



# Miami-Dade County Office of the Inspector General



## Annual Report 2012



## Farewell Message From The Former Inspector General Christopher R. Mazzella

It is with considerable pride that I present to you the Office of the Inspector General's (OIG) 2012 Annual Report. This is the final annual report I will be offering as I retire from government service on April 26th. Like so many before it, this report depicts significant accomplishments achieved by the OIG in providing oversight of County programs and projects. Indeed, in reflecting on the past years that I've served as Inspector General, it is evident our cumulative successes are unmatched with 224 arrests; \$165 million in questionable costs, damages, and lost revenues identified; and \$126.6 million in financial recoveries and increased revenues recognized. And one can only imagine what deterrent impact our oversight has had on preventing other maligned behavior or mismanagement.

Recognizing the importance of an effective inspector general's office, the Mayor and the Miami-Dade County Board of County Commissioners (BCC) have consistently endorsed and enacted legislation to promote the OIG's independence and autonomy, so much so that the Office has become nationally recognized by the Association of Inspectors General as a model upon which to create new IG offices. This innovative and progressive approach by our lawmakers is highly commendable. Further, the Mayor and BCC have always funded, without any opposition, the operations and personnel needs of the OIG, thereby assuring its institutionalization. Thus, becoming a reliable, independent, and autonomous agency charged with oversight of County programs and projects, and investigating County affairs is good for the future of Miami-Dade County. Finally, I am very pleased with the Federal Bureau of Investigation's designation of the OIG as a criminal justice agency and of the accreditation afforded to the OIG by the Commission for Florida Law Enforcement Accreditation. These characterizations mean that the OIG is operating under the most stringent and highest professional standards.

In closing, let me thank all of you for supporting the OIG in carrying out its mission to prevent and deter fraud, waste, corruption, and mismanagement. I hope you continue to boost the OIG's efforts to make government and business more transparent, ethical, and accountable. I bid you all farewell and God speed.

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## HISTORY

More than fifteen years ago, after being outraged by a series of corruption events, the citizens of Miami-Dade County called for transparent and clean government. In response to the public's demands, 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.

Section 2-1076 legislation empowers the OIG to investigate and review allegations of waste, abuse, fraud, and mismanagement in County affairs. 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 was again reappointed for another four-year term in December 2009.

In the original legislation creating the OIG, the BCC determined that in order to oversee such a large and diverse government, the OIG should be independent and autonomous. In March of 2005, the BCC voted unanimously to give the OIG greater autonomy and independence by revamping the selection process of the Inspector General and by affording the IG with a four-year renewable contract. Unlike some situations where the IG is chosen by the same elected officials who could become subjects of an investigation, the Miami-Dade IG is selected by an independent five-member panel that includes the President of the Miami-Dade Police Chiefs' Association, the State Attorney and the Public Defender for the 11th Judicial Court for Miami-Dade County, the Chairperson of the Miami-Dade County Ethics Commission, and the local head of the Florida Department of Law Enforcement. The BCC ultimately approves the panel's selection.

## FUNCTION

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.

The Miami-Dade County OIG has jurisdiction to investigate officials at any level, including elected officials. To perform its primary mission, the OIG is empowered to require any County official, agency, or instrumentality to produce documents and records. The OIG may also issue subpoenas and administer oaths when proper and appropriate.



## SATELLITE OFFICES

Beginning in 2000, the Office of the Inspector General expanded its operations by creating several permanent oversight offices around the County. The OIG deploys investigators, auditors and analysts, as needed, on all satellite assignments. These satellite offices are now housed directly within

*Satellite offices can better facilitate oversight of County resources.*



several departments. The first OIG satellite office was opened at Miami International Airport, and by the end of 2002 it was staffed with four full-time special agents. On a regular basis, the Miami-Dade Aviation Department refers complex matters to the OIG for an independent and objective assessment and an efficient resolution.

The OIG has also had a permanent presence at the Miami-Dade Water and Sewer Department since 2000. In addition, from 2007 to 2010 the OIG was physically present at the South District Wastewater Treatment Plant during its \$600 million capital upgrade program. The OIG remains committed to proactive contract oversight as the Water and Sewer Department embarks on an unprecedented \$4 billion infrastructure overhaul.

In 2005, the Office of the Inspector General stepped up its oversight of the County's Public Health Trust and its operation of Jackson Memorial Hospital that included opening a satellite office at Jackson Medical Towers. Other County departments that the OIG maintains a strategic partnership with are the Seaport, the Housing Department, the Transit Department, and the Public Works and Waste Management Department.

During their construction phases, the OIG maintained an on-site presence at the Performing Arts Center and at the Marlins baseball stadium.



## INTERLOCAL AGREEMENT WITH THE SCHOOL BOARD OF MIAMI-DADE COUNTY

Our newest satellite branch opened in 2008, as a result of an Interlocal Agreement 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 fourth annual report of the Miami-Dade County Public Schools (M-DCPS) IG was published for fiscal year 2011-2012. In relation to fraud fighting activities, investigations by the OIG culminated in several arrests over the year. One investigation resulted in the arrest of an operator of an M-DCPS Supplemental Education Services (SES) program provider. The principal of Divine Sports, Inc. (Divine Sports), a Florida not-for-profit corporation, was charged with 47 felonies relating to fraudulent billing schemes involving the afterschool SES tutoring programs at Miami Central High School, Miami Northwestern Senior High School, and Golden Glades Elementary. The company, Divine Sports, was also charged with the same 47 felonies.

*Nation's 4th  
Largest School  
District with  
\$4.3 Billion in  
Public Funds*

Another recent investigation led to the arrest of a former employee who worked as a secretary at the Registrar's Office of the North Miami Adult Education Center (NMAEC) from 2007 until 2011. The subject was charged with Fraudulent Use of Personal Identification. The OIG investigation determined that the subject used a student's name and driver's license to obtain Florida Power & Light (FPL) service for her home. The subject sent FPL a couple of facsimiles using the student's name and drivers license to open the account. The subject then failed to pay FPL \$1,046 for the service.

Other substantive activities include several recent investigations that detected instances of employee abuse, procurement irregularities, and criminal misconduct by school district employees and M-DCPS vendors. Please visit [www.miamidadeig.org/MDCPS2.html](http://www.miamidadeig.org/MDCPS2.html) to view our latest news and annual reports.

## ACCREDITATION AND CRIMINAL JUSTICE AGENCY STATUS

The Commission for Florida Law Enforcement Accreditation (CFA) was formed in 1993. Initially, the CFA's accreditation process was just for law enforcement and correctional agencies. 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, and the State of Florida Judiciary. In 2009, an Inspector General was added as a Board member. 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 satellite offices.

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.

Having held accreditation for almost a three-year period, the Miami-Dade OIG has again undergone a mandatory assessment for reaccreditation. During this process, agencies are required to demonstrate compliance with all mandatory standards. The OIG demonstrated its proof of compliance with these standards, which was determined by a March 2013 on-site review of its policies, procedures, and practices by an assessment team sent by the Commission.

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 in order to apply for accreditation.

The OIG has also been designated by the Federal Bureau of Investigation as a Criminal Justice Agency. As such, the OIG works closely with other agencies, including law enforcement agencies, in carrying out its mission.

## HOW WE SERVE THE 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 officials whether particular programs, contracts, or transactions are financially reasonable, sound, necessary, or operationally deficient. The OIG may conduct audits and inspections regarding any matter within its jurisdiction and it may also provide general oversight of departmental programs, procurement processes, and construction projects. The Inspector General has the express authority to conduct investigations of County affairs and to review past, present and proposed County programs, accounts, records, contracts, and transactions.

<b>WE CONDUCT Investigations Into:</b>	<b>Fraud</b>		<b>Mismanagement</b>		<b>Waste</b>		<b>Abuse of Power</b>
<b>WE CONDUCT Audits &amp; Inspections of:</b>	<b>Departmental Programs</b>	<b>Construction Projects</b>	<b>County Programs</b>	<b>County Accounts</b>	<b>County Contracts</b>	<b>County Transactions</b>	
<b>WE EVALUATE:</b> whether County projects, programs, accounts, records, transactions & contracts are reasonable, sound, necessary, or operationally deficient							
<b>WE MAY REQUIRE</b> County officials to provide the OIG with reports regarding any matter within the jurisdiction of the Inspector General							

Recent examples of its construction oversight projects include the Marlins Baseball Stadium, the South Dade Cultural Arts Center, and the \$600 million High-Level Disinfection Project at the South District Wastewater Treatment Plant.

### What OIG Oversight Encompasses

Today, the OIG has oversight of a Miami-Dade County budget totaling over \$4.4 billion that is spread over 25 County departments including: Aviation; Corrections and Rehabilitation; Elections; the Department of Regulatory and Economic Resources; Public Housing and Community Development; Public Works and 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 Public Health Trust; the Children's Trust; and the Miami-Dade Economic Advocacy Trust.

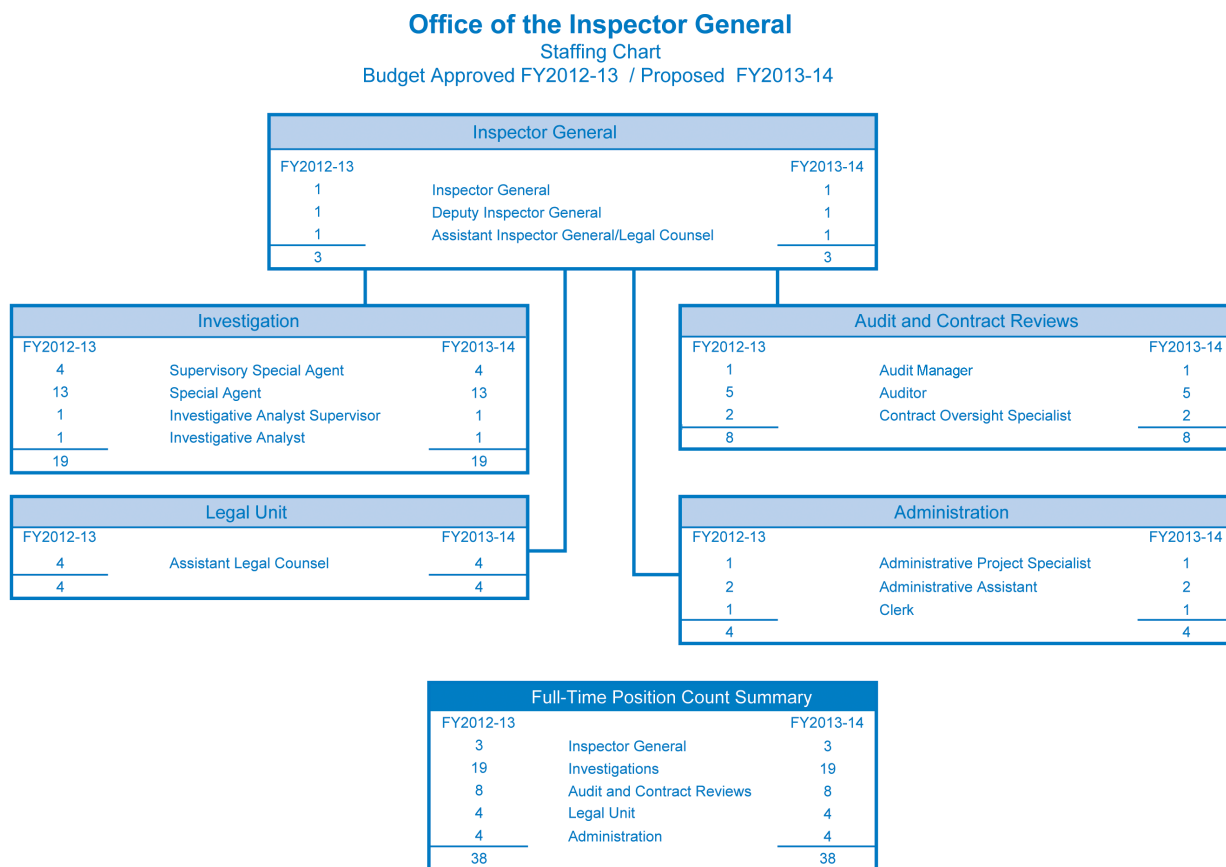
*Oversight of the \$4.4 billion budget is spread over County departments, independent authorities and trusts*



# OPERATIONAL STRUCTURE AND OFFICE STAFFING

The Office has been historically structured around four operational units: Investigations, Audit, Legal, and Administrative Support. The Deputy Inspector General has traditionally overseen the Investigations Unit, which includes a subdivision of investigative analysts. The Assistant Inspector General, who also serves as OIG Legal Counsel, has traditionally overseen the remaining three units. The OIG Audit Unit also includes a subdivision of contract oversight specialists who monitor procurement processes and construction projects. The four units work closely together to fulfill our primary mission of public oversight.

