



For Immediate Release



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Today, the Miami-Dade County Office of the Inspector General (OIG) released its 2013 Annual Report. The report highlights the accomplishments of the Auditors, Contract Oversight Specialists, Special Agents and Analysts during 2013. The OIG continues to be on the forefront of fighting waste, fraud, and abuse, responding to complaints and working proactively in collaboration with the OIG's regulatory and law enforcement partners, and governmental stakeholders.

In 2013, in addition to its investigative and audit achievements, the OIG was recognized by the State of Florida's Commission for Law Enforcement Accreditation (CFA) as being 100% in compliance with the 40 mandatory Inspector General standards. As a result, the OIG was re-accredited by the CFA.

The work highlighted in the report represents the final work product of the County's first Inspector General, Christopher R. Mazzella, who retired in April 2013. The OIG welcomed its second Inspector General, Mary T. Cagle, in February 2014.

Ms. Cagle began her term with a commitment to ensuring the independence of the Office as intended by the Board of County Commissioners when they passed the enabling legislation. She and her staff are committed to conducting investigations and audits in a thorough and fair manner, and presenting its findings and recommendations based on facts and evidence.

The goal of the Office is to ensure an honest, efficient, and transparent County government for the citizens of Miami-Dade County.

The report can be viewed in its entirety on the OIG's website at [www.miamidadeig.org](http://www.miamidadeig.org).



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

**TRUST**

restoring trust in county government

**Annual Report 2013**



A MESSAGE  
FROM THE NEW  
INSPECTOR GENERAL  
Mary T. Cagle

In 1998, the Board of County Commissioners envisioned and implemented the Office of Inspector General (OIG) to be a “watchdog” over County practices, with the goal of attacking waste, fraud and corruption. It took willingness, and a desire to live in a community where the public has trust in their government, to pass the ordinance that created the OIG. Additionally, the Board of County Commissioners designed the ordinance to ensure that the OIG would be sufficiently funded and independent, so the goal of creating a “watchdog” could be achieved. Chris Mazzella was that first “watchdog” and I’d like to dedicate this Annual Report to him. The following pages represent his final year as Inspector General and the cases made and audits produced by Chris Mazzella and the staff during 2013.

In February of 2014, after being appointed by the Ad Hoc Selection Panel and approved by the Board of County Commissioners, I had the pleasure of assuming the role of Inspector General—only the second Inspector General in the history of the County. Thanks to Chris Mazzella, I take the helm of an agency that is accredited by the Commission for Florida Law Enforcement Accreditation and designated as a criminal justice agency by the FBI. The Office is known and recognized throughout the State and Country as the model for others trying to design an Office of the Inspector General for their jurisdictions. Chris Mazzella was asked to speak often regarding the creation of Miami Dade’s OIG and the impact of the Office. As recently as March, Chris Mazzella provided testimony in Cuyahoga County, Ohio addressing its Council members regarding the role of the IG, as they are considering inclusion of the IG in their County Charter.

It is my honor and privilege to serve Miami-Dade County as the Inspector General, and I am committed to using my experience and expertise to lead the OIG staff; working with the Commission, Mayor, staff and the public to carry out the mission of the Office. I would also like to take this opportunity to thank the Selection Panel and the Board of County Commissioners for my appointment as Miami-Dade County’s second Inspector General.

My door is open and there is much work to do. We have two distinct yet overlapping functions: audit/contract oversight and investigation. The expertise of the staff is impressive. We will investigate and audit with a sense of purpose, consistent with our statutory mission. We will be thorough and fair, and our findings and recommendations will be based on facts and evidence.

At the end of the day, we all want to live and work in this wonderful community, trusting that our government is honest and efficient and working for the greater good. Thank you for the opportunity to serve.

Sincerely,

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# Watchdog of Miami-Dade County

**6,000,000,000** Miami-Dade County approved budget for FY 2012-13

**2,600,000** # of Miami-Dade County citizens

**25,903** County employee positions in the FY 2012-13 budget

**16,500** Registered County vendors

**960** Active County contracts for goods and services

**25** County Departments

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**1** County Watchdog

# Our Commitment to Integrity

Our commitment to integrity continues to be the distinguishing hallmark of our organization.

**We are committed** to serving the citizens of Miami-Dade County.

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

**We are committed** to restoring trust in our County government.

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

**We are committed** to ensuring honesty in County government.

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

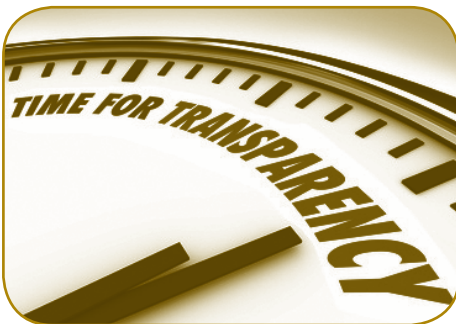
**We are committed** to maintaining a staff of diverse, highly skilled professionals.

**We are committed** to following professional standards set for the inspectors general community to ensure that our work adheres to the highest level of scrutiny.



## WHEN AND WHY WE BEGAN

On December 16, 1997, the Board of County Commissioners (BCC) passed an ordinance establishing the Office of Inspector General for Metropolitan Dade County. The discussion that took place that afternoon centered around the need to provide a strong deterrent against fraudulent activity, particularly in County contracts. Incidents involving corruption and abuse at the Seaport and contracting misdeeds at the Water and Sewer Department were provided as anecdotal evidence for the need to create such an office. The OIG was expressly created to have broad and all inclusive powers in order to prevent and detect fraud, wrongdoing and misdeeds in County contracts, projects and transactions—past, present and future. At the time, the County had the ability to appoint an IPSIG (Independent Private Sector Inspector General) to a contract on a case-by-case basis. The OIG's jurisdiction, however, was expressly made to cover all contracts, so that the OIG could inspect any of them on a random basis. At the end of the discussion, one of the co-sponsors of the ordinance noted that the creation of an OIG was common sense and long overdue. The ordinance passed unanimously.



The first OIG ordinance was codified in Section 2-1076 of the Code of Miami-Dade County. Several amendments have since been passed that expanded the OIG's authority to include oversight of County contracting selection and negotiation processes, and specified a procedure for how the OIG issues its findings and recommendations. In 2005, the OIG's enabling statute was overhauled to bolster its independence. The 2005 amendment provided a new procedure for the selection of future IGs, provided the IG with a four-year contract, and gave the IG the authority to establish its own personnel procedures for the efficient administration of the Office. The 2005 amendment also clarified the OIG's investigative authority over County affairs and its ability to conduct criminal investigations. The County's first Inspector General, Christopher Mazzella, was first appointed in September 1998, reappointed as the County's IG in 2005, then reappointed for another four-year term in December 2009. He retired in 2013. The County welcomed its second Inspector General, Mary T. Cagle, who officially began her term in February 2014.

## HISTORY AND FUNCTION OF INSPECTORS GENERAL OFFICES

The first known Inspector General reported to King Louis XIV of France on the condition of His Majesty's troops and army. A century later, the Army's first Inspector General reported to George Washington on the proper expenditure for wartime munitions and supplies of the Republic's scarce dollars. Our founding fathers dealt with defective and poorly made equipment, mismanagement, and graft—problems that continue to this day to require Inspector General oversight in order to deal with waste, fraud, and abuse.



