

MIAMI-DADE COUNTY
OFFICE OF THE INSPECTOR GENERAL
ANNUAL REPORT

2019



Message from the Inspector General



I am pleased to present the Office of the Inspector General's 2019 Annual Report. The cover of the report is a snapshot taken from the main OIG office in the Overtown Transit Village, South Tower. The sunrise, eastern view of the Freedom Tower, PortMiami and beautiful Biscayne Bay is a daily reminder that people have made great sacrifices to come to our shores and build a life within a democratic system that is fair and just. The OIG works every day to ensure the operations of county government meet the public's expectations for honesty and fairness.

Justice has also been at the forefront of the county's capital programs this year. While the civil courthouse in downtown Miami has earned historic landmark status and will remain a prominent architectural feature of the cityscape, the County has embarked on a new public-private partnership (P3) project to erect a new civil courthouse tower on adjacent land. Given the complexity of P3 agreements, the OIG has been vigilant

throughout the selection process and will continue to monitor the design, construction and financing of this new facility.

This Annual Report highlights the work of the Office's three units: Investigations, Contract Oversight and Audit. Public concerns regarding transportation and housing in Miami-Dade County are often cited as priority policy matters. This past year, our OIG units were also focused on transportation and housing. In the following pages, among the highlights are reviews of cases involving affordable housing fraud, STS vehicle inspections, housing construction fraud, CNG bus safety and procurement, and baggage handling services at MIA. The complete reports of these cases and others can be found on our website at MiamiDadeIG.org.

In addition to the many investigations, audits and contract reviews, the entire office was evaluated by external agencies to ensure our methods and procedures meet or exceed professional standards. I am extremely proud to announce that we have been reaccredited by the Florida Commission on Law Enforcement and successfully completed a Peer Review by the Association of Inspectors General.

As we enter an election year, it is certain that many changes are in store for the governance of Miami-Dade County. While new voices will be heard, the OIG remains focused on ensuring everyone abides by the rules and regulations. We are grateful for the opportunity and the responsibility to detect, investigate and prevent fraud, waste and abuse on behalf of the people of Miami-Dade County. I hope you find this report interesting and informative.

Sincerely,

A handwritten signature in cursive script, which reads "Mary T. Cagle". The signature is written in dark ink and is positioned above the printed name.

Mary T. Cagle

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ABOUT THIS REPORT

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

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

The Annual Report also serves to provide readers with an understanding of how this office operates and the type of work that we perform. It describes how we conduct investigations, audits and contract oversight. It describes the complaint intake process and how inquiries and cases are initiated. It explains the importance of our attorneys and administrative staff who form the foundation for much of the other work of the office. It highlights this Office’s mission, vision and values, and provides concrete examples of their collective advancement.

MISSION - VISION - VALUES

Mission	To detect, investigate and prevent fraud, waste, mismanagement, misconduct and abuse of power through independent oversight of County affairs, and seek appropriate remedies to recover public monies.
Vision	To be recognized as the premier agency in holding Miami-Dade County government accountable, ensuring it continues to provide excellence every day.
Values	Integrity: we govern ourselves honestly and ethically; Impartiality: we conduct our work objectively and independently; Professionalism: we maintain a staff of diverse and highly skilled professionals; Accountability: we take responsibility for providing thorough and fair findings and recommendations.

ORGANIZATION OF THE OIG



With Inspector General Mary Cagle at the head of the organization, her executive team includes Deputy Inspector General Felix Jimenez, General Counsel Patra Liu and Audit Manager James Schlotzhauer.

Deputy Inspector General Felix Jimenez leads the Investigations Unit with three squads of experienced Special Agents supported by a team of skilled Investigative Analysts. When investigations of fraud, waste and abuse of authority reveal criminal wrongdoing, the Deputy Inspