



## NEWS RELEASE

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### Office of the Inspector General 2011 Annual Report Released

The Office of the Inspector General (OIG) released today its 2011 Annual Report summarizing several important investigations and audits conducted in Fiscal Year 2010-2011. The report notes that since 1998, the OIG has identified over \$143.6 million dollars in questionable costs, losses, damages, and lost revenues. In this past fiscal year alone, the OIG identified almost \$2.6 million dollars in questionable costs, losses, and lost revenues and achieved over \$44 million dollars in future savings, prevented losses, and restitution. The report also notes that since its inception, investigations have resulted in the arrests of 212 individuals and the indictment of twelve companies.

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

To report abuse, fraud or corruption, call the Inspector General’s hotline at (305) 579-2593, or visit the OIG’s website at [www.miamidadeig.org](http://www.miamidadeig.org). The OIG will protect the identity of callers to the full extent of the law. Our website offers additional information about the OIG. The 2011 Annual Report is also published on our website.

###

It is the policy of Miami-Dade County to comply with all of the requirements of the Americans with Disabilities Act. The facility is accessible. For sign language interpreters, assistive listening devices or materials in accessible format, please call (305) 375-1545 at least five days in advance.

**OFFICE OF THE INSPECTOR GENERAL**

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Miami-Dade Office of the Inspector General

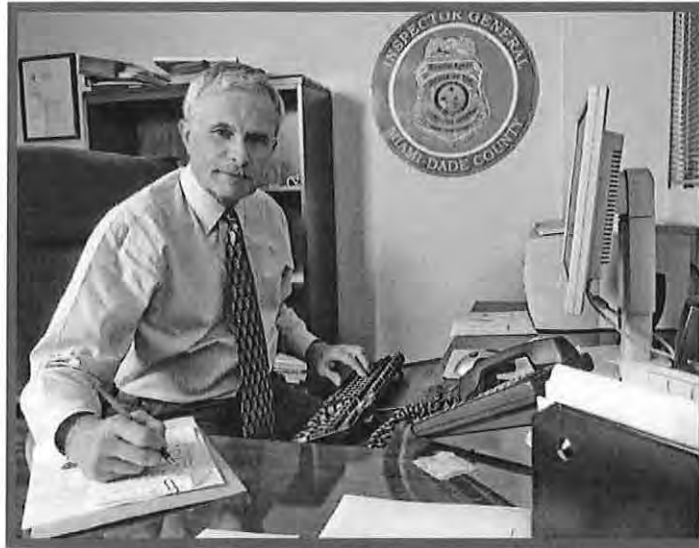


# Annual Report 2011

# INTEGRITY

ROAD  
TO

## MESSAGE FROM THE INSPECTOR GENERAL



I am pleased to present to you our 2011 Annual Report. This report illustrates the role the inspector general plays in promoting transparency and integrity in county government. You will find examples of investigations and audits that exposed criminal misconduct, mismanagement, inefficiencies, and abuse. As a consequence of our oversight, we have saved the county millions of dollars and made a number of recommendations to improve efficiencies. We have also maintained a strong role in monitoring major construction projects, such as the Marlin's Baseball Stadium, and, thus, have been able to provide independent assessment of project costs and accountability. Given the state of the economy and reduction of revenues to support county services, such strong oversight is essential.

We continue to thank the Miami-Dade community and the County's public officials for their support. You have my pledge that the Miami-Dade OIG will continue its efforts to promote fairness and ethical conduct in County operations.

Sincerely,

Christopher Mazzella  
Inspector General

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## **HISTORY**

In response to the public's demand for clean government, the Miami-Dade County Board of County Commissioners (BCC) created the Office of the Inspector General (OIG). Its enabling authority was enacted in December 1997 through Section 2-1076 of the Code of Miami-Dade County, empowering the OIG to investigate and review allegations of waste, abuse, fraud, and mismanagement in County government. To oversee such a large and diverse government, the BCC determined that the OIG must be independent and autonomous. The BCC vested the OIG with an independent status, to effectively uphold this mandate, so that it could carry out its goals without political interference.

Christopher Mazzella was selected as the County's first Inspector General (IG) in September 1998. He was reappointed as the County's IG in 2005, and again reappointed for another four-year term in December 2009.

The Miami-Dade IG is one of the few inspectors general in the country that has jurisdiction to investigate officials at any level—including elected officials. IG offices are found throughout the country at all levels of local, state, and federal jurisdictions. The Miami-Dade County OIG is often viewed by other local jurisdictions around the country as the leading model upon which to structure their organizations, and it often lends its support to other agencies.

To perform its primary mission, the OIG was empowered to require any County official, agency, or instrumentality to produce documents and records by using its power to issue subpoenas, when proper and appropriate. This authority also extends to requiring the production of reports regarding any matter within the jurisdiction of the OIG.

An Interlocal Agreement was unanimously approved in December 2007 by the BCC and the School Board of Miami-Dade County. Under this agreement, the OIG has taken on the additional role of Inspector General for the nation's fourth largest school district. The Interlocal Agreement grants the OIG the authority to investigate any aspect of the school system. Independent oversight is essential to a school district managing \$4.3 billion in public funds. The third annual report of the Miami-Dade County Public Schools IG was published for fiscal year 2010-2011. Recent OIG activities include an audit of the Miami-Dade County Public Schools (M-DCPS) Workers' Compensation program, several investigations leading to four arrests, and the prosecution of an M-DCPS vendor. The OIG has concluded several recent investigations that detected instances of employee abuse, procurement irregularities, and criminal misconduct by school district employees and vendors. These reports and the annual report can be viewed at [www.miamidadeig.org/whatsnewMDCPS.html](http://www.miamidadeig.org/whatsnewMDCPS.html).