In the early 1970's, Americans were ready for governmental reforms. The Kent State shootings, Three Mile Island, the Love Canal, the Jonestown poisonings, a recession from 1973 oil shortages, billion dollar Medicare fraud losses, the end of the unpopular Vietnam War, the Watergate scandal and President Nixon's resignation—all led towards the approval of the Inspector General Act of 1978. President Jimmy Carter's creation of the first 12 Inspectors General positions has blossomed to more than 72 Federal Inspectors General today, followed by the creation of numerous state and local agency Inspectors General.

As the seventh most populous county in the United States, Miami-Dade County was one of the groundbreakers in instituting an independent watchdog for its citizens. The Miami-Dade County OIG is often viewed by other jurisdictions around the country as the leading model upon which to structure their organizations, and often lends its support to other agencies.

## IG ROLE IN MIAMI-DADE COUNTY PUBLIC SCHOOLS

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 gives the OIG the authority to investigate any aspect of the school system. Independent oversight is essential to a school district that manages \$4.26 billion in public funds, 353,152 students from over 100 countries in its 460 schools, and 44,132 employees—which includes 20,970 teachers. The fifth annual report of the Miami-Dade County Public Schools IG was published for fiscal year 2012-2013. Recent OIG activities include a case that led a former 23-year employee to plead guilty on 88 felony charges of forgery and embezzlement of over \$160,000 in school funds; a case where two teachers allowed students to cheat in order to pass certification exams; and the settlement of criminal charges filed against an instructional supervisor who manipulated the system to obtain financial





scholarship awards for her two children. These reports and the OIG's M-DCPS Annual Report can be viewed at [www.miamidadeig.org/MDCPS2.html](http://www.miamidadeig.org/MDCPS2.html).

## HOW WE SERVE THE MIAMI-DADE COMMUNITY

The OIG serves the Miami-Dade community of over 2.6 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 reports and recommends to County government whether particular programs, contracts, or transactions are financially reasonable, sound, necessary, or operationally deficient. The OIG specifically has the authority to conduct investigations of County affairs and to review past, present and proposed County programs, accounts, records, contracts, and transactions. The OIG may conduct audits and inspections on any matter within its jurisdiction, and it may also provide general oversight of departmental programs and large-scale construction projects. Examples of past construction oversight initiatives include the Marlin's Baseball Stadium, the Adrienne Arsht Center for the Performing Arts, and new terminals at Miami International Airport. In addition, the OIG offers guidance and assistance to other agencies.

Today, the OIG has watchdog authority over Miami-Dade County and its annual budget of approximately \$6 billion.



Our jurisdictional authority is spread over 25 County departments: Animal Services, Aviation, Community Action and Human Services, Cultural Affairs, Elections, Human Resources, Juvenile Services, Internal Services (Procurement), Medical Examiner, Public Housing & Community Development, Public Works & Waste Management, Regulatory & Economic Resources, Transit, the Seaport, the Tax Collector, Water & Sewer, and Parks, Recreation and Open Spaces. The OIG also has oversight of other government agencies under the County umbrella, such as the Public Health

Trust, the Citizens' Independent Transportation Trust, and the Children's Trust.

# MEET THE OIG EXECUTIVE TEAM

## Mary T. Cagle

Mary Cagle's appointment to the position of Inspector General was confirmed by a unanimous vote of the Miami-Dade Board of County Commissioners on December 17, 2013. She began her four-year term on February 3, 2014. She serves as the Inspector General for Miami-Dade County and the Miami-Dade County School District.



Ms. Cagle's career includes many years of leadership and distinguished service at the Office of the State Attorney for the Eleventh Judicial Circuit. Her twenty-two year career focused on the litigation and management of major investigations and prosecutions related to Public Corruption and Organized Crime. While serving as the Chief Assistant to the State Attorney she supervised Special Prosecutions, including litigation involving corruption, narcotics, gangs, economic crime, organized crime, racketeering, and money laundering. Ms. Cagle also supervised a large staff of felony attorneys; engaged in high profile communications with law enforcement, the judiciary, and the community; and supervised all cases involving electronic surveillance.

In 2004, Ms. Cagle was recruited to be the Chief Executive Officer for CHARLEE Homes for Children. Ms. Cagle transitioned CHARLEE to a full case management foster care agency, as the State was privatizing the foster care system in Florida. CHARLEE, a non-profit organization, had a budget of \$17 million dollars and a staff of 175 dedicated professionals serving 1,000 abused, neglected and abandoned children.

From September 2007 to December 2013, Ms. Cagle was the Statewide Director of Children's Legal Services for the Department of Children and Families. She was tapped by Bob Butterworth, Secretary of the Department, to raise the quality of legal services. She provided leadership and oversight to a staff of 450 individuals, including 250 attorneys, and managed a \$40 million dollar budget. Her responsibilities included providing legal advice to investigators and managing all of the litigation in Florida's dependency system.

Ms. Cagle received her Juris Doctor degree from Thomas M. Cooley Law School in Lansing, Michigan and attained her Bachelor of Arts Degree in History from Calvin College in Grand Rapids, Michigan. Ms. Cagle is a member of the Michigan and Florida Bar Associations.

## Patra Liu

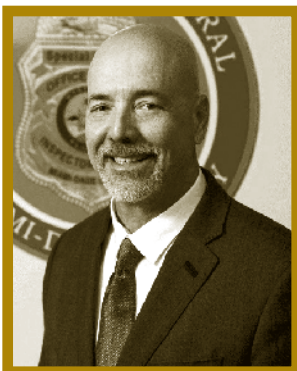


Patra Liu is the Assistant Inspector General for Audits and Contract Oversight. She manages an Audit staff of ten and supervises two essential administrative support positions: special projects/IT and bookkeeping. Ms. Liu also serves as the OIG's Legal Counsel. As an integral part of the OIG since 2000, almost from its inception, Ms. Liu brings her extensive knowledge of County government and superb writing and analytical skills to the Office.

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 other 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 actions 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 is also a Board member of the Florida Chapter of the AIG.

## Felix Jimenez



Felix Jimenez is the Assistant Inspector General for Investigations. He has been with the OIG since February 2009. He supervises a staff of 17, including investigators and analysts.

Mr. Jimenez is a 28-year veteran of the Miami-Dade Police Department, where he served ten years supervising homicide investigations and was later tasked with developing the department's Public Corruption Investigations Unit. He has taught at law enforcement agencies throughout the United States, including the South Florida Metropolitan Police Institute and at the FBI Academy, in the areas of Public Corruption Investigation and Violent Crime Investigation.

As a supervisor in the Homicide Bureau, Mr. Jimenez participated in over 500 death investigations and was directly involved in numerous high profile investigations, such as the Tamiami Strangler, the Jimmy Ryce case, ValuJet 592, and the Griga/Furton murders. In the infamous Griga/Furton case, two Hungarian nationals were kidnapped, murdered, and their bodies dismembered, placed in barrels, and disposed of in the Everglades. The 2013 movie *Pain and Gain* was based on the Griga/Furton case.

While in the Public Corruption Unit, Mr. Jimenez supervised investigations involving government employees, contractors, and elected officials. He was later selected to supervise a task force consisting of FBI, state and local law enforcement agents. Mr. Jimenez was instrumental in several criminal investigations revolving around a \$5 billion capital improvement project at Miami International Airport. These multiple cases resulted in the arrest and conviction of the Aviation Department's assistant director, its telecommunications manager, several corporate officers, and an elected official. Mr. Jimenez also supervised a multi-agency investigation into a drug trafficking organization operating out of the Turner Guilford Knight Correctional Facility that resulted in the arrests and convictions of 43 individuals, including 14 corrections officers.