## The OIG's Budgetary Staffing Chart For FY 2012-2013



Since 2011, two OIG positions have been unfunded, as part of the County's budget austerity measures. For FY 13-14, the OIG's budget submission again seeks funding for only 36 of its 38 authorized positions.

These positions comprise a diverse team of highly skilled professionals that include attorneys, Certified Public Accountants, Certified Internal Auditors, Certified Fraud Examiners, former law enforcement officials, investigators, financial analysts, engineers, and forensic accountants. Some staff members have specialties in the fields of construction, information technology, investigative databases, and government procurement and budgeting.

## The Investigations Unit

The Investigations Unit consists of a staff of special agents who have various investigative backgrounds and diverse disciplines. These employees possess experience that has been gained mostly by working in the public service sector for agencies whose activities range 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 OIG's Analyst Supervisor has attained the credentials of Certified Law Enforcement Analyst and is the OIG's Terminal Agency Coordinator, a position designated by the Florida Department of Law Enforcement.



## The Audit Unit

The Audit Unit consists of an Audit Manager and auditors that are Certified Public Accountants, Certified Internal Auditors, and Certified Fraud Examiners. All OIG auditors have obtained the designation of Certified Inspector General Auditor.



Additionally, the Unit is supplemented with contract oversight specialists who have professional expertise in government budget and financing, and civil engineering. The Audit Unit recognizes that it is different in size, resources, and mission from the County Administration's internal auditor and the BCC's commission auditor. The Unit serves the OIG's mission by randomly auditing County contracts and participating in specialized reviews, studies, and evaluations of County programs 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

The Legal Unit provides legal counsel to the Inspector General. OIG attorneys work closely with the Investigations Unit to assess the strengths and weaknesses of any investigation with potential civil, administrative, or criminal implications. 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





## THE EXECUTIVE TEAM

### CHRISTOPHER R. MAZZELLA

Christopher Mazzella, Miami-Dade's first Inspector General, retired at the end of April 2013 after fourteen years on the job as the County's independent watchdog.

In 1998, Mr. Mazzella accepted the position as Miami-Dade Inspector General upon retiring from a distinguished 34-year career with the FBI. Since the OIG became operational in the fall of 1998, the IG has participated on a number of task forces aimed at restoring integrity and ethics in our County government. For instance, Mr. Mazzella's 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 also participated on committees studying procurement and lobbying reforms, and often lectured to various professional and civic organizations on the types of fraud cases investigated by his Office. Mr. Mazzella, as Miami-Dade County Inspector General, served as an active participant in the National Association of Inspectors General (AIG), and in 2001 earned the designation of Certified Inspector General (AIG Certification).

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 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 continued to grow, Mr. Mazzella was often called upon to showcase the Miami-Dade County Office of the Inspector General, which has served as a successful model for other local governments.

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



## ALAN SOLOWITZ

Mr. Solowitz has been with the OIG since its inception in 1998 and, as the Deputy Inspector General, he 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

Ms. Liu is serving as the Interim Inspector General, effective upon the April 2013 retirement of Inspector General Christopher Mazzella. Prior to this, Ms. Liu was Assistant Inspector General and Legal Counsel for the Office. Ms. Liu manages and supervises the Legal, Audit, and Administrative Units of the Office. She was the chief legal advisor to the Inspector General. In her role as Assistant Inspector General, she coordinated the activities of the Audit Unit and oversaw all the administrative operations of the Office, including the Office's finances and 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 prosecutorial assignments, she was last assigned to the Economic Crimes Unit. 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 and applications for injunctive relief involving the proceeds of Medicaid fraud.

Ms. Liu received her Juris Doctor Degree from the University of Washington in Seattle, Washington. 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 conferred by the National Association of Inspectors General (AIG). 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.

## AFFILIATION WITH THE ASSOCIATION OF INSPECTORS GENERAL

The Miami-Dade County Office of the Inspector General is proud of its leadership affiliation and its long-term service on the Board of Directors of the Association of Inspectors General (AIG). The AIG is a national, non-profit organization whose goal 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 has become 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 openings of inspector general offices in Broward and Palm Beach counties have completed the local South Florida movement. Of note is the fact that the Broward IG 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.

*The Miami-Dade County OIG was the first IG office in Florida created to represent its local government.*

## SPEAKING ENGAGEMENTS, LECTURES, AND TRAINING

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



OIG Special Agents are sometimes asked to lend their professional expertise to the community. One of our Special Agents, a Federal Law Enforcement Training Center Certified Ethics Instructor, presented Ethics in the Field of Law Enforcement to the Surfside Police Department, and also to law enforcement and corrections personnel for the State Law Enforcement Chiefs' Association (SLECA). Several staff members have taught Ethics Training for Procurement Professionals to various Miami-Dade departments.

Two OIG senior members have been mainstay instructors at the AIG's certification institutes. An OIG Supervisory Special Agent instructs two specialty courses for the Certified IG and Certified IG Investigator Institutes. These courses involve multi-agency investigations and the utilization of digital evidence. The Assistant Inspector General continues to teach the Audit Interviewing and Audit Report Writing courses, which are part of the Certified IG Auditor curriculum.



Training of OIG staff is essential to maintain the most highly skilled and experienced professionals in their fields. The Office maintains a commitment to investing resources for specialized training and certifications. Advanced training, continuing education, and the development of technology expertise are prerequisites for successful operations.

## FINANCIAL SNAPSHOT

The OIG is 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 Financial Summary Below  
Comes Directly From The County's  
FY 2012-13 Adopted Budget

### FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 09-10	Actual FY 10-11	Budget FY 11-12	Adopted FY 12-13
<b>Revenue Summary</b>				
General Fund Countywide	460	363	568	1,657
Interest Earnings	16	14	15	0
Carryover	1,531	995	571	106
Departmental Oversight (MOUs)	827	1,003	1,150	875
Fees and Charges	3,216	3,271	3,080	2,565
<b>Total Revenues</b>	<b>6,050</b>	<b>5,646</b>	<b>5,384</b>	<b>5,203</b>
<b>Operating Expenditures Summary</b>				
Salary	3,726	3,734	4,050	3,970
Fringe Benefits	913	865	780	671
Court Costs	0	1	2	2
Contractual Services	1	26	6	6
Other Operating	394	395	497	493
Charges for County Services	16	22	26	38
Capital	5	21	23	23
<b>Total Operating Expenditures</b>	<b>5,055</b>	<b>5,064</b>	<b>5,384</b>	<b>5,203</b>
<b>Non-Operating Expenditures Summary</b>				
Transfers	0	0	0	0
Distribution of Funds In Trust	0	0	0	0
Debt Service	0	0	0	0
Depreciation, Amortizations and Depletion	0	0	0	0
Reserve	0	0	0	0
<b>Total Non-Operating Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## OIG ACHIEVEMENTS

### Questionable Costs, Savings, and Restitutions

Since our last annual report, the OIG has identified over \$21.5 million in questionable costs, losses, damages, and lost revenues for the County. During this same reporting period, over \$6.5 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 \$165 million dollars in questionable costs, losses and damages, and lost revenues. Over \$126.6 million dollars in averted losses, projected savings, financial recoveries, and increased revenues have been achieved for the County.