In July 2010, the OIG was accredited by the Commission for Florida Law Enforcement Accreditation. Accreditation is the certification by an independent reviewing authority that an entity has met specific requirements and prescribed

standards. Accreditation is a prized recognition that the OIG's performance and investigative work meets the highest level of professionally recognized best business standards and practices.

## **HOW WE SERVE THE MIAMI-DADE COMMUNITY**

The OIG serves the Miami-Dade community of over 2.5 million people by detecting, investigating, and preventing fraud, mismanagement, waste, and the abuse of power involving public officials and County employees, as well as contractors and vendors doing business with the County. It has the power to report and recommend to County government whether particular programs, contracts, or transactions are financially reasonable, sound, necessary,



or operationally deficient. The OIG may conduct audits and inspections, and it may also provide general oversight of departmental programs and large-scale construction projects regarding any matter within its jurisdiction. As one of its oversight responsibilities, the Inspector General's Office specifically has authority to conduct investigations of County affairs and to review past, present and proposed County programs, accounts, records, contracts, and transactions. A recent example of its ongoing construction contract oversight was that of the Marlin's Baseball Stadium. In addition, the Office offers guidance and assistance to other agencies and County departments, and conducts numerous pre-employment screenings of employees and contractors working in sensitive security areas.

Today, the Miami-Dade OIG has oversight of a County budget totaling over \$4.4 billion that is spread over 25 County departments including: Aviation; Corrections and Rehabilitation; Elections; Permitting, Environment & Regulatory Affairs; Public Housing & Community Development; Public Works & Waste Management; Transit; the Seaport; and Water & Sewer. The OIG also has oversight of other government agencies under the County umbrella, such as: the Citizens' Independent Transportation Trust; the Miami Art Museum; the Public Health Trust; and offices of the Property Appraiser, the Tax Collector, and Administrative Office of the Courts. And, as noted earlier, our Office provides IG services to the Miami-Dade School Board.

## **OPERATIONAL STRUCTURE OF THE OFFICE**

The Inspector General leads the Office, and is assisted by the Deputy Inspector General and the Assistant Inspector General. The Assistant IG also serves as the OIG's Legal Counsel. The Office is fully committed to recruiting a diverse team of qualified employees that reflect the makeup of Miami-Dade County. Its team consists of highly skilled professionals from various disciplines and backgrounds

that include attorneys, certified public accountants, certified fraud examiners, former law enforcement officials, investigators, financial analysts, engineers, and forensic accountants. Additionally, some of its staff members have specialties in the fields of construction, information technology, investigative databases, and government procurement.

The Office is structured into four operational units that work together to fulfill its primary mission of County oversight: the Investigations Unit, the Audit Unit, the Legal Unit, and the Administration Unit.

### The Investigations Unit

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



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

### The Audit Unit

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



The Audit Unit recognizes that it is different in size, resources, and mission from the County's Audit and Management Services Department, so it concentrates its resources on distinct aspects of County contracts and projects. The Unit serves the OIG's mission by randomly providing procurement oversight and by participating in reviews, studies and evaluations, in addition to conducting specialized audits of County contracts and

projects. The Unit also assists the Investigations Unit with cases that require investigative accounting in such a manner that the outcome will have suitable application in a court of law.



## The Legal Unit

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



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

## The Administrative Unit

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

## **OIG EXECUTIVE TEAM**

Christopher R. Mazzella

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

Mr. Mazzella has participated on a number of task forces aimed at restoring integrity and ethics in our County government. For instance, his participation on the Debarment Task Force played an important role in the adoption of legislation that strengthened the County's debarment policy to exclude dishonest contractors

and vendors. He has also participated on committees studying procurement and lobbying reforms, and often lectures to various professional and civic organizations regarding the types of fraud cases investigated by his Office.

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

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

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

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

#### Alan Solowitz

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

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

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

Patra Liu

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

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

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

#### **OIG's AFFILIATION WITH THE ASSOCIATION OF INSPECTORS GENERAL**

The Miami-Dade Office of the Inspector General is proud of its leadership affiliation and its long-term service on the Board of Directors of the AIG. The AIG is a national non-profit organization whose mission is to provide a civic, educational, charitable, and benevolent organization for the exchange of ideas, information, education, knowledge, and training among municipal, local, state, national and international Inspectors General. The organization strives to foster and promote public accountability and integrity in the general areas of the prevention, examination, investigation, audit, detection, elimination and prosecution of fraud, waste and abuse, through policy research and analysis; standardization of practices, policies, conduct and ethics; and encouragement of professional development by providing and sponsoring educational programs.

The Florida Chapter of the AIG was established in 2001, and became the largest chapter in the Association. The chapter was formerly known as the Tallahassee Chapter of the AIG. In order to better serve the movement towards local government

IG representation, the Miami-Dade OIG was involved in the effort to rename the Chapter to "The Florida Chapter of the Association of Inspectors General." The name change was pertinent to South Florida. The Miami-Dade County OIG was the first IG office in Florida created to represent its local government, and is often viewed by other local jurisdictions around the country as a leading model upon which to structure their organizations. In 2009, Palm Beach County expressly modeled its new inspector general office after that of Miami-Dade County. The opening in 2011 of an inspector general office in Broward County has completed the local South Florida movement, and of note is that leading its new office is a former attorney from the Miami-Dade OIG. The South Florida AIG membership now has a strong and distinct commonality, and its local government watchdogs are sure to have an impressive impact in the development of public accountability and integrity in Florida.

