



Memorandum

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To: George M. Burgess, County Manager
From: Christopher R. Mazzella, Inspector General
Date: May 30, 2006

Subject: FINAL AUDIT REPORT of MDPD's *Off-Regular Duty Program* Ref: IG05-120A

Attached please find the Office of the Inspector General's (OIG) FINAL AUDIT REPORT on the above-captioned item. The OIG distributed a draft version of this report to the Miami-Dade Police Department (MDPD), Miami-Dade Finance Department (Finance) and the Mayor's Office of Film and Entertainment (MOFE) on May 2, 2006. Even prior to the distribution of the draft report, OIG representatives met with senior managers from the Finance and Police Departments to discuss the major findings of the audit related to program financing and accounts receivable. We received Finance and MOFE's responses on May 16, 2006. The MDPD requested and was granted a one-week time extension for it to submit its response. We received MDPD's response on May 25, 2006. MDPD's response is attached to this report as Appendix A, the Finance Department's response is attached to this report as APPENDIX B and the MOFE's response is attached to this report as APPENDIX C. There is no separate OIG rejoinder and, after review of the comments received, no changes were made to the report.

Results

The OIG's report comprised seven findings and eighteen recommendations. Both Finance and the MOFE responded positively to the OIG's recommendations and both have already taken action to implement the recommendations relevant to their respective authorities. MDPD, in its very brief response to the report, seemingly acknowledges as true all of the identified shortcomings, as it has provided no comment on the findings themselves, except to make a statement about their historical genesis in that they "were created prior to this and the previous administration." What the MDPD response does not state is what corrective action it will take or if any action will be taken at all. Indeed, its response ignores one audit finding in particular concerning the flagrant abuse of the Off-Regular Duty Program by one individual. This matter will be addressed in a separate report by the OIG in the near future.

As we noted in the introduction to the report, many of these problems have persisted for many years as identified in previous audit reports dated 1992 and 2001. Seemingly, these problems—and new ones that have emerged since then—have gone unfixed. MDPD's

response gives no assurances that they will be addressed, let alone addressed in a timely manner.

Nevertheless, additional discussions must be held among Finance, MOFE and MDPD personnel concerning how best to establish film permittee accounts and to finalize a resolution to some older and, most likely, uncollectible accounts. We would expect these discussions to take place in the immediate future and that a Memorandum of Understanding, as we have strongly recommended, be implemented soon. One major condition outstanding—a Finance and MDPD issue—relates to Finding No. 6, *Program fees do not offset County payroll, fringe benefit and administrative costs*. Finance has offered, in its response, a knowledgeable analysis of the condition and possible solutions that require discussion and cooperation among Finance, MDPD and senior County officials about Off-Regular Duty Program (Program) finances. We recommend that officials promptly hold such meetings so that this issue may be resolved.

In brief, one major audit finding is that the County established the Program as a self-supporting, fee-based method to facilitate the authorized services. However, the Program does not meet the self-supporting mandate. The Program falls short of this objective by at least \$312,000 per year and, if all County costs and resources were taken into account, the shortfall would be much greater. In fact, the MDPD itself suffers a shortfall of no less than \$420,000 per year. The County—the MDPD and the Finance Department—should analyze the respective resources allocated to the Program and the collected Program fees to determine what adjustments must be implemented to make the Program self-sufficient in line with the County's stated policy.

Compounding this financial dilemma is a second major finding that there are delinquent permittees owing large amounts in payment for services rendered. As of August 2, 2005, the outstanding receivables balance for accounts over 60 days past due totaled over \$504,614. By February 1, 2006, this balance had increased to over \$667,817. At least \$247,000 of the amount has been outstanding for anywhere from one to six years. Both the MDPD and the Finance Department could better serve their mutual interests by effectively cooperating to recover delinquent permittee accounts, and, in the case of delinquent accounts that are several years old, writing them off, though not excusing the delinquent permittee. In particular, the MDPD should apply a "prompt payment" policy to ensure that its permittees remit payment as promptly as the County pays its police officers.

Four findings directly relate to the MDPD's Program administration. The OIG confirmed that there are nineteen missing files containing original permittee applications and original permit copies. Apparently, the MDPD "lost" them when it archived some of its active and inactive permittee files. Most distressingly, only four of the permittees whose files are missing have submitted new applications pursuant to MDPD's request to do so. Notwithstanding, seven such permittees have not responded but still receive Program services. In addition, MDPD procedures require an annual review of permittee files but the Department does not conduct such reviews. Other MDPD procedures specify required

record keeping, such as rotation lists, which should be used to make Program assignments and service logs, which should list all district office off-regular duty work and the officers assigned thereto. The OIG found variation among the four district offices and the Special Events Unit in how each office maintained these records, if they maintained them at all. Two district offices allowed temporary services to continue beyond established guidelines that restrict such service to periods not exceeding two weeks. Lastly, as alluded to earlier, the MDPD favoritism shown to one permittee—the Dade County Police Benevolent Association—and the officer working the assignment allowed them to circumvent reporting and other procedural requirements.

Summary

The OIG believes that the Off-Regular Duty Program provides positive benefits specifically to merchants and other business users who pay to receive police services for the protection of persons, and property and for the deterrence of crime. We also strongly believe that the Program will be better served if the deficiencies identified in our report are addressed. As we have recommended, a Memorandum of Understanding (MOU) between the administering departments should be finalized forthwith. A successful MOU will only result from meaningful discussion among the parties about each party's respective roles and responsibilities for following up on delinquent accounts and, when necessary, pursuing collections. Additionally, the OIG has identified several areas of the Program's administration that should be buttressed to ensure adequate and updated record keeping, and to establish a uniform method to fairly distribute off-regular-duty hours to the officers wanting to work these assignments. Again, it must be emphasized that despite mandates that the Off-Regular Duty Program be self-sustaining, it is not. Taxpayer dollars are spent to supplement a program that is beset with a host of deficiencies ranging from poor administration to financial shortfalls. Corrective actions should be implemented immediately to ensure that permittees and County staff comply with appropriate program regulations and requirements. In particular, the County must require prompt reimbursement by Program permittees for services rendered that the County has already paid for.

In short, the County must ensure that tax dollars meant to fund the public safety needs of its citizens are not being unnecessarily depleted by a program intended to benefit those who can afford to pay for extra police services and a program, which, by administrative order, is supposed to be fiscally self-sustaining.

Accordingly, the OIG requires, pursuant to County Code Section 2-1076(d)(2), that each audited department (MDPD, Finance, and MOFE) submit a follow-up report as to the actions taken specific to each of the OIG's recommendations related to that department's purview. We would appreciate these follow-up reports in 90 days, on or before September 1, 2006. Consequently, the OIG is classifying this audit as "Completed but Unresolved" pending the follow-up actions to be taken by the departments and reported back to the OIG in the requested 90-day status response.

The OIG appreciates the courtesies and cooperation extended by Miami-Dade Police Department, the Finance Department and the Mayor's Office of Film and Entertainment. We especially want to thank the staff of these departments who assisted us with our audit documentation and other informational requests.

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