Mr. Jimenez received his Bachelor of Public Administration degree from Barry University in Miami Shores, Florida. He received his certification as a Certified Inspector General Investigator in 2011.

## THE LEGAL TEAM

Patra Liu, Assistant Inspector General for Audit and Contract Oversight, also serves as Legal Counsel and provides critical legal advice and counsel to the Inspector General. The legal team also consists of three experienced attorneys, Carol Jordan, Marie Perikles, and Laudelina Fernandez McDonald, who serve as Assistant Legal Counsels and report directly to the Inspector General. The attorneys provide legal advice and support to both auditors and investigators.



OIG Attorneys work closely with the Investigations Unit to assess the strengths and weaknesses of any investigation with potential civil, administrative, or criminal implications. They further assist by partnering with law enforcement and the State Attorney's Office, and coordinating efforts with outside agencies' counsel. The legal team supports the Audit Unit by reviewing contracts and assessing contractual rights and liabilities.

The legal team reviews proposed ordinances and resolutions, providing the IG with independent legal assessments of the potential impact of legislation. They review all subpoenas to be issued by the IG, and are charged with the compliance of the OIG's "advance notice" responsibilities in the areas of subpoena issuance and final report distribution.

The legal team ensures compliance with public records laws and coordinates OIG responses to public records requests and other document requests. They also review and approve all OIG internal policies and procedures. The attorneys provide guidance and review on ethics matters, including initiating ethics referrals where appropriate. They represent the OIG in litigation arising out of or affecting OIG operations. Finally, the legal team assists in drafting all public reports, and ensures their legal sufficiency and work product integrity.

## PROFESSIONAL DEVELOPMENT OF STAFF

The most highly skilled and experienced professionals in their fields are selected for the OIG team. To maintain a staff of 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 in the following courses: Construction Management for Certification, Statement Analysis and Interviewing Techniques, BISK CPE Government Accounting and Non-profit Accounting, Criminal Justice Information Systems, Florida Law Enforcement Analyst Academy, Miami-Dade Procurement Bid System Tracking, State Requirements for Educational Facilities, the Sovereign Citizens Movement, Recognize & Protect Your Intellectual Property, Investigations with Social Media, and Expert Witness Background Checks.



The OIG is fully committed to recruiting a diverse team of qualified employees that reflect the makeup of Miami-Dade County. Its talented team consists of highly skilled professionals from various disciplines and backgrounds that include attorneys, certified fraud examiners, investigators, certified public accountants, former law enforcement officials, investigative analysts, engineers, and forensic accountants. Additionally, some

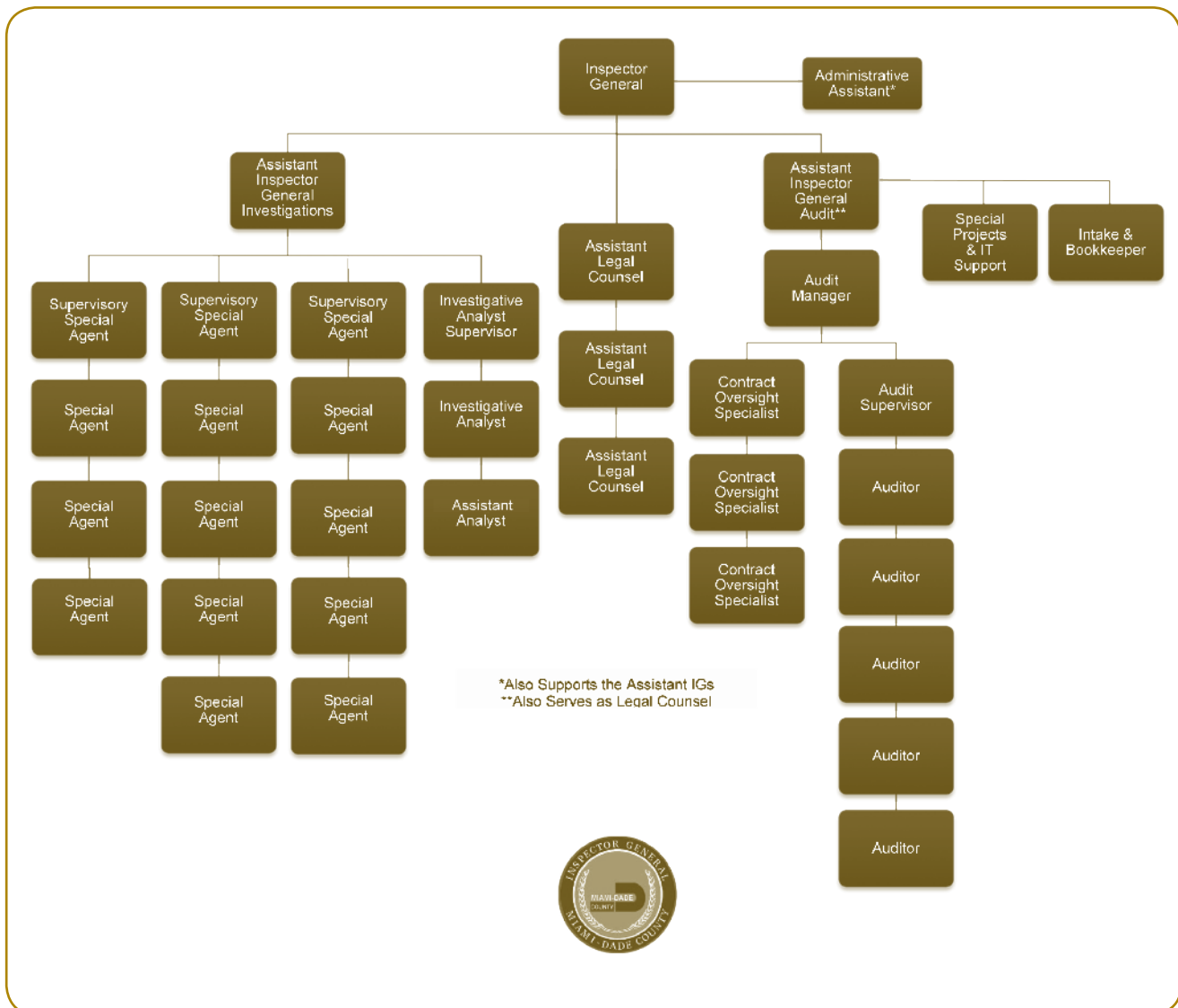
of its staff members have specialties in the fields of construction, information technology, investigative databases, and government procurement.



## OIG OPERATIONAL STRUCTURE

The Inspector General heads the Office and is assisted by two Assistant Inspectors General that support the two primary functions of the Office. One serves as Assistant Inspector General for Audit and Contract Oversight and the other serves as Assistant Inspector General for Investigations. Both units work together to advance the mission of the Office.

Below is the OIG Organizational Chart, including the number of positions when fully staffed.



## MIAMI-DADE OIG REACCREDITATION

In the State of Florida, the Commission for Florida Law Enforcement Accreditation (CFA) was formed in 1993 and is the designated accrediting body for law enforcement agencies and Offices of Inspectors General. The CFA Board is comprised of four sheriffs, four police chiefs, and one representative from: the Association of Counties, the League of Cities, the State Law Enforcement Chiefs' Association, and the Judiciary. In 2009, an Inspector General was added.



The Miami-Dade County Office of the Inspector General was one of the first local government OIGs to be accredited by the CFA. The Miami-Dade County Office of the Inspector General was initially accredited by the CFA in July 2010. After a thorough re-evaluation of the Office's policies and procedures, management, personnel and training practices, investigations and work product, the Miami-Dade County Office of the Inspector General was awarded their first reaccreditation by the CFA in June 2013. The Miami-Dade County Office of the Inspector General was found to be in 100% compliance with the 40 mandatory standards specific to the Inspectors General community. The Office's accreditation status is good for three years and is valid through June 2016.

The Miami-Dade County Office of the Inspector General has assisted the Miami-Dade Schools Police Department and the Broward County Office of the Inspector General prepare as they go through the process of becoming accredited.

Florida is the first and currently the only state that has an Inspectors General accreditation program. Unlike law enforcement agencies, there is no national Inspectors General accreditation program. Being part of a groundbreaking program that is sure to be modeled by other states is something we take great pride in.

Being an accredited agency means that the work product of the Miami-Dade County Office of the Inspector General meets or exceeds the highest professional standards promulgated for Offices of the Inspector General. The benefits of accreditation include improved agency transparency, enhanced consistency and quality of investigations, organizational self-assessment, the identification of administrative and operational redundancies, clarification and defined rules and procedures, reinforcement of the office's ability to maintain the highest standards of professional service, improved accountability, and statewide recognition that the Office has achieved and maintains its accreditation status.

## OIG FINANCIAL BUDGET

The OIG strives to be productive and cost efficient. We have been ever mindful of the weakened economy and the added strains placed on taxpayers who pay for government services. We have been careful to do our part to spend frugally and not waste precious resources.

The OIG's budget is funded by three distinct sources that include the OIG's proprietary fees assessed on County contracts, direct payments collected through Memorandums of Understanding entered with various County departments, and General Funds allocated through the County's budget process. The availability of carryover (higher than expected returns on IG proprietary fees and unspent accumulated savings) also offsets the OIG's need for General Fund dollars.

The chart below shows the OIG's financial summary and comes directly from the County's FY 2013-14 Adopted Budget:

<b>FINANCIAL SUMMARY</b>				
(dollars in thousands)	Actual FY 10-11	Actual FY 11-12	Budget FY 12-13	Adopted FY 13-14
<b>Revenue Summary</b>				
General Fund Countywide	371	550	1,657	2,167
Interest Earnings	14	4	0	0
Miscellaneous Revenues	25	7	0	0
Carryover	882	477	106	0
Departmental Oversight (MOUs)	1,003	988	875	850
Fees and Charges	3,246	3,224	2,565	2,350
<b>Total Revenues</b>	<b>5,541</b>	<b>5,250</b>	<b>5,203</b>	<b>5,367</b>
<b>Operating Expenditures Summary</b>				
Salary	3,734	3,731	3,970	3,912
Fringe Benefits	865	823	671	907
Court Costs	1	0	2	2
Contractual Services	26	17	6	6
Other Operating	395	409	493	484
Charges for County Services	22	21	38	38
Capital	21	1	23	18
<b>Total Operating Expenditures</b>	<b>5,064</b>	<b>5,002</b>	<b>5,203</b>	<b>5,367</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>



## REPORTING FRAUD TO THE OIG

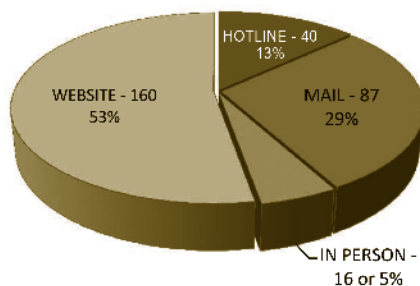
In accordance with our mission to promote ethics, honesty, and efficiency in government and to restore and promote the public's trust in government, the OIG continues to provide the public with access to register their concerns via the OIG Fraud Complaint Program.

Leads from citizens, vendors, contractors, subcontractors, and employee sources have generated many of the criminal cases, audits, and reviews featured in our annual reports. Employee reprimands, probations, terminations, and recommendations for additional training have been a direct result of complaints made to the OIG, as have the creation and strengthening of policies and procedures, and the enforcement of existing statutes and regulations.

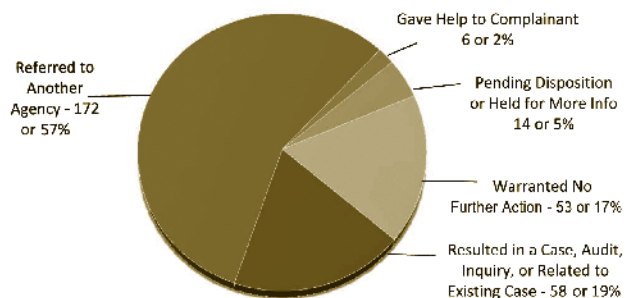
There are a variety of convenient means available to register a complaint: call the dedicated Hotline at (305) 579-2593, or fax it to (305) 579-2656; mail complaints to 19 West Flagler Street, Suite 220, Miami, Florida 33130; or register a complaint confidentially online at [www.miamidadeig.org](http://www.miamidadeig.org). You may remain anonymous if you wish, but 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 complaint 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, vendors, or contractors under contract with the County or school district.

The Office received 303 fraud complaints during the 2012-13 fiscal year: 160 complaints were received on-line; 87 were mailed or faxed in; 16 were received in person; and 40 were received on our fraud hotline. The majority of the complaints (57%) were referred to appropriate County departments or other governmental agencies that could directly address the complaints. Immediate help to answer concerns was provided to 2% of complainants. It was determined that 17% 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, 19% of the complaints received did lead to the initiation of a case, audit, inquiry, or investigation. The remaining 5% are still under review or are pending additional information and resources.

**Number of Complaints Received FY 2012-2013**



**Disposition of Complaints FY 2012-13**



# THE OIG INVESTIGATIONS UNIT

## Investigations, Prosecutions, and Background Checks for Advisory Boards of the Last Fiscal Year

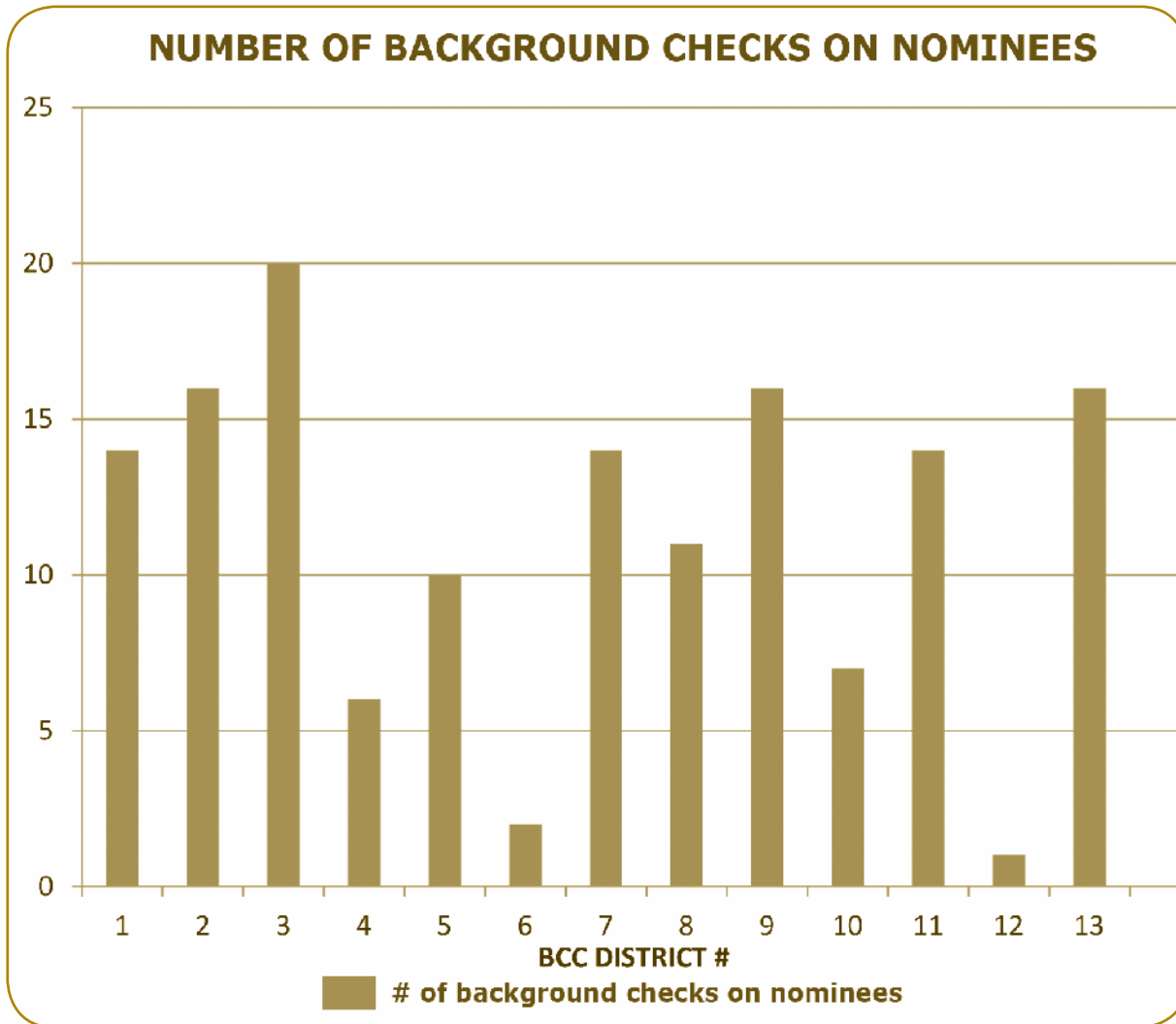


The Assistant IG for Investigations supervises all ongoing inquiries and investigations. He oversees a staff of seventeen that includes three Supervisory Special Agents and eleven Special Agents. These Special Agents have various investigative backgrounds and disciplines, possessing experience that has been gained mostly by working in the public sector for County, State, and Federal agencies. Certifications held by staff include nine Certified Inspector General Investigators, a Certified Fraud Examiner, a Certified Legacy Interaction Specialist, and two Certified Law Enforcement Analysts. Their professional backgrounds range from traditional law enforcement to governmental regulation.



An Investigative Analyst Supervisor, an Investigative Analyst, and an Assistant Analyst also report to the Assistant IG. They provide critical support with their specific expertise in the usage and compliance required of specialized investigative databases that are instrumental in furthering the objectives and function of the Unit. Analysts collect data, evaluate information, organize, analyze and disseminate findings for investigations. They are skilled in the

production of court exhibits and criminal intelligence charts. As part of their responsibilities, they conduct criminal history checks on individuals nominated to an Advisory Board by a County Commissioner. The chart on the following page depicts the Commission Districts and the number of checks performed for each district in fiscal year 2012-2013.



The governance of Miami-Dade County has established over 50 active Advisory Boards that provide citizen input in topics ranging from the environment, public health and safety issues, economic development, and culture, to other social issues. Advisory Boards are groups created by the Mayor or the Board of County Commissioners (BCC) to advise or inform in the decision-making process through fact-finding discussions, information gathering, and reporting. In 2009, the BCC tasked the OIG to assist in the appointment process by conducting Florida Criminal History Background Checks on Advisory Board nominees. This fiscal year, analysts conducted 147 Florida Criminal History background checks. Requests to conduct the checks are forwarded to us by the Clerk's Office. Results are provided directly to the nominating Commissioner for review.

## Background checks were performed for nominees to the following boards:

Adrienne Arsht Center for the Performing Arts of Miami-Dade County Trust Board	Domestic Violence Oversight Board
Affordable Housing Advisory Board	Enterprise Zone Advisory Council
Aircraft Noise Abatement Board	Film and Entertainment Advisory Board
Annexation & Incorporation Review Task Force	Fire Prevention & Safety Appeals
Art in Public Places Trust	Historic Preservation Board
Asian American Advisory Board	Homeowners Insurance Task Force
Biscayne Bay Shoreline Development Review Committee	Housing Finance Authority
Black Affairs Advisory Board	Human Rights
Board of Rules & Appeal	International Trade Consortium Board
Building Better Communities Citizen's Committees	Industrial Development Authority
CBO Advisory Board	Living Wage Advisory Board
Citizens for Independent Transportation Trust	Miami-Dade County Industrial Development Authority
Community Council 11 Sub Area 116	Miami-Dade County Cultural Affairs Council
Commission for Women	Military Veterans Affairs Board
Commission on Disability Issues	Northeast Dade Area Municipal Advisory Committee
Commission on Human Rights	North Central Dade Municipal Advisory Committee
Community Action Agency	Nuisance Abatement Board
Community Council 2	Parks and Recreation Citizens Advisory Committee
Community Council 5	Planning Advisory Board
Community Council 7	Shoreline Development Review Committee
Community Council 10	Small Business Advisory Board
Community Council 12	Spay/Neuter Miami Foundation, Inc.
Community Image Advisory Board	Unincorporated Dade County Task Force
Community Relations Board	Unsafe Structures Board
Construction Trades Qualifying Board	Vizcaya Museum and Gardens Trust
Cultural Affairs Council	West Kendall Municipal Advisory Committee



An OIG investigation is initiated upon receipt of credible information alleging fraud, waste, financial mismanagement, or corruption that falls within the OIG's jurisdiction. OIG investigations resulted in six arrests during fiscal year 2012-13. These arrests included charges of Racketeering, Organized Scheme to Defraud, Grand Theft 1st and 2nd Degree, and Felony Prohibited Solicitation

of Funds. The fraudulent misconduct uncovered during this fiscal year included overbilling and fraudulent invoicing schemes, theft from the sale of donated charitable items, and the diversion and theft of grant funds. The OIG seeks reimbursement for investigative costs in plea agreements and sentencing in all criminally prosecuted cases.

The following are highlights of some of our prominent cases this past fiscal year.

## MIA HOTEL OVERBILLING SCHEME

An OIG investigation into fraudulent billing schemes by Miami International Airport Hotel (MIA Hotel) vendors resulted in the arrests of three individuals. The 263 room MIA Hotel, a County asset, is operated by H.I. Development Corporation under a



management agreement with the County. Nestor Aznar, former Chief Engineer and Maintenance Supervisor of the MIA Hotel, was arrested and charged with Organized Scheme to Defraud for fraudulent billings to the MIA Hotel. Aznar plead guilty in February 2013 and agreed to cooperate with the joint OIG and State Attorney's Office investigation.

In July 2013, Ivy Evans-Maquilon, the former Executive Assistant of hotel management, and her husband, Jorge Maquilon, a hotel vendor, were arrested and charged with Organized Scheme to Defraud and Grand Theft. The OIG investigation found that Evans-Maquilon solicited Aznar to fraudulently requisition supplies from her husband's companies, Decomax Corporation and Emporium Supplies Corporation. Maquilon's companies overbilled the County for goods never delivered. The Miami-Dade Aviation Office of Professional Compliance provided information and assistance to the OIG during the investigation.

## MILLIONS EMBEZZLED FROM THE MIAMI BEACH COMMUNITY HEALTH CENTER

In August 2012, the OIG opened an investigation into the embezzlement of millions in Federal, State, and County funds from the Miami Beach Community Health Center, Inc. (MBCHC) by its former CEO, Kathryn Abbate.



The MBCHC, a not-for-profit health care provider, receives significant Federal funding and funding through the Children's Trust, the Healthy Start Coalition of Miami-Dade, Inc., and the Public Health Trust. In February 2013, as a result of the OIG investigation, Abbate was charged by the State Attorney's Office with Organized Scheme to Defraud and Grand Theft for the embezzlement of County administered grant funds. Abbate was also charged by the U.S. Attorney's Office for the Southern District of Florida with the theft of millions in Federal funds.

At the request of the U.S. Attorney's Office, the State deferred the prosecution and sentencing of Abbate to the Federal authorities and entered a conditional nolle prosequere. Abbate was sentenced in U.S. District Court and is currently serving a Federal prison sentence.

## VENDOR IMPERSONATES COUNTY EMPLOYEE



In September 2012, the OIG investigated misrepresentations made by Rudy D. Jackson, the President and owner of A Plus Computer Services, a County vendor. The OIG investigation established that Jackson intentionally misrepresented himself as a County employee in an attempt to obtain pricing information from another supplier. The OIG also found that Jackson's company was no longer a corporation in good standing with the Florida Department of State, Division of Corporations. As a result of the investigation, the County took action and debarred A Plus from doing business with the County for two years.

## UNAUTHORIZED DIVERSION OF COUNTY CHARITABLE DONATIONS

An OIG investigation into the misuse of County donated surplus property by a charitable organization resulted in the criminal prosecution of Gisela Hidalgo, the Director of Charities Unlimited, Inc. Hidalgo solicited a donation of a County surplus 2005 Toyota Prius to be used for her charitable organization's transportation needs, including the pick-up of donations.

The OIG uncovered that Hidalgo, promptly upon receipt of the donated vehicle, sold it and did not use the sales proceeds for Charities Unlimited. Hidalgo was charged with Prohibited Solicitation of Funds, a third degree felony, for failing to apply the charitable donation in a manner consistent with her request. In addition to her sentence of probation, Hidalgo is prohibited from soliciting contributions on behalf of any charitable organization for 10 years. Her sentence also included the dissolution of her not-for-profit organization, Charities Unlimited, Inc.



## REVIEW AND REFORM OF DONATIONS TO COMMUNITY BASED ORGANIZATIONS

The OIG found other that Community Based Organizations (CBOs) had transferred or sold, for a profit, County donated property upon their receipt of the property. The OIG also found that CBOs generally lack awareness and understanding of Federal and State requirements governing their organizations. For example, the OIG found some CBOs were not in compliance with their Federal IRS tax-exempt status obligations. Other CBOs were found to have failed to register with the Florida Department of Agriculture and Consumer Services as mandated by State statutes. The County now requires proof of CBO compliance with Federal and State laws as part of the CBO application process for County surplus donations.



## CON-ARTISTS SENTENCED IN MILLION DOLLAR SWINDLES

The OIG, in partnership with the Miami-Dade Police Department and the State Attorney's Office, uncovered two schemes that lured victims into believing they were getting rock bottom prices on real estate, but actually resulted in victim losses exceeding \$2.4 million.



The schemes used a Florida corporation, Miami-Dade County Short Sales, Inc., to lure victims into real estate deals. In one scheme, victims were falsely led to believe that a County employee could facilitate and fast-track the sale of real estate prior to the scheduled public auctions of properties to satisfy tax certificate holders. The OIG investigation determined that no County employee was involved in the scheme. A second scheme lured buyers of proposed short sales of luxury properties. Unfortunately for the victims, Miami-Dade County

Short Sales had no authority over the short sale properties. In May and September 2013, co-defendants Zoraida Abreu and Johnny Bou-Nassar pled guilty to various charges that included Racketeering, Grand Theft, and Uttering Forged Instruments. Abreu and Bou-Nassar have agreed to cooperate against two additional defendants who remain pending trial. The Miami-Dade County Clerk of the Courts and Tax Collector's Office provided invaluable assistance to the OIG during the course of this investigation.

## JURY CONVICTS COUNTY GRANT FUND RECIPIENT OF STEALING FUNDS INTENDED FOR VETERANS

Charles Leon Cutler, CEO of Veterans Employment Transition Services, Inc.



(VETS), a non-profit organization, was charged in two criminal cases with theft of County funds. The OIG, in conjunction with the State Attorney's Office, investigated Cutler's diversion of two County grants awarded to assist veterans and others to find employment. The grants were administered by the County's Public Housing and Community Development Agency and the

Community Action and Human Services Department.

In one case, a jury convicted Cutler of Grand Theft of County grant funds intended to benefit unemployed veterans and County residents. The investigation found evidence that Cutler used the County grant funds to repay monies he stole from a City of Miami grant to his organization. Cutler diverted County grant funds when his theft of City grant funds was uncovered by an employee. Following his conviction and jail sentence, Cutler pled guilty to a second theft of County grant funds intended to benefit veterans. He was ordered to pay restitution to the County.

## REVIEW OF AFFORDABLE HOUSING REHABILITATION PROJECT

At the request of the Miami-Dade County Public Housing and Community Development Department's (PHCD's) Director, the OIG undertook a review of a condominium rehabilitation project funded by County Documentary Stamp Surtax funds. The Surtax funds were made available to the developer of the Venice Park Condominium, a facility for low to moderate income homeowners and renters.



The OIG's review uncovered such deficiencies as unpermitted work, unlicensed contractors, and fraudulent billing submitted by an unlicensed electrician in collusion with the developer. The OIG recommended that the County Attorney's Office review whether the condominiums are in breach of the rehabilitation



grant agreement, that PHCD rejects reimbursement requests for unlicensed work, and that PHCD assess the continued funding of the developer.

## INVESTIGATION INTO MISSING JMH FUNDS RESULTS IN ATTORNEY CONVICTION AND DISBARMENT

The OIG was asked to investigate the collection of funds owed to Jackson Memorial Hospital (JMH) for treatment of a patient. JMH was owed \$184,964 from the settlement of a personal injury lawsuit received by a JMH patient. The OIG investigation found that the patient's lawyer, Scott Elliott Rovenger, received a settlement check for \$450,000 on behalf of his client and deposited the funds into his trust account. Instead of paying JMH, Rovenger used the funds to pay his office operating expenses and other expenditures.

The OIG investigation resulted in Rovenger's admission that he misappropriated more than \$1 million of client funds over several years, settled client matters without their knowledge or consent, and forged client signatures on settlement checks. The Broward State Attorney's Office prosecuted Rovenger, who pled guilty and was sentenced to 8 years in State prison, followed by 20 years of probation. The OIG probe also resulted in the Florida Bar's successful action to disbar Rovenger for his trust account violations.

## OIG IDENTIFIES MARLIN'S STADIUM SUBCONTRACTOR DEFICIENCIES

The OIG's initial contract oversight and subsequent investigation of Marlin's Stadium subcontractor Florida Fire Stopping, Inc. (FFI) identified several issues that resulted in action against the subcontractor. The OIG's work resulted in the Small Business Development Division of the Regulatory and Economic Resources Department issuing Notices of Violation to FFI for underpaying wages to several employees. The OIG also uncovered that FFI was in an inactive status with the State of Florida, Division of Corporations. FFI abandoned the project prior to completion of its contractual obligations. FFI also ignored the violation notices. All employees recovered their wages from deductions made to the first-tier subcontractors' payment requisitions. As a result of FFI's violations, abandonment, and inaction in redressing the violations, the OIG recommended that the County debar FFI from further County work.



# THE OIG AUDIT UNIT

## Audits, Reviews, and Contract Oversight of the Last Fiscal Year

The Assistant IG for Audit and Contract Oversight supervises a staff of twelve that functions on the front end of our mission to prevent fraud, waste, and abuse. The Audit staff consists of an Audit Manager, an Audit Supervisor, three Contract Oversight Specialists, and five Auditors. The Audit staff is comprised of two Certified Public Accountants, two Certified Internal Auditors, two Certified Fraud Examiners, seven Certified Inspector General Auditors, two Certified Construction Auditors, and a Certified Inspector General. The Contract Oversight Specialists have professional expertise in governmental budgets, finance, and engineering.



The Audit Unit recognizes its unique mission aside other County auditing resources and, as such, concentrates its resources on distinct aspects of County contracts and projects. The Unit advances the mission of compliance and prevention by assessing current conditions and determining, when possible, causes of those undesirable circumstances. The Unit provides targeted recommendations to correct identified weaknesses. Contract oversight includes proactive monitoring of procurement processes and assessment of contract performance that may include random inspections during the term of the contract. Auditors also assist Investigations with cases requiring forensic accounting.

The following are highlights from some of our Audits this past fiscal year.

## FOREIGN AND DOMESTIC AIRPORT CONSULTING SERVICES REVIEWED

As part of our ongoing oversight activities at the Miami International Airport, the OIG reviewed and commented on a proposed resolution to approve consulting services to foreign and domestic airports or their contractors through a consulting services corporation. Our memorandum to the Director of the Miami-Dade Aviation Department (MDAD) sought a response to several inquiries and suggested that the proposed resolution be amended to include additional language that expressly provides for the OIG's



continued oversight of the new consulting services corporation's activities. We received a quick and thorough response from MDAD addressing all of our inquiries and suggestions. The proposed resolution was amended to include, "Provides that the new Corporation is subject to Section 2-1076 of the Code of Miami-Dade County."

## COMMUNITY NOT-FOR-PROFIT BOND PROGRAM AUDIT SERIES

The OIG published a series of reports on its continuing audit of the County's Building Better Communities (BBC) General Obligation Bond Program (GOB) for the not-for-profit (NFP) community, which included grants to 37 NFPs totaling \$30 million. The purpose of the grants was to fund NFP capital needs (such as paying down mortgages, acquiring land or properties, and constructing new buildings or renovating current buildings), all to improve the NFP's ability to provide services to local residents.



The objective of the OIG's audit is to analyze the NFPs' usage of grant funds to determine whether the grant funds were spent in accordance with the GOB Program Administrative Rules and their grant agreements. To conduct this audit, the OIG divided the 37 grants into three groups.

Group 1 consists of eight grants totaling \$5.2 million to be used by the NFPs to pay down existing mortgages, or to purchase property or equipment. Group 2 consists of 14 grants totaling \$6.7 million to be used by the NFPs to renovate existing properties. Group 3 consists of 15 grants totaling \$18.1 million to be used by the NFPs for construction of a new or extended facility.



The Audit of Group 1 was published in January 2013 and resulted in three findings and seven recommendations. Five of the eight audited NFPs have completed their projects and were compliant with their respective criteria. These five are the Association for the Development of the Exceptional, Inc.; the Bascomb Memorial Broadcasting Foundation, Inc.; the Citizens for a Better South Florida, Inc.; the Daily Bread Food Bank, Inc. (now Feeding South Florida); and the Miami Children's Museum, Inc. The sixth NFP—the Miami Hispanic Ballet Corp.—that received a \$500,000 grant to purchase properties, was later deemed to be compliant with its grant obligations and the project is now completed. One entity—the World Literacy Crusade of Florida, Inc. (awardee of a \$485,000 grant)—has not yet signed a grant agreement due

to its inability to identify a property to purchase and to obtain the additional funding it needs to proceed with its project.

The last entity in Group 1 is Galata, Inc., who was awarded \$500,000 to pay down an outstanding mortgage balance of \$531,000, and through its own efforts to pay off the remaining \$31,000 balance. However, Galata used only \$400,000 of the grant funds to pay down its mortgage and used the remaining \$99,000 for purposes not authorized by its grant agreement or the administrative rules. In addition, Galata refinanced its facility with a new \$355,000 mortgage; thus, instead of having a nearly paid-off mortgage, Galata was left with a large unpaid mortgage, thereby defeating the intended purpose of this grant award.

As a result, the OIG issued a report to the County stating that Galata did not reduce its mortgage balance to a minimal amount, and as of June 2012 its current mortgage balance totaled \$318,033. The OIG confirmed that Galata did not use \$99,000 of GOB funds for authorized purposes and that Galata did not comply with its grant agreement and the administrative rules.

The second audit report in this series was published in July 2013 and covered our audit of six Group 2 NFPs: the Habitat for Humanity of Greater Miami, Inc.; the Bakehouse Art Complex, Inc.; the Albert C. Pierre Community Service Center; the Tropical Audubon Society, Inc.; the Sunrise Community, Inc.; and the Gold Coast Rail Road Museum, Inc. All six of the audited NFPs completed their projects and were compliant with their respective grant criteria. The OIG is satisfied that the funds granted to these six NFPs appear to have been used for the intended purposes of the grant awards and that the County and public are receiving value.

In its report, the OIG reported ten specific observations and made three recommendations. The OIG's overall observation was that the NFPs generally did not appear to have a comprehensive understanding of all administrative requirements outlined in the administrative rules and grant agreements. An NFP has the responsibility to familiarize itself with the requirements, but we believe that many of them lack the experience and adequate resources to deal with the record-keeping and reporting requirements imposed upon them. In addition, the County does not provide clear and consistent guidance to the NFPs regarding their contractually required record-keeping and document submissions to the County. We opined that more proactive communication of the

administrative requirements by the County (Office of Management and Budget and/or the Cultural Affairs Department) could have avoided or rectified many of the administrative issues noted in our audit observations.



A third audit in this series that covers another six of the Group 2 NFPs that were awarded \$3.6 million in grant funds is currently ongoing and a report of the results of this audit is forthcoming. The NFPs audited include: Nanay, Inc.; Unidad of Miami Beach, Inc.; Aspira of Florida, Inc.; Center for Haitian Studies, Inc.; South Florida Urban Ministries, Inc.; and American Red Cross of Greater Miami and the Keys, Inc.

The remaining two Group 2 NFPs, although approved for \$700,000 in grant funds, had not yet executed grant agreements with the County at the release of the second audit report in this series.

## PARK AND RECREATIONAL FACILITIES FUND



The OIG initiated an audit of one project from the County's BBC GOB Park and Recreational Facilities Fund, which included grants to various municipalities and unincorporated municipal service areas in an amount not to exceed \$680.3 million. This audit is ongoing. The purpose of the grants is for the construction or improvement of park and recreational facilities.

The project being audited is for a grant amount not to exceed \$3.5 million awarded to the City of Homestead to convert a former landfill site into a municipal park named the Mayor Roscoe Warren Municipal Park. The objective of the OIG's audit is to analyze the City's usage of grant funds to determine whether the grant funds were spent in accordance with BBC-GOB Program administrative rules and the grant agreement. The report of the audit will be forthcoming.

## HALF-PENNY TRANSPORTATION TAX OVERSIGHT

In September 2013, the OIG reported the results of its audit of concrete and asphaltic resurfacing contracts awarded under the People's Transportation Plan (PTP) between 2004 and 2010, which are administered by the Public Works and Waste Management Department (PWWM). The PTP was approved by voters in November 2002 and imposes a half-penny surtax to pay for transportation and transportation-related projects and programs throughout the County, including the subject of this audit—roadway improvements.



This OIG audit report contains a number of observations and comments, followed by three recommendations. The OIG observed that the audited PWWM contracts, whether single site or countywide, often had significant pay item variances when comparing their estimated quantities to actual quantities used. The accuracy of PWWM project estimating of pay items and associated item quantities is important because it establishes a baseline for evaluating the effectiveness of PWWM's contract administration and contractor performance. Inaccurate estimating may also affect prospective contractor bid prices or percentage factors, such as overhead and profit mark-up, and can influence PWWM's efficient and timely use of PTP funds.

In addition, we observed that PWWM does not always document its use of contingency funds. We recognize the practicality of having a contingency allowance account in any type of construction project. However, its existence does not make it acceptable to use it without documented justification. Contingency usage can cover a truly unforeseen circumstance or may be used to cover PWWM estimating errors or contractor misuse leading to unnecessary costs. Explanatory documentation, specifically describing its use, including management's approval, must be maintained in PWWM project files.

In conclusion, whether related to pay item variances or contingency uses, auditors found it readily apparent that PWWM needs to improve its project planning and the timely and accurate completion of project records documenting project conditions, its own performance, and that of the contractor. PWWM responded affirmatively to our recommendations and began implementing changes, some of which are still being monitored by the OIG as of this report's issuance.

## CHILDREN'S COURTHOUSE CONSTRUCTION

The OIG completed an audit survey in February 2013 of the new Children's Courthouse construction project in downtown Miami. The 300,000 square foot courthouse contains courtrooms and office space for the Juvenile Division of the 11th Judicial Circuit of Florida. The project budget was approximately \$140 million and was 100% funded by bond proceeds repaid with a surcharge assessed on all non-criminal traffic infractions. Suffolk Construction Company, Inc. was selected as the general contractor and was awarded a \$79,305,500 contract in February 2011 that included costs for a contingency allowance, a remediation allowance, and permit fees. Architects Hellmuth, Obata & Kassabaum have a \$17,568,816 professional services agreement with the County that includes design fees and fees for construction monitoring. At the time of our survey, the project was more than 50% complete. The Miami-



Dade County Internal Services Department is charged with overseeing this construction project.

The review was performed as an audit survey with an objective to determine whether a more formal and detailed audit of this project was warranted. The OIG determined that it is not, but found two issues that required attention.

Our review of 17 purchase orders for construction materials found that the County would not be benefitting from sales tax savings on these purchases until project's end. This was because Suffolk was not submitting this information, as a deduction to its monthly payment requisition amounts, as required by Amendment 1 to the contract. Instead, Suffolk was only planning to prepare and submit a deduct change order for the total savings at the end. The OIG advised that the County and Suffolk were not complying with Amendment 1's reporting requirement, and that this reporting requirement cannot be waived. Secondly, the OIG noted Suffolk's frustration at what it believed to be a lack of an appeals process to deal with denied change orders. The OIG continues to monitor this project.

## PROCUREMENT AND CONTRACTS MONITORING/ OVERSIGHT

The integrity of the procurement process is of paramount importance to Inspector General offices. IGs want to assure the public that their tax dollars are spent efficiently, effectively and wisely; and that decision-makers' actions are fair, objective, honest, and most importantly — without biases or prejudice. IGs ensure that the rules are followed, and that there is transparency in the process. We often question and challenge assumptions, and make suggestions and recommendations where appropriate, to improve the process. We raise the red flag when we have concerns or when we spot problem issues that require management's attention. The OIG provides this type of oversight as an independent entity, and without publicity.

The OIG monitored a number of Jackson Health System's RFP procurements that included the outsourcing of adult and pediatric emergency room services, the sale of the Jackson Health Plan, the outsourcing of management services for accounts receivable, and the outsourcing of accounts receivable bad debts.

The OIG's review of the performance and retroactive approval of a training agreement between Miami-Dade Transit and MDI/The Start Group resulted in the reduction of \$122,760 in the amount paid by Miami-Dade Transit to MDI/The Start Group.

## MONITORING/OVERSIGHT OF MAJOR CONSTRUCTION PROJECTS

The OIG monitors many County activities, programs, and contracts. For instance, the OIG maintains staff at Miami International Airport and the Water and Sewer Department that closely follow procurements and contract proposals. OIG staff provides comments 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.

Some of the OIG's ongoing monitoring activities include:

- ◆ Miami-Dade Transit's construction of a new test track at its Lehman Yard to be used for acceptance testing of new heavy rail cars and to facilitate future repair and maintenance operations.
- ◆ Miami-Dade Transit's purchase of new heavy rail cars.
- ◆ The Water and Sewer Department's (WASD) massive \$4 billion infrastructure overhaul involving wastewater system priority projects that are the subject of a 2013 consent decree, as well as pump station improvements.
- ◆ The Water and Sewer Department's joint participation agreement with the City of Hialeah related to the design, build, and operation (DBO) of a reverse osmosis water treatment plant located in Hialeah. Our monitoring includes a review of plant construction completion activities and costs, a proposed amendment to the DBO contract between Hialeah and the facility's contractor, and other project-related issues and activities.



Future monitoring activities will include:

- ◆ The Public Health Trust's \$830 million capital improvement program, which was approved by the voters in November 2013
- ◆ Port of Miami's improvements to its facilities leading up to the arrival of the much anticipated post-Panamax cargo vessels
- ◆ Renovations made to the Central Terminal of the Miami International Airport



## **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 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)**



## OIG's FISCAL YEAR SUCCESSES

### Fiscal Year's Questionable Costs, Savings, and Restitution

For the fiscal year 2012-2013, the OIG identified over \$14.7 million in questionable costs, losses, damages, and lost revenues for the County.

### Fiscal Year's Averted Losses, Projected Savings, Financial Recoveries, and Increased Revenues

During this same reporting period, over \$8.5 million in averted losses, projected savings, financial recoveries, and increased revenues have been achieved for the County.

### This Year's Publications

The Office of the Inspector General issued 15 public reports this fiscal year. Advisory memos were issued on another 18 matters that were under review. In addition, the Office reviewed and/or audited 39 various County contracts and programs during the fiscal year.



## Report County-Related Fraud to the Office of the Inspector General:

Call Our Hotline: (305) 579-2593

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

Fax: (305) 579-2656

Mail: 19 West Flagler Street, Suite 220  
Miami, Florida 33130