### **SPEAKING ENGAGEMENTS, LECTURES, AND TRAINING**

Mr. Mazzella was invited to address the Finance Industry Standards Association and the Public Health Trust Recovery Board this year. Mr. Mazzella also made presentations before the School Board Audit and Ethics Committees, and other local civic organizations.



The Assistant Inspector General taught courses in both the Spring and Fall at the Certified Inspector General Auditor Institute on Audit Interviews and Audit Report Writing.

OIG Special Agents are sometimes requested to lend their professional expertise to the community. This year, as a result of becoming a Certified Ethics Instructor by the Federal Law Enforcement Training Center, one of our Special Agents was the keynote speaker at a meeting for the State Law Enforcement Chief's Association, presenting Ethics in the Field of Law Enforcement. He also presented Ethics in the Field of Law Enforcement at the Florida Police Accreditation Coalition Conference and spoke to officers of the Surfside Police Department on Professionalism and Courtesy.

Other OIG staff members taught several courses at the AIG's Certified Inspectors General Institute. The focus of one course, Multi-Jurisdictional Investigations, highlighted aspects of an OIG investigation that required international extradition of a County public official from Hungary back to Miami. Another course, Digital Evidence, focused on probative information stored or transmitted in digital or electronic form that can be used in trial. Two staff members served on a peer review team organized by the Association of Inspectors General to review the Texas Health and Human Service Commission.

## **PROFESSIONAL DEVELOPMENT OF STAFF**

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

In accordance with fulfilling these goals, staff received specialized training at such courses as: Tax Relief Act of 2010; Ethics & Professional Conduct for Florida CPAs; Emerging Technologies to Detect & Prevent Fraud and Mobile Cyber Threats taught by the Association of Certified Fraud Examiners; Procurement & Inventory Management Workshop-Miami-Dade Public Housing; The Foreclosure Process by Property Records Education Partners and Financial Crimes and Fraud Investigations-Financial Institutions Security Association; and Certified Inspector General Advanced Investigative Techniques.

OIG Staff also attended a wide variety of educational seminars and conferences this fiscal year. These include: Government Accounting and Auditing and Non-Profit Accounting and Auditing; Auditing for Fraud Detection; Ethical Issues for Fraud Examiners and Fraud Risk Assessment by the Association of Certified Fraud Examiners; the Institute of Internal Auditors 2011 Fraud Conference; The Southeastern Intergovernmental Audit Forum; The Inspector General Council; Tax Exempt Organizations-Issues & Return Preparation; the Criminal Justice Information Systems; and monthly training seminars at FISA (Financial Institutions Security Association) and the Security Consortium.

Administration staff furthered their office skills by completing classes such as Access and Dreamweaver Advanced website training. OIG Staff also completed various County proprietary systems courses, such as Investigative Resources Training and OIG Updated Policies and Procedures. All OIG Staff completed a three part online course on Payment Card Industry Data Security Standard, Security Awareness, and Recognizing Identity Theft Red Flags.

## **MIAMI-DADE OFFICE OF THE INSPECTOR GENERAL ACCREDITATION**

In July 2010, the Miami-Dade County Office of the Inspector General was accredited by the Commission for Florida Law Enforcement Accreditation (CFA). Accreditation is the certification that the Office of the Inspector General adheres to the highest level of professionally recognized best business standards and practices. Accreditation for Offices of the Inspector General is a relatively new process and the Miami-Dade County OIG is one of just a few OIGs in the State of Florida that have received this prestigious recognition.

The Commission for Florida Law Enforcement Accreditation was formed in 1993. Initially, the CFA's accreditation process was just for law enforcement and correctional agencies. In 2009, the CFA expanded its program to include Offices

of the Inspector General. An accreditation program has long been recognized as a means of maintaining the highest standards. Accreditation is the certification by an independent reviewing authority that an entity has met specific requirements and prescribed standards.

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

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

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

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

The Miami-Dade County OIG is assisting the Miami-Dade Schools' Police Department in its quest to become accredited through the Commission on Florida Accreditation. The Miami-Dade County OIG conducted a review of the Schools' Police Department's policies and procedures, inspected several of their facilities and provided recommendations on how to improve their written policies and procedures. The Schools' Police Department is working on updating its policies and procedures and should be ready for the accreditation on-site later this year.

## OIG FINANCIAL BUDGET

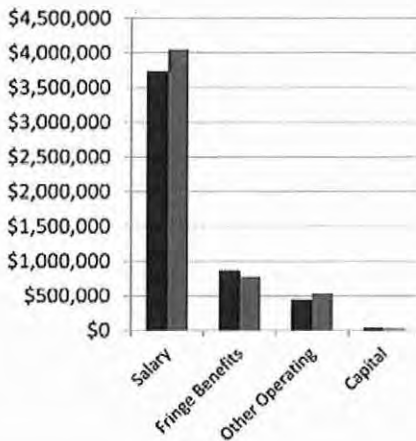
The OIG is productive and cost efficient. We have been ever mindful of the weakening economy and the added strains placed on taxpayers who pay for government services. As such, we have been careful to spend frugally and, at the same time, cut government waste.