## ARREST STATISTICS

### Criminal Investigations - Arrests, Convictions, and Guilty Verdicts



Since becoming an operational office in 1998, the investigative activities of the OIG have resulted in the arrests of 224 individuals and the charging of 12 companies for crimes and frauds against the County. OIG investigations resulted in 12 fraud-related arrests and numerous convictions since our last annual report. Charges filed against these individuals include racketeering, organized scheme to defraud, grand theft, forgery, uttering forged

instruments, ID theft, official misconduct, and prohibited solicitation of funds.

## REPORTING FRAUD

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 provides the public with easy access to report complaints via the internet and by calling our hotline. The Program is 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 OIG.

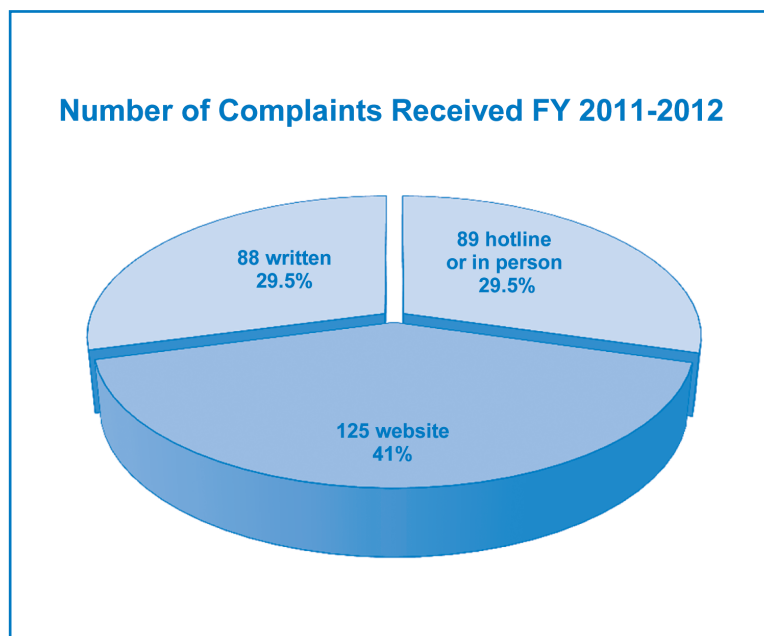
OIG investigations are initiated upon the receipt of credible information alleging an act of fraud, waste, financial mismanagement, or corruption that falls within the OIG's jurisdiction.

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 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 is also encouraged to 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.



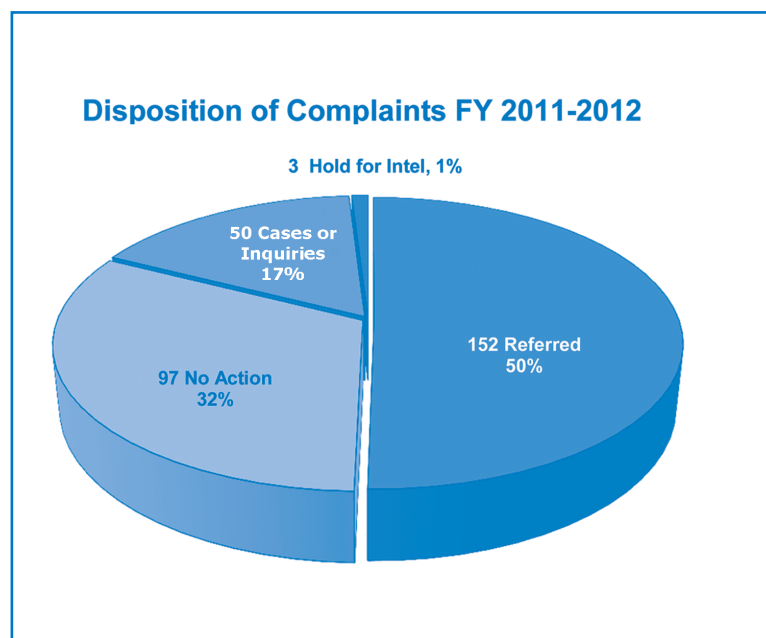
There are certain provisions under the Code of Miami-Dade County and Florida law that, under certain circumstances, will protect Miami-Dade or school district employees, independent vendors, or contractors under contract with the County from retaliation.

The Office received 302 fraud complaints during the 2011-12 fiscal year. Of these, 125 complaints were received on-line, 88 complaints were mailed or faxed in; and 89 complaints came in on the fraud hotline or were received in person. The majority of the complaints, 50%, were referred to appropriate County departments or other governmental agencies that could directly address the complaints. It was determined that 32% did not warrant further action for various reasons, such as a lack of sufficient detail provided or that the matter was not within the OIG's jurisdiction. However, 17% of



the complaints received did lead to the initiation of a case, audit, inquiry, or investigation. The remaining 1% are still under review or are pending additional information and/or resources.

The OIG cannot overly emphasize the importance of the public's support and involvement in the reporting of fraud and corruption involving the County. A substantial portion of the OIG caseload is a direct result of tips 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.



## INVESTIGATIVE HIGHLIGHTS



*The OIG Investigations Unit conducts investigations that may involve criminal and/or administrative allegations. When criminal allegations are sustained, the cases are forwarded to prosecutorial authorities for the filing of criminal charges. Administrative findings involving County employees, program abuse, or wasteful transactions are presented to the department director who is over the subject area. Investigative results are shared with the Board of County*

*Commissioners, the Mayor's Office, and the public through the issuance of OIG advisory memoranda. The following are just some of the cases that the OIG Investigations Unit worked on during the year.*

### Con-Artists Swindle Millions

A joint investigation by the OIG, the Miami-Dade Police Department, and the Miami-Dade State Attorney's Office resulted in the arrest of four individuals for Racketeering. Ayda Young, Yohany Garcia, Zoraida Abreu, and Johnny Bou-Nassar were arrested and charged with Racketeering, Grand Theft, Uttering Forged Instruments, and Identity Theft. The investigation revealed that the four individuals, operating through a Florida corporation called Miami-Dade County Short Sales, Inc. (MDC Short Sales), defrauded 15 victims of over \$2.4 million. The investigation revealed two distinct scams used by the group to defraud the victims.

