area considered to be slum and blighted located entirely within the municipal boundaries of the City of North Miami (City). The NMCRA operations and its economic programs are guided by a redevelopment plan and an interlocal agreement between the NMCRA, the City, and the County. The NMCRA is funded through tax incremental financing (TIF) from both the City and the County.

In August 2018, the OIG issued an audit report on the NMCRA's operations. The audit purpose was to determine transparency and accountability relative to the use of TIF funds, adherence to the redevelopment plan, compliance with the interlocal agreement, and the presentation of the annual budgets. The OIG audit resulted in three findings, one observation and six recommendations.

The audit found NMCRA did not comply with Florida Statutes Section 163.387(7), which governs the budgeting of excess TIF funds. The statute requires that any TIF funds remaining at year-end must be appropriated for future expenses, or be returned to the taxing authority, i.e. the City and the County. Excess TIF funds of the NMCRA were accounted for in the audited financial statements, but were understated in the adopted budgets. These excess TIF funds were just sitting in the NMCRA bank account, untouched for several years. After the OIG brought this statutory compliance issue to the attention of the NMCRA staff,

the funds were properly appropriated in the annual budget.

The OIG audit also identified that NMCRA's financial system does not provide key reports to track project funding and expenditures from year-to-year. Annual budget reports showed instances where funds appropriated to capital projects were being reallocated to new capital projects, with limited or no support for why prior projects were being canceled. The NMCRA staff acknowledged these deficiencies and has advised that a new financial accounting system is being implemented.

The audit further revealed that several commercial grant projects were not completed timely and recipients were not in compliance with grant guidelines and agreements. During the audit, these deficiencies were brought to the NMCRA's attention, who contacted several grantees and have either closed out the grants, or extended the time required for the grantee to comply with grant terms and agreements.

The audit observation consisted of two home loan programs, issued between 2008 and 2012, from the NMCRA's Affordable Housing Program. The first loan program, a total of \$450,000 (\$50,000 each with a term of 10 years), was given to nine low income individuals for the purchase of a home or to rehabilitate an existing home. Records showed that each borrower has received an annual deferment on their loan payments for each year their loan has existed, even in the absence of the required financial hardship documentation. Additionally, the loan terms were not clear on what was expected at the end of the loan term. To resolve the matter, in February of 2018, the NMCRA Board voted to forgive the loans.

The second loan program, a foreclosure prevention program, consisted of eight loans with varying amounts, totaling \$29,937. These 0% loans were awarded in 2009 and had a five year deferment period, becoming due in full 36 months after the deferment period. Two of the loans were fully paid on a timely basis; three were partially paid, but past due. In February 2018, due to the unlikely repayment of all loan amounts and the ambigu-

ties in the terms of the loans at the time of issuance, the NMCRA Board approved the forgiveness of the remaining six foreclosure prevention loans.

While some of the findings and observations related to administrative practices originated under a prior administration, the current NMCRA staff fully agreed with the OIG findings and recommendations to improve financial accountability and recordkeeping. It is also noted that future expenditures from the NMCRA's Affordable Housing Program will be administered according to the guidelines of the City's Housing Improvement Program.

## Vigilance over the Water and Sewer Department Security ID System



Security at Water and Sewer Department facilities has been greatly enhanced in accordance with the guidelines of the U.S. Department of Homeland Security. WASH facilities

are considered vital to the health and well-being of our community, and are a security priority for the Miami-Dade County government. The OIG issued a November 2017 audit report to WASH, which focused on WASH's Identification Badge Issuance and Security clearance controls. The report contained six findings and seventeen recommendations.

The report included a review of the Code requirements pertaining to access, restrictions, and the use of WASH facilities. Particularly, the Code requires that all ID holders accessing restricted areas within WASH properties pass a criminal

history background check when hired and again prior to each anniversary of the date of hire. Further, the report addressed WASH's responsibility to retrieve, deactivate, and destroy ID badges when employees and contractors are terminated or complete service to the department. In May and December of 2018, WASH provided a status report, as requested by the OIG, noting improvements relative to the findings and an update on the implementation of the recommendations. The OIG will continue its vigilance of the Security ID system of WASH.