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

The OIG's approved budget for fiscal year 2011-2012 was \$5,621,000 (a 4% reduction over the previous year) for 38 staff positions. The actual fiscal year 2010-2011 expenditures came in much lower — at \$557,000 below the budget. IG proprietary fees collected in fiscal year 2010-11, combined with the IG's fiscal restraint, resulted in a healthy carryover of over \$582,000 into the fiscal year budget of 2011-12.

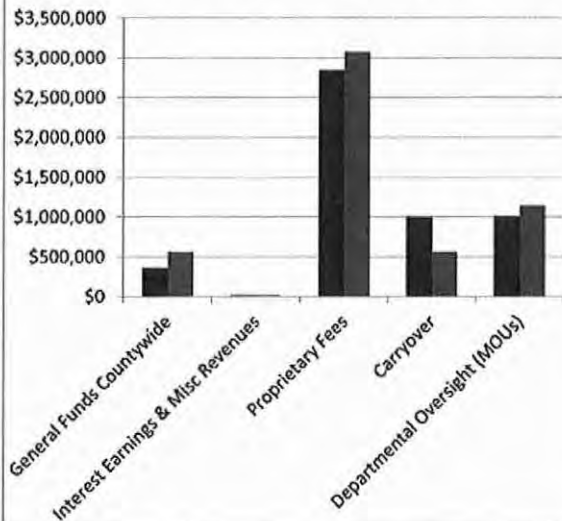
### OIG Expenditures

■ FY10-11 Actual   ■ FY 11-12 Budgeted



### OIG Revenues

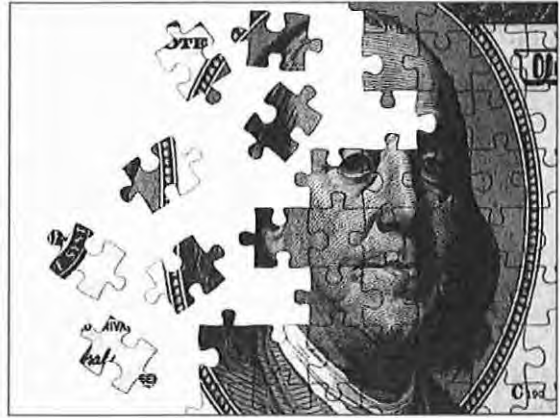
■ FY10-11 Actual   ■ FY 11-12 Budgeted



## OIG ACHIEVEMENTS

### Questionable Costs, Savings, and Restitutions

For the fiscal year 2010-2011, the OIG identified over \$2.6 million in questionable costs, losses, damages, and lost revenues for the County. During this same reporting period, over \$44 million in averted losses, projected savings, financial recoveries, and increased revenues have been achieved for the County.



The Office of the Inspector General was created in 1998, and since its inception has identified over \$143.6 million dollars in questionable costs, losses and damages, and lost revenues. Over \$118.5 million dollars in averted losses, projected savings, financial recoveries, and increased revenues have been achieved for the County.

## FRAUD COMPLAINTS

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

OIG investigations are initiated upon the receipt of credible information alleging an act of fraud, waste, financial mismanagement, or corruption that falls within the OIG's jurisdiction.

The OIG encourages any person to contact us to report suspected instances of fraud or corruption involving the County. There are a variety of convenient methods available to register a fraud complaint. Calls can be made to the dedicated OIG Fraud Hotline at (305) 579-2593, or a complaint can be faxed to (305) 579-2656. Written complaints can be mailed to 19 West Flagler Street, Suite 220, Miami, Florida 33130. The public may also visit the OIG website to report fraud confidentially on-line at [www.miamidadeig.org](http://www.miamidadeig.org). While you may elect to remain anonymous if you wish, you are encouraged to identify yourself in case additional information is needed that might prove helpful in the OIG's review of the matter. If you believe





that making a report to the OIG will place you at risk of retaliation, you should inform the OIG of this concern. There are certain provisions under the Code of Miami-Dade County and Florida law that, under certain circumstances, will protect from retaliation Miami-Dade or school district employees, independent vendors, or contractors under contract with the County or school district.

The Office received 365 fraud complaints during the 2010-11 fiscal year: 157 complaints were received on-line; 108 complaints were mailed or faxed in; 20 complaints were received in person; and 80 complaints came in on the dedicated fraud hotline. The majority of the complaints (41%) were referred to appropriate County departments or other governmental agencies that could directly address the complaints. It was determined that 36% did not warrant further action due to various reasons, such as a lack of sufficient detail provided or that the matter was not within the OIG's jurisdiction. However, 20% of the complaints received did lead to the initiation of a case, audit, inquiry, or investigation. The remaining 3% are still under review or are pending additional information and/or resources.

### **RECENT OIG COMPLAINT FILES**

The impact that results through public support by the reporting of suspected instances of fraud or corruption involving the County cannot be overly emphasized. A substantial portion of OIG caseload is a direct result of tips that are received through the mail, fax machine, hotline, and via the OIG website. In addition to the many criminal cases, audits, and reviews featured in our annual reports, numerous reforms are implemented as a direct result of OIG inquiries, recommendations, and referrals. Employee reprimands, probations, terminations, and recommendations for additional training have been a direct result of public fraud complaints made to the OIG, as have the creation and strengthening of policies and procedures, and the enforcement of existing statutes and regulations.

### **ARREST STATISTICS**

#### **Criminal Investigations — Arrests, Convictions and Guilty Verdicts**



Since the formation of the Miami-Dade OIG in 1998, a total of 212 arrests have been made and 12 companies have been indicted for crimes and frauds against the County.

OIG investigations resulted in two fraud-related arrests and convictions during fiscal year 2010-11. The arrest charges included charges of Forgery and Uttering a Forged Instrument, Grand Theft 2nd Degree, and Public Assistance Fraud. A central theme that underscored the fraudulent misconduct uncovered by the OIG this fiscal year was the falsification by wrongdoers of documents and forms that are required to be filed with various Miami-Dade County, State of Florida, and federal governmental departments and agencies.

## ARRESTS THIS YEAR

### Public Assistance Fraud of the Federal Section 8 Housing Choice Voucher Program

An OIG investigation, jointly conducted with the Inspector General for the U.S. Department of Housing and Urban Development and the Miami-Dade State Attorney's Office, resulted in the arrest of Melanie Lyn Davis on charges of Grand Theft and Public Assistance Fraud. The investigation determined that Davis received over \$55,000 in public subsidies from the Miami-Dade County of Human Services for low-income children to attend a day care that she operated. Davis then applied for rent subsidies from the federal Section 8 Housing Choice Voucher Program and received public subsidies of over \$28,000. Davis fraudulently qualified for Section 8 rent subsidies by failing to disclose the DHS day care subsidy, the income generated by the operation of the day care, and by omitting her husband and his income from the information she provided on her Section 8 applications.



### Construction Company Owner Arrested for Forging Documents to Gain County Contracts

An investigation was launched after County employees alerted the OIG of possible irregularities in documents submitted by



Construction Company in order to become pre-qualified for contracting opportunities under the County's Miscellaneous Construction Contract Program. After determining that numerous falsified insurance certificates were submitted by its owner,

to the Risk Management Division of the General Services Administration, was arrested on eight counts of Forgery and Uttering a Forged Instrument.

## CASES CLOSED

### Theft of Tools from WASD's Interama Electrical Plant

A settlement was reached in July 2011 in the criminal case involving a former Miami-Dade Water & Sewer Department electrical plant supervisor who was arrested in 2010 for ordering tools for the Interama Plant and taking them home. The settlement bars the former employee from any future County employment, and stipulates the forfeiture of \$73,000 in accrued time and leave, the return of all tools to Interama, and repayment to the OIG for investigative costs. As a consequence of this investigation, WASD strengthened its purchasing procedures and created a policy addressing the storage and transportation of tools, and created inventory procedures for tools valued between \$250 and \$1000.

## County Funds Awarded to Run Food Bank Diverted

The criminal proceedings against Maura Bailey, the former Executive Director of the United People Counseling Ministry Services, finally concluded in May 2011 during the middle of her trial. Bailey was arrested in 2005 after stealing over \$30,000, through a scheme of double billings and falsified invoices, from two County grants awarded to run a food bank for the poor and those afflicted by HIV. She diverted the funds for her own use, including paying the mortgages on two homes she owned and the mortgage of a relative. Bailey pled to one count of Organized Scheme to Defraud and was sentenced to 28 days in jail, followed by a year of house arrest, and four years of probation. Bailey must also pay restitution to the County and pay costs of the investigation to the OIG and the State Attorney's Office.



## Property Tax Exemption Case Concluded

Under Florida law, disabled property owners may be entitled to a complete exemption of property taxes pursuant to a Total and Permanent Exemption that ceases upon their death. Philip Espinosa was one of four arrested in 2009, for fraudulent schemes when he failed to notify the Property Appraiser after the death of his disabled mother and subsequently submitted fraudulent documents in order to continue the exemption. His criminal case concluded with an agreement to enter a diversion program and pay restitution of over \$9,256 to the County in property taxes, interest, and penalties for the taxes he avoided.

The four arrests stemmed from a larger review of the Total and Permanent Exemption Program that identified 42 properties, with a cumulative assessed value of over \$6 million, where the exemptions were erroneously continued. The OIG's report resulted in remedial measures to prevent future tax losses to the County.

## **INVESTIGATIONS/REVIEWS**

### Federal Fugitive Who Was an Illegal Alien Received Non-Emergency Charity Care at Jackson Health Systems

The Public Health Trust (PHT) has provided approximately \$50 million in total inpatient elective and outpatient non-emergency care to undocumented illegal aliens through the Charity Care Program each year for the past three fiscal years. In an investigation, one particular Charity Care patient was identified as a 62-year old Colombian national who lived as a federal fugitive under an alias with his wife in Miami since 2000. This individual was arrested in 1982, found guilty for conspiracy to smuggle cocaine and possession with intent to sell, but fled the United States before he could be sentenced. He returned to the United States using false identification and was treated under an alias for cancer at

Jackson Memorial Hospital 26 times before his death, for a total cost of care of \$201,716 (less \$46,382 paid by Medicaid). His identity became known when the family wanted his real name to appear on his death certificate.

What the OIG review determined was that there are various sections of PHT's policies and procedures that conflict as they relate to providing Charity Care to undocumented, illegal aliens. The OIG determined that in this particular case, the admission did not appear to violate existing JMH policies and procedures that are in place, despite evidence (or lack of) regarding his residency and immigration status. Based upon an OIG recommendation, PHT management clarified its policies and procedures relating to assessing eligibility to receive Charity Care.

### **FINAL MISCELLANEOUS REPORTS**

#### **Bid Waiver & Emergency Award Violations at JHS**

An investigation was initiated based on allegations that CT Mechanical (CT), a heating, ventilation, and air conditioning firm (HVAC) providing services to Jackson Health Systems (JHS), was not applying for building permits and was awarded a significant amount of work through bid waivers and emergency awards—despite the fact that there were firms already under contract and available to perform the work.



The OIG found that CT was given 79% of the HVAC work through non-competitive procurement processes, amounting to \$1.73 million, during our audit period. Fifteen projects were identified where CT had not obtained the required permits. JHS Support Services was found to have violated the Public Health Trust's (PHT) Procurement Regulations in awarding CT this work. Furthermore, because CT's proposals and invoices were shown as lump-sum and not itemized amounts, the OIG could not determine unit prices for labor, materials, and markups, preventing the determination of the reasonableness of CT's non-competitive pricing compared to the pricing established under JHS' competitively procured HVAC repair contracts.

JHS contended that work was awarded to CT instead of the other two contracted firms because the contracted firms had put "credit holds" on JHS. The OIG found that one firm never placed a credit hold and the other placed a credit hold for five weeks, during which time none of the required paperwork supporting the contract awards to CT was submitted with these explanations. The actions described in this report increased the reputational risk to JHS, supporting an appearance of favoritism and climate of bid steering within its Support Services. The awarding of work to this contractor, as JHS' preferred contractor, came at the expense of other contractors that had participated in competitive procurement actions. As a result of this investigation, JHS states that proper oversight of the established PHT Procurement Regulations is now in place.

## Transit Workers Temporarily Assigned to a Transit Workers' Union Education Committee

The Transit Workers' Union Committee was supposed to be a program established to recruit and train certain Transit employees to visit the garages, training classes, and any other forum where MDT's operational employees can be accessed; and to talk to and update other employees on Transit's budget, important County events, and the political process. It is notable that the Committee was established at the height of the Mayor's recall election, giving rise to an undeniable perception that the deployment was politically motivated. The OIG initiated its review upon learning of media reports that one employee was thought to be engaging in campaign activities during the workday.

The OIG review determined that Transit had not adequately planned its decision to detach employees to the Committee, nor assessed the merits of the Committee's function, the costs, or who should pay for the deployment. The detached employees received their regular wages plus any overtime, and MDT was required to replace the employees using bus operators from the standby pool and other temporary employees. When the MDT director was questioned about the availability of 20 TWU Local 291 union stewards already employed throughout MDT on whether they could have provided the same educational and out-reach functions, he explained that it was possible, but the majority of their workload involved representing employees facing disciplinary action by the department. In an interview with OIG Special Agents, both the MDT director and his senior executive assistant were unable to explain why the employees were not on the payroll system as "Y-time" classified employees—those granted a leave of absence to conduct union business—which would have required the TWU to reimburse MDT for their wages. The OIG contended that this issue warranted review by the County Attorney's Office. Shortly thereafter, MDT stated that the Union would be reimbursing a total of \$106,300 for all hours incurred, including overtime.

The Committee was disbanded two weeks after the recall election, and one day after receiving the OIG's draft report, further cementing the perception that the Committee was never intended to perform any legitimate governmental function.

## Almost One Million American Express Rewards Points Improperly Acquired Through the Use of Public Funds

An OIG investigation was initiated into the personal use of American Express (AMEX) credit card reward points that were earned by way of Foundation Health Services, Inc. (FHS) purchases paid for with public funds. The investigation determined that the President and CEO of FHS received almost one million Amex rewards points for his personal use and benefit. The FHS-acquired points—\$9,000 in value—were directly attributable to expenses paid for by



PHT public funds. The investigation found no convincing evidence that the FHS Board approved of the arrangement, let alone knew about it. We also found that the use of the reward points was not reported to the IRS on tax returns filed by FHS. The OIG forwarded this report to the IRS for its independent assessment of any relevant tax matters.

#### PHT and MedAssets Supply Chain Agreement for Group Purchasing Organization Services Still Does Not Meet OIG Scrutiny

In continuing oversight of Public Health Trust (PHT) operations, the OIG reviewed the revised agreement between the PHT and MedAssets Supply Chain, LLC (MedAssets) for Group Purchasing Organization (GPO) Services that was presented at the PHT Board of Trustees Workshop in November 2010. Given the revised contract clauses, the OIG believes that MedAssets maintains a significant advantage in the approval process. Overall, the OIG warned that, as structured, this contract carries significant financial risk. The "bundling" arrangement only ensures MedAssets' opportunities for achieving its "guaranteed savings." These savings may never actually materialize, while JHS is committed to paying MedAssets' contracted fee. Three years, we believe, is too long for JHS to commit to this experiment.

#### Thieves Selling Easy Cards at a Discount

Miami-Dade Transit (MDT) introduced the EASY Card to let passengers pay their Metrorail and bus fares through a system that deducts fares from the cards electronically. An OIG investigation determined that the vendor, Cubic Transportation System, Inc. (Cubic) failed to install anti-fraud features into the EASY Card ticket vending machines, as required in the contract, allowing credit card thieves to routinely purchase Easy Cards and sell them at a discount. The OIG also determined that MDT failed to fully monitor and oversee Cubic's installation efforts, including failing to conduct a final inspection of MDT's Fare Collection System to insure contractual compliance and operational security. Cubic also failed to take advantage of other available measures in the software that was within its control to minimize MDT losses.