In the first scam, prospective buyers picked properties from listings with delinquent Miami-Dade taxes, and wrote checks payable to Miami-Dade County or MDC Short Sales for the delinquent taxes. Writing the checks out to the County provided the victims a measure of comfort in the legitimacy of the transaction. The checks (ranging from \$6,000 to over \$30,000) were taken by Garcia, Young, Abreu or Bou-Nassar to check cashing stores where MDC Short Sales had established business relationships. Buyers were assured that they would get full title to the property from the Miami-Dade County courts, and some received fraudulently notarized documents as



proof of their purchase. The properties were never deeded to any of the victims and most victims lost all of their money. A few recovered a minimal amount from the defendants after repeated requests that their money be returned. In the second variation of the scam, the defendants used the company name,



MDC Short Sales, to lure buyers interested in short sale real estate purchases, although they had no legal authority to sell any of the properties. Similar to the tax deed scheme, phony documents were provided to the buyers. Victim losses from the short sale scam ranged from more than \$40,000 to over \$500,000. One of the four defendants has pled guilty. The other three are awaiting trial.

### Funds to Prevent Juvenile Crime Are Pilfered

Through a portion of property taxes, Miami-Dade County property owners fund the Children's Trust to provide services for children in the community. The Brownsville Community Development Corporation, Inc. (BCDC), a community-based service provider, received Children's Trust grant funds, as part of the Youth Violence Prevention Initiative. BCDC was to use the funds to develop and implement a comprehensive strategy to prevent juvenile crime among youths in the Brownsville-Liberty City neighborhoods. OIG investigators found that Larrie M. Lovett, II, the Chairman and Director of BCDC, used some of those funds to pay for: a trip to Chicago on behalf of the church he ministers, trips to Los Angeles and Tucson, a stay at the Marriott Imperial Palms during a personal vacation, rent payment for his home, personal car payments, personal car rentals, utility payments, and cash withdrawn at ATM's during holidays or personal trips. Lovett was arrested in October 2012 for illegally diverting over \$112,000 in grant funds. The criminal case is pending.



### Day Care Owner Cheats the System

A joint investigation between the OIG, the U.S. Department of Housing and Urban Development Office of the Inspector General, and the Miami-Dade State Attorney's Office resulted in the September 2011 arrest and the subsequent July 2012 guilty plea of Melanie Lyn Davis on charges of Grand Theft and Public Assistance Fraud.

The OIG investigation found that Davis was running a day care facility—for which she was receiving public subsidies—out of her rent-subsidized home. Between 2008 and 2009, Davis received over \$55,000 in human services grant funding for eligible low-income children to attend her day care and failed to



report this income in qualifying for Section 8 Program housing assistance. She received over \$28,000 in Section 8 housing assistance during these same two years. She also failed to report her husband's identity and his income to Section 8 Program administrators. Davis was adjudicated guilty and sentenced to probation for ten years on the grand theft charge, and a concurrent five years of probation on the public assistance fraud charge. The court also ordered Davis to pay restitution for the full amount stolen from the Section 8 Program—\$28,882. Additionally, Davis was ordered to pay court costs and costs of investigation to the OIG.

## Matrimonial Victims Bilked

Arthur Spicer, Jr. and Versey Miller, two employees of the Miami-Dade County Clerk of Courts, were arrested in August 2011, following an OIG investigation that revealed they altered and falsified official marriage license records,



circumvented State of Florida statutory waiting period requirements, and pocketed fees of couples they overcharged, as well as fees due to the Clerk's Office. As part of their duties in the Marriage License Bureau, Spicer and Miller processed marriage license applications, issued marriage licenses, performed marriage ceremonies, and maintained marriage license records. These two former employees pled

guilty in August 2012 to multiple counts of Official Misconduct and one count each of Organized Scheme to Defraud. Spicer and Miller were sentenced to five years of probation and 100 hours of community service. They are required to pay restitution to the couples they defrauded and to the Clerk's Office.

## PROCUREMENT & CONTRACT INVESTIGATIONS

- A long-time County contractor, who had been providing janitorial services to Miami-Dade County since 2004, had its contracts terminated upon the release of the OIG's report demonstrating wide-scale procurement fraud. TCB Systems, Inc. had been the sole vendor awarded the janitorial service contract for the Downtown Government Complex since January 2004. TCB was required to submit a new performance bond each time the contract



was renewed or extended. The OIG investigation concluded that TCB submitted a total of seven fraudulent surety bonds to the County, consisting of one fraudulent bid bond and six fraudulent performance bonds. This action placed the County at risk for years while TCB enjoyed a lucrative County contract earning over \$25 million. In August 2012, TCB and its principals were formally

debarred from contracting with the County for five years, the maximum amount allowed under the County Code. The criminal case is being handled by the Florida Department of Financial Services, Division of Insurance Fraud.

- In May 2012, felony grand theft charges were filed against a contractor for submitting false documentation in connection with a change order. The contractor, hired to renovate two park shelters at A.D. Barnes Park, submitted phony price quotes, invoices and releases of lien from non-existent subcontractors in connection with a change order payment request. Before any monies were paid, the contractor had already been terminated from the project because of poor performance. Luckily, the surety of the performance bond made the County whole and there was no monetary loss.

- In July 2012, forgery charges were filed against the former office manager of a County vendor contracted for landscaping and lawn maintenance. The former office manager admitted to altering an insurance document to make it appear that the company's insurance coverage was still in effect, when it had been cancelled for non-payment. The defendant surrendered to authorities and entered into a pre-trial diversion program.



- In August 2012, the OIG issued a report to the Miami-Dade County Community Action and Human Services Department concluding that one of its contractors submitted an altered invoice in an attempt to obtain payment that was higher than the actual costs. The contractor was providing home weatherization services to eligible low-income families pursuant to a County-administered program funded by the U.S. Department of Energy. The County never paid the invoice, and the contractor was terminated for non-performance. The OIG recommended debarment of the contractor.