# IG SHARES BEST PRACTICES

The OIG was honored to host a delegation of current and emerging foreign leaders who were touring the United States. The United States Department of State, through its Bureau of Educational and Cultural Affairs, arranges these visits through the International Visitor Leadership Program. The delegation was keenly interested in programmatic efforts to increase transparency and accountability in government agencies.

Following a brief presentation outlining the legislative history, mission and significant contributions of the Office, Inspector General Mary Cagle answered questions from the delegation. The ensuing discussion covered a range of topics, including access to public records, the independence of the Office, the use of subpoenas, the cooperative relationship with law enforcement and prosecutors, and the dedicated budget for OIG operations.

At the conclusion of the session, it was apparent that there is a strong desire around the globe for greater transparency and accountability at all levels of government. The OIG is grateful to the State Department for selecting our agency to participate in this program, and look forward to hosting future visits.



# FAU ETHICS CONFERENCE



Inspector General Cagle participated as a panelist at the 12th Annual Ethics Conference. For the first time in history, County Inspectors General from Miami-Dade (Mary Cagle), Broward (John Scott), and Palm Beach (John Carey) appeared together on the same stage on a panel titled “Using Power Ethically in Public Ethics Investigations.”

## 1<sup>st</sup> ANNUAL PROCUREMENT EXPO

The Office of the Inspector General’s Contract Oversight and Legal Units participated in the 1<sup>st</sup> Annual Procurement EXPO sponsored by the Strategic Procurement Division (SPD) of the Internal Services Department. OIG personnel participated in training sessions held throughout the day and were available to answer questions from the vendor community.

SPD sponsored this event to benefit small and local businesses throughout Miami-Dade County. The mission was to share information on contracting opportunities with the County by hosting exhibitors from the procurement divisions of major departments. Training sessions during the EXPO provided vendors with free access to subject matter experts on best practices in the procurement process. The OIG looks forward to participating in future SPD forums.



***ENSURING  
THAT THE  
PROCUREMENT  
PROCESS IS  
FAIR, OPEN, AND  
TRANSPARENT  
TO ALL***

# PERFORMANCE, ACCOUNTABILITY, SAVINGS, AND EFFICIENCY

## IDENTIFIED FINANCIAL IMPACTS

In Fiscal Year 2017-2018, OIG investigations, audits, inspections and other reviews identified \$7,583,757 million in damages and losses due to theft, fraud and abuse and \$12,550 in questioned costs. As a result of these cases, and others that began in earlier years but concluded this year, OIG investigations and audits resulted in \$7,797,721 million in recoveries, repayments, and court-imposed restitution and \$270,967 in savings and funds put to better use.



## INVESTIGATIONS RESULTING IN ARRESTS

OIG investigations resulted in eight arrests during Fiscal Year 2017-2018.

## CRIMINAL CHARGES FILED

Arrests in Fiscal Year 2017-2018 resulted in criminal charges being filed that include Organized Scheme to Defraud, Grand Theft, Computer Crimes, Forgery, Uttering a Forged Instrument, Identity Theft and Wire Fraud.

## PUBLICATIONS

The OIG issued eleven public reports and twenty-six advisory memoranda during Fiscal Year 2017-2018. The reports include audit reports and administrative investigative reports. The advisory memoranda include notices of investigations resulting in arrest and the dispositions of those criminal cases. They also include significant memoranda to Department Directors and/or the Board of County Commissioners.



# 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 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 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 initially appointed in February 2014. and reappointed in February 2018.

**(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)**

Call Our Hotline to Report Fraud:  
(305) 579-2593

or

Report Fraud Online at:  
[www.MiamiDadeIG.org](http://www.MiamiDadeIG.org)



Miami-Dade County  
Office of the Inspector General  
601 N.W. 1<sup>st</sup> Court  
South Tower, 22<sup>nd</sup> Floor  
Miami, Florida 33136  
Phone: (305) 375-1946  
Fax: (305) 579-2656