Cubic is now working with MDT to install the required security features that allow for the identification of suspicious credit card activity. Although Cubic agreed to perform the anti-fraud installation at no cost to MDT, the OIG noted that MDT has already incurred significant losses that could have been prevented. The OIG recommended that MDT turn this matter over to the County Attorney's Office to seek the recoupment of monetary losses and other associated costs caused by Cubic's failure to implement contractually required credit card security features, and seek liquidated damages for not meeting its contractual obligations.

## AUDITS, REVIEWS, AND CONTRACT OVERSIGHT

### Foundation Health Services (FHS) – Series of Audits

The OIG conducted a series of audits (one of which developed into an independent investigation) of selected activities and expenditures of FHS pursuant to its agreement with the Public Health Trust (PHT). FHS was a not-for-profit, wholly-owned affiliate of the Jackson Memorial Foundation (JMF), a separate entity that serves as Jackson's fundraising arm. FHS was created for the sole purpose of managing the PHT's International Program and providing hospitality and concierge service to international and domestic patients receiving care at Jackson Health System facilities. FHS was also responsible for generating international business for the PHT. FHS was 100% funded by public dollars from the PHT.



In its first audit, the OIG found that FHS operations lacked basic financial controls on its credit card spending, identifying over \$100,000 of questionable credit card expenditures by FHS employees. Additionally, FHS could not account for 13 missing pieces of office equipment valued at \$16,163. OIG auditors observed 34 pieces of office equipment located in FHS offices during our physical inventory that we could not find in FHS purchasing or inventory records. Poor FHS procurement planning resulted in over \$80,000 of questionable equipment purchases. OIG auditors evaluated the transfer of funds from FHS to JMF (its parent organization) to pay for "central services" (executive, human resources, communications, and finance services) provided by JMF employees. For fiscal year 2010, JMF claimed that ten of its employees would spend some part of their time performing FHS-related work at a cost of \$472,718. OIG auditors concluded that the central services cost allocation methodology lacked authoritative support. The OIG also determined that the PHT had not been proactive in taking any action to ensure that public funds dispensed to FHS were being spent properly and in accordance with good public expenditure policy. In addition, the OIG noted the FHS' Statements of Financial Position, as of September 30, 2009, showed it had \$3.2 million of "unrestricted" net assets that was comprised mostly of \$2.2 million of "cash and cash equivalents." This net asset was a direct result of the PHT allowing FHS to bill its approved budgeted funding as lump-sum compensation (prorated over the funding year) instead of on an as-expended basis. The OIG believed that this was an atypical arrangement benefitting FHS at the PHT's expense. It is notable that the PHT allowed this cash surplus to accumulate at FHS, as its own acute cash shortages resulting from problematic operations at Jackson Health System facilities were forcing fiscal austerity.

As a result of our first audit, the Board of County Commissioners directed the PHT to terminate the FHS service agreement, granting a one-month extension

to wind down its activities. The OIG was asked by the Chair of the Public Safety & Healthcare Administration (PSHA) Committee to provide its assessment of the PHT's proposed reorganizational plan for International Health Services. Additionally, the PHT dispatched senior management to review FHS expenditures and financial statements, including FHS' cash balances and remaining monetary obligations. It also formed an Ad Hoc Committee for International Health Services to address the BCC's directive that the PHT terminate its arrangement with FHS and to analyze and recommend a policy approach and solution for the operations of the International Health Services Division. However, only after the OIG and the County Attorney's Office expressed reservations that the PHT's proposed plan did not comply with the BCC's directive, did the PHT propose forming a new, not-for-profit organization. The OIG's evaluation of the new, not-for-profit plan questioned the need for a separate entity. Instead, the OIG advocated for the PHT to adopt an internal program approach.

The second audit in this series evaluated FHS' expenditures, cash advances, and business travel and entertainment expense internal controls; performance reporting of international patient activity and the results of its international marketing efforts; and use of foreign professional and other consulting services.

The OIG found that FHS routinely accepted incomplete employee expense reports for reimbursement for personal funds and reporting expenditures of FHS cash advances for business travel and entertainment. Four cash advances to four individuals (totaling \$8,870) were found that had no supporting expense reports showing how these funds were spent. Another \$10,400 in cash advances to three individuals were incompletely supported by expense reports or receipts, and these individuals failed to document \$6,708 of the advances. FHS credit card charges for business travel and entertainment expenses incurred on behalf of non-employees for FHS sponsored activities were similarly not supported and FHS did not always match employee cash advances to the employee's expense report. Two FHS checks (totaling \$2,200) were not formally voided for two years or more; two travel expense reports were not converted to U.S. dollars before making reimbursements to the employee; and FHS senior staff approved their own check requests to obtain cash advances and/or reimbursement for their own expense reports. All of these findings demonstrated weak controls and abusive practices, and were a continuation of the lack of internal controls reported in the OIG's first audit of FHS credit card expenditures.

In obtaining and justifying funding for its operations, FHS claimed its international program increased the number of patients admitted to JHS. However, the OIG determined that FHS should have used data only from its patient accounting system and should stop commingling its data with that obtained from JHS when reporting its total international patient activity. In other words, FHS was reporting all international patient activity, not just the patient activity derived from its own marketing efforts. The OIG found that FHS' primary method to identify international patient activity in JHS records was an unreliable indicator of a patient's classification that rendered FHS' performance immeasurable.