- An OIG investigation of two management agreements at Miami International Airport determined that improper cost allocations had been made for the past several years between the Miami International Airport Hotel and the Top of the Port Restaurant. Both facilities were operated by the same management firm but under two separate contracts with the Airport. Housekeeping and cleaning services that were provided to the restaurant by hotel staff were booked as expenses to the hotel. Likewise, bookkeeping and accounting services provided to the restaurant by hotel employees were also booked as hotel expenses. One of the restaurant's managers was on the hotel's payroll—not the restaurant's payroll. These accounting misstatements may have had an effect on the variable management fee paid to the operator. These inaccurate allocations also masked the true operating cost of each facility. The OIG's findings and recommendations were reported to the Airport's Commercial Operations and Finance Departments. It will be the job of these departments to verify the accuracy of future reportings.

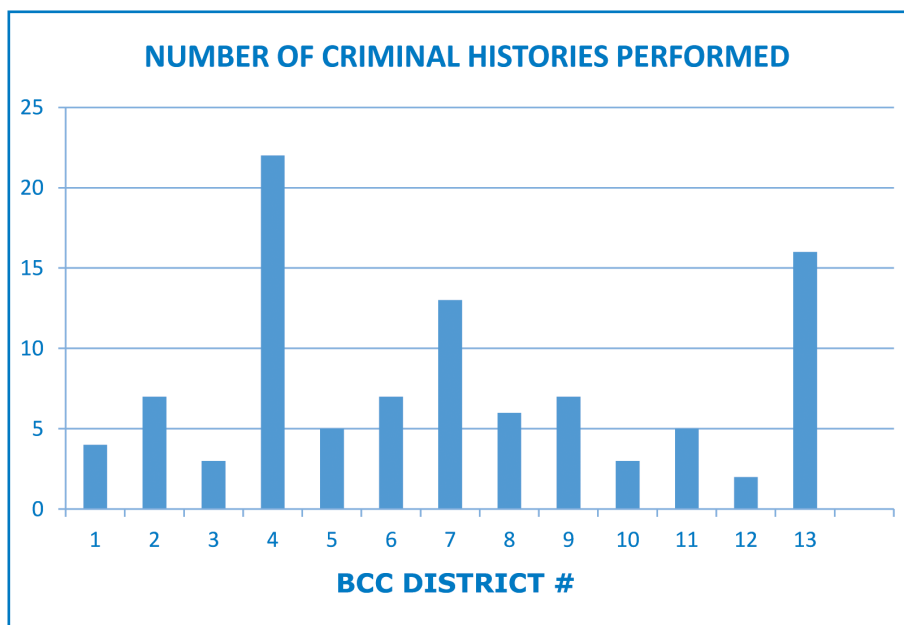


# CRIMINAL HISTORY CHECK PROGRAM

## Administered by OIG Analysts

Miami-Dade County Ordinance No. 09-95, as codified in Section 2-11.38.1 of the Code of Miami-Dade County, requires the Office of the Inspector General to conduct a criminal history background check of each candidate nominated to serve on an advisory board. During fiscal year 2011-2012, OIG investigative analysts conducted 100 Florida criminal history background checks. Requests to conduct the checks are forwarded to the OIG by the Clerk’s Office. OIG results are provided directly to the nominating Commissioner for his or her review. The charts below depict, by Commission District, the number of checks performed in fiscal year 2011-12.

COMMISSIONER DISTRICT	CHECKS PERFORMED
1	4
2	7
3	3
4	22
5	5
6	7
7	13
8	6
9	7
10	3
11	5
12	2
13	16





## Background Checks Were Performed For Nominees to the Following Advisory Boards:

Affordable Housing Advisory Board
Aircraft Noise Abatement Board
Art in Public Places Trust
Asian American Advisory Board
Biscayne Bay Shoreline Development Review Committee
Black Affairs Advisory Board
Board of Rules & Appeal
Building Better Communities Advisory Board (GOB)
Community Council II Subarea 116
Commission for Women
Commission on Disability Issues
Commission on Human Rights
Community Action Agency
Community Council 12, Subarea 122
Community Council 2
Community Council 5
Community Image Advisory Board
Community Relations Board
Construction Trades Qualifying Board Division A
Construction Trades Qualifying Board Division B
Cultural Affairs Council

Domestic Violence Oversight Board
Enterprise Zone Advisory Council
Film and Entertainment Advisory Board
Fire Prevention & Safety Appeals
Hispanic Affairs Advisory Board
Historic Preservation Board
Housing Finance Authority
Jay Malina International Trade Consortium (ITC)
Material Recycling Committee
Miami-Dade County Industrial Development Authority
Miami-Dade Economic Advisory Trust
Military Veterans Affairs Board
Neighborhood Relations Committee - Aviation
Nuisance Abatement Board
Parks and Recreation Citizens Advisory Committee
Performing Arts Center Trust, Inc.
Planning Advisory Board
Shoreline Review Committee
Small Business Advisory Board
Spay/Neuter Miami Foundation
Unsafe Structures Board

## AUDITS, INSPECTIONS, AND REVIEWS



*Each year, the OIG Audit Unit plans, executes, and issues a few substantial audits that are relevant to current Miami-Dade County issues and priorities. The OIG prides itself on being able to provide stakeholders with an in-depth and comprehensive analysis of the audited subject matter. The OIG provides only those recommendations that are supported by the audit data and that attack the cause that is creating the*

*deficiencies. But the OIG Audit Unit is more than just audits. It follows up on audit recommendations and executes targeted inspections of contract activity. OIG Auditors and Contract Oversight Specialists monitor a host of procurement processes and construction projects. The following are summaries of substantial audit reports issued in fiscal year 2011-12, and a significant audit result stemming from an earlier issued report.*

### County Landfill Closure Grants Examined

An audit was performed that focused on Miami-Dade County grants awarded to three cities to close landfills within their municipal boundaries. The audit chronicled the administration of the expenditure of grant monies (through June 2011) by the Department of Public Works and Waste Management (PWWM), the County's bond engineers, and the grant recipients (the cities of North Miami, Miami, and Homestead).

The audit found that the City of North Miami (Munisport Landfill) and the City of Homestead (Homestead Landfill) did not comply with grant requirements by maintaining books, records, invoices, and receipts in a manner that documents how the grant funds as disbursed were actually used to perform work authorized under the grant agreement. Another audit finding related to the lack of affidavits and releases of liens required on draw requests provided on the Munisport Landfill closure project. The Homestead Landfill closure project, in contrast, did have the required affidavits and releases.



A great concern to the OIG was the absence of a landfill closure deadline on the Munisport Landfill project. Due to changes in developers, the bankruptcy of one developer and court involvement of a receiver, the project was seriously stalled. Even though the City of North Miami had available grant funds to continue with the closure work, it had not. The OIG recommended de-coupling the grant funding from the commercial development of the site. Similarly, the OIG audit commented on the fact that the City of Miami's Virginia Key Landfill closure

project was also at a standstill. Approximately \$28 million has been sitting idle in a restricted pooled cash account since 2005—bearing minimal interest—while the County continues to pay the debt service on bond proceeds that are not being used.

The final audit report was issued in February 2012. Since then, significant activity has taken place to move both the Munisport and Virginia Key landfill closure projects forward. In May 2012, the City of North Miami finally chose a new development team for the site. More importantly, the City retained its own engineering consultant to proceed with groundwater remediation. The developer, as part of its agreement with the City of North Miami, is responsible for the actual landfill closure and must complete this activity within ten years.

In March 2013, the BCC passed a resolution approving the execution of an interlocal agreement between the County and the City of Miami for the remediation and closure of the Virginia Key Landfill site. The original grant agreement was terminated and replaced by this interlocal agreement. The County will conduct the remediation and closure, which will include the completion of the Site Assessment Report (SAR), preparation of a Remedial Action Plan, construction and implementation of the remedial system design, performance of landfill closure construction, and securing landfill closure certification. To date, the County has executed an agreement with a consultant to provide the SAR and remedial system design.

The project is estimated to cost approximately \$46 million. Approximately \$28 million of 2005 series bond funding will be used to fund the County's initial efforts. A new bond issuance will be needed for funds to complete the closure project. Upon completion of the remediation and closure, the City of Miami intends to use the site as a public purpose park.

### [Animal Services Audit Reveals Administrative Mess](#)

An OIG audit of the Animal Services Department (ASD) resulted in 10 findings and 20 recommendations that document ASD's administrative and enforcement activities as they relate to dog rabies vaccinations and license tags. The audit's primary observations addressed ASD's lack of awareness or willingness to resolve non-compliant practices by licensing stations (i.e., veterinarians, pet dealers, and hobby breeders). These licensing stations were not offering to dog owners in the County certain benefits available under County Code. Two benefits that should have been available to the public are: (1) that veterinarians have license tags available for sale at the time the dog receives its annual vaccination, and (2) that reduced price license tags are available for sale to low-income County dog owners. The audit noted that Chapter 5 of the County Code requires dog owners to



both vaccinate and tag their dogs annually. The audit documented that several licensing stations did not make dog tags available for sale, inconveniencing dog owners, who would then have to obtain dog tags from ASD directly. This disconnect also adversely impacted ASD's ability to keep its licensing database current, because the paperwork submitted by veterinarians for rabies vaccination was not always accompanied by the license renewal paperwork. As a result, dog license fees had to be collected separately from the owner, thus affecting the department's revenue collection.

The OIG audit illustrates that ASD used a labor intensive and time-consuming procedure to process information submitted by licensing stations. In FY 2011, staff processed about 2,200 Monthly Accounting Reports attached to which were 220,000 rabies vaccination certificates. ASD is consistently three to four months behind in its data entry of rabies vaccination information, which can result in inappropriate citations being issued to owners. The backlog in processing the monthly reports significantly impacts ASD's ability to timely complete the annual reconciliations. For example, ASD completed its FY 2010 annual reconciliations in July 2012. Untimely reconciliations impair ASD's ability to invoice licensing stations for the cost of tags consigned to them but not reported as sold or returned to the Department.

Moreover, veterinarians are not required to report euthanized dogs. Owners, on the other hand, may be under the impression that their veterinarians do report euthanized pets. This misunderstanding caused OIG auditors to witness distraught dog owners trying to rectify citations issued to them pertaining to their deceased dogs.

Finally, OIG auditors observed that ASD's pet dealer licensing station registration process is not well coordinated and resulted in some pet dealers not being registered as licensing stations. In addition, ASD has no procedure for identifying closed licensing stations and getting back its unissued tags.

In light of current efforts to establish a dedicated revenue source for ASD and for ASD to become a "no-kill" shelter, the OIG believes that the expeditious implementation of the audit's recommendations is vital to enhancing the public's trust of the County's administration over Animal Services.



## Audit of Basketball Arena Contract Management

In April 1997, County Commissioners approved various agreements for the development and management of a new arena, financed by the newly formed Heat Group partnership, Basketball Properties, Ltd. (BPL). The American Airlines Arena (Arena) is County-owned and subsidized, built on 17 acres of waterfront property that the County purchased from the City of Miami for \$37.6 million in early 1998. Construction of the Arena began in early 1998, and less than two years later the Arena officially opened its doors on December 31, 1999.



In May 2012, the OIG released its audit that focused on the County's administration of the Management Agreement (Agreement) with BPL and its accounting records and financial reporting for fiscal years ending June 30, 2005 through June 30, 2010. Under the Agreement, any excess cash flow derived from Arena operations are distributed to BPL, with one exception. A profit sharing provision provides a computation to perform, if Arena operations achieve a certain amount of excess cash, allowing BPL to retain the first \$14 million of "Arena Distributable Net Cash Flow" (Net Cash Flow). Any excess over \$14 million is to be distributed between BPL and the County, with 60% of the excess amount going to BPL and the remaining 40% to the County. As of fiscal year 2012, Arena operations have only generated \$6.2 million of Net Cash Flow, so there have been no distributions to the County to date.

*Lax oversight of Arena expenditures may have resulted in missed County profit sharing opportunities*

The OIG audit found a fundamental lack of communication between the designated "County Representative" and BPL personnel regarding their administration, management, legal issues, and operation of the Arena. Interviews of County and BPL staff revealed that the County had little idea as to why the Arena failed to generate sufficient reportable Net Cash Flow to result in profit sharing. These administrative deficiencies contributed to audit findings pertaining to the budgetary process, to the monitoring of Arena assets, to the accounting process, and to the actual financial results attained.

For example, Annual Operating Budgets were consistently submitted late and Annual Capital Budgets were not being received at all by the County. The OIG learned that BPL spent \$127,640 (fiscal year 2008) to \$2,549,810 (fiscal year 2007) more on capital expenditures than was shown in its—undistributed—Annual Capital Budget. Over the course of six fiscal years, BPL overspent its capital budget on four occasions, totaling \$3.3 million. Had the





County received and approved BPL capital budgets, as required, these excess expenditures should have been considered non-allowable and excluded from the Net Cash Flow.

Further administrative lapses included the County's failure in monitoring personal property and equipment inventory listings for the Arena (\$5.1 million of property and equipment). Similarly, the County had never hired an independent qualified engineer to inspect how the \$200 million Arena is being maintained. The County also lacked an understanding of Arena operations that affect revenues, such as Premium Inventory seating ticket sales contracts, Arena configuration and usage, non-Heat event usage, and third-party advertising. Auditors observed unaddressed problems in BPL's accounting practices and financial reporting, and found that BPL's recorded expense allocations have been inconsistent and unsupported by authoritative accounting records. Certain expenses were deemed questionable when calculating the Net Cash Flow, such as political and charitable contributions, association dues and sponsorships, certain lobbying expenses, and executive compensation.

To address these audit findings, the OIG recommended changes in administrative protocols and adjustments to certain amounts provided for in the computation of Net Cash Flow. The audit resulted in the implementation of administrative control protocols for 21 of the 23 OIG recommendations, promoting fiscal prudence and enforcing the County's rights, as outlined in the Agreements.



However, two other audit recommendations, relating to monetary adjustments, were not pursued by the County. Status reports and correspondence issued in the fall of 2012 attempted to resolve the OIG's disagreement with the County administration on these last points. At the end of the discussion, County administrators replied to the OIG that these expenditures—which included the aforementioned lobbying expenses and political contributions—were “customary in accordance with industry standards” and that they would not seek to recoup them. The OIG classified this audit as closed but unresolved due to the disagreement over these two recommendations.

## Jackson Health's International Program Finally In-Sourced

In October 2010, an OIG audit of the Management Services Agreement between the Public Health Trust/Jackson Health System (PHT/JHS) and Foundation Health Services, Inc. (FHS) recommended that "PHT/JHS reevaluate the entire arrangement between it and FHS for the operation and management of the Jackson Memorial Hospital International Program and for the provision of hospitality and concierge services. This review should reevaluate the PHT/JHS' need and desire to outsource both or either of these operations, and the efficiencies to be achieved by the PHT/JHS to manage its own programs directly. Non-monetary considerations, such as accountability and transparency, should also be taken into account in this, or in any consideration regarding the expenditure of public funds."



After terminating its agreement with FHS, the PHT/JHS created its own not-for-profit entity, Jackson Memorial International, Inc., to market the hospital and medical services to international patients. After operating for approximately one year, PHT/JHS officials sought to wind down the activities of its not-for-profit entity and finally transfer the operations in-house. During that one year operation, the not-for-profit never fully got off the ground. It had a Board of Directors but its employees were temporarily placed on the PHT/JHS payroll until they were to be transitioned to the new not-for-profit—which never happened. After one year, the PHT/JHS reported that the de facto in-sourcing of the program provided unexpected results with a 40% reduction in expenditures and a 52% increase in revenues!

In the end, the PHT/JHS finally dissolved its not-for-profit and made the International Program a department of PHT/JHS. It was widely recognized that this would not only save money, but provide the increased accountability and heightened transparency originally advocated by the OIG.

## OIG PROCUREMENT & CONTRACT MONITORING ACTIVITIES



The OIG monitors many County activities including procurement actions, contracts, construction projects, and program/grant management activities. The OIG has two Contract Oversight Specialists who closely follow procurements and contract proposals, and provide comments and independent observations relative to the propriety and soundness of proposed actions. Other OIG oversight activities

include reviewing and commenting on draft procurement solicitations and contracts; attending pre-award meetings and negotiation sessions; conducting reviews of County and contractor performance; attending contract/project status meetings; and evaluating contract/project closeout activities and final payments. Supplementing the efforts of the two Contract Oversight Specialists are OIG auditors and investigators.

The following are just some of the monitoring activities covered during the past year:

- The Marlin's Baseball Stadium construction project involved a full-time on-site presence for the past three years, monitoring construction activities and related matters such as the disbursement of responsible wages.
- The procurement of new rail vehicles for Miami-Dade Transit.
- Final construction, commissioning, and close-out activities at the Water and Sewer Department's new high-level disinfection project located at the South Dade Wastewater Treatment Facility.
- Water damage inspections and repairs at the Adrienne Arsht Center for the Performing Arts of Miami-Dade County.
- The Public Health Trust's implementation and eventual amendment of its multi-year contract with its group purchasing organization. Two years ago, the OIG criticized aspects of the multi-million dollar agreement. While some of the OIG's suggestions were included, the OIG still had serious concerns about the financial structure of the agreement. OIG monitoring activities proved our concerns to be correct, and in September 2012 the



agreement was significantly amended to protect the financial interests of the Public Health Trust.

- Public Health Trust procurements to out-source healthcare services provided to correctional inmates and to out-source Jackson Health Systems' general business office services.
- Miami International Airport (MIA) procurements for luggage wrapping services, and management services to operate the airport hotel and various VIP lounges in the airport terminals.
- Final construction activities for MIA's North Terminal, including the installation and performance of a state-of-the-art baggage handling system and build-outs in the terminals for specialty retail and food and beverage concessions.
- Solicitation and resulting negotiations for three parcels of Aviation Department land to be developed for major commercial use, including a new hotel, shops and a business/hospitality center. This public-private initiative, on 33 acres of County-owned land, is named "Airport City at MIA." The OIG has been actively monitoring all aspects of this procurement since 2009.

New monitoring endeavors for the OIG in the upcoming year include:

- Miami-Dade Transit's construction of a new test track at the Lehman Yard, which will also be used for acceptance testing of new heavy rail cars and to facilitate future repair and maintenance operations.
- The Water and Sewer Department's massive \$4 billion infrastructure overhaul involving wastewater system priority projects and pump station improvements.
- The Aviation Department's formation of a new corporation to provide airport consulting services to foreign and domestic airports.
- Negotiations between the Miami-Dade Seaport Department and the Port of Miami Terminal Operating Company (POMTOC) to extend its current lease agreement for terminal operations

# 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 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)-(o) 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)



## MISSION STATEMENT

The mission of the Miami-Dade County Office of the Inspector General is to detect, investigate, and, where possible, prevent fraud, waste, mismanagement and the abuse of power in County projects, programs or contracts. Our ultimate goal is to prevent misconduct and abuse and seek appropriate remedies to recover public monies. Above all, the OIG's principal objective is to promote ethics, honesty and efficiency in government, and to restore and promote the public's trust in government. In the final analysis, we must ensure taxpayers get a fair and honest accounting of their money.





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Office of the Inspector General

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