The OIG noted that FHS did not withhold taxes on professional service fees paid to foreign nationals for services provided to FHS while working in the U.S. In addition, FHS paid two individuals \$185,322 for consulting services rendered without written agreements specifying the services to be provided by them and that incomplete documentation at FHS offices did not substantiate that core services were performed by one consulting firm. The OIG also found that FHS spent \$12,000 of taxpayer funds to purchase tables at galas that were sponsored by FHS' parent organization, the Jackson Memorial Foundation.

JHS completed a 90-day status report, and specifically acknowledged that corporate credit cards will no longer be provided to employees. Instead, travel expenses will be paid on a reimbursement basis, and entertainment expenses will not include the purchase of alcohol. It is noted with interest that JHS made changes on how it classifies and tracks international patients, which should enable JHS to develop performance figures on international patient activity and its impact on JHS' financial condition. More well-defined classifications should allow JHS to prepare periodic cost/benefit analyses of its international marketing efforts.

The not-for-profit entity that was incorporated in 2011, Jackson Memorial International LLC, which replaced FHS, was recently disbanded when PHT management finally came to the conclusion that the International Program would be better served if administered in-house, as originally recommended by the OIG.

#### Environmental Trust Fund

Following up on an audit released earlier of the Miami-Dade Police Department's (MDPD) administration of two separate environmental task force trust funds, which found significant questionable business practices, MDPD provided multiple status updates responding to requests by this Office and the Board of County Commissioners (BCC).

MDPD is exploring its options pertaining to using Florida Environmental Task Force Trust Fund (FETF) monies for training of law enforcement agencies. One concept offered was for trust funds to be disbursed via grant offerings to local agencies seeking monies for the enforcement of environmental laws.

MDPD continues to meet with the Miami-Dade Finance Department and County Attorney's Office to determine the proper course of action to distribute the remaining Fund monies and, in the interim, how to manage these monies. The remaining balance in the FETF Trust Fund was approximately \$1.5 million at the end of this fiscal year.

With regards to the status of the South Florida Environmental Task Force Trust Fund (SFETF), it was reported that once two projects (costing approximately \$120,000) are completed, the SFETF will be depleted of funds and will be closed.

## **MONITORING / OVERSIGHT OF MAJOR CONSTRUCTION PROJECTS**

As noted, the OIG monitors many County activities, programs, and contracts. For instance, it maintains staff at Miami International Airport and other departments that closely follow procurements and contract proposals, and provides comment and independent observations relative to the propriety and soundness of proposed actions. Additionally, the OIG assigned an engineer and other staff to the Marlin's Baseball Stadium project to independently monitor the stadium's construction and other related matters, including the disbursement of responsible wages.





## PARTNERSHIPS WITH OTHER AGENCIES

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

**Partnerships with other agencies** play an invaluable role in helping the OIG achieve its complex mission by making available to the OIG a vast array of resources that otherwise would be unavailable. For instance, the OIG and the State Attorney's Office have worked very closely in identifying and rooting out many improprieties. Our close partnership has also helped deter criminal activity.



*Left to Right:* Miami-Dade Inspector General Christopher Mazzella, Miami-Dade State Attorney Katherine Fernandez-Rundle, Miami-Dade Assistant Inspector General Patra Liu, Supervisory Special Agent Felix Jimenez

## **APPENDIX**

### **Sec. 2-1076 Office of the Inspector General**

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

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

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

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

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

(ii) as a Federal or State court judge;

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

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

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

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

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

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

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

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

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

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

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

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

(3) Term. The Inspector General shall be appointed for a term of four (4) years. In case of a vacancy in the position of Inspector General, the Chairperson of the Board of County Commissioners may appoint the deputy inspector general, assistant inspector general, or other Inspector General's office management personnel as interim Inspector General until such time as a successor Inspector General is appointed in the same manner as described in subsection (b)(2) above. The Commission may by majority vote of members present disapprove of the interim appointment made by the Chairperson at the next regularly scheduled County Commission meeting after the appointment. In the event such

appointment shall be disapproved by the County Commission, the appointment shall become null and void and, prior to the next regularly scheduled Commission meeting, the Chairperson shall make a new appointment which shall likewise be subject to disapproval as provided in this subsection (3). Any successor appointment made by the Selection Committee as provided in subsection (b)(2) shall be for the full four-year term.

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

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

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

(d) Functions, authority and powers.

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

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

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

(4) The Office shall have the power to report and/or recommend to the Board of County Commissioners whether a particular project, program, contract or transaction is or was necessary and, if deemed necessary, whether the method used for implementing the project or program is or was efficient both financially and operationally. Any review of a proposed project or program shall be performed in such a manner as to assist the Board of County Commissioners in determining whether the project or program is the most feasible solution to a particular need or problem. Monitoring of an existing project or program may include reporting whether the project is on time, within budget and in conformity with plans, specifications and applicable law.

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

(6) The Inspector General may, on a random basis, perform audits, inspections and reviews of all

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

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

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

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

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

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

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

(11) The Inspector General shall be notified in writing prior to any meeting of a selection or negotiation committee where any matter relating to the procurement of goods or services by the County is to be



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

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

(e) Physical facilities and staff.

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

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

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

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

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

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

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

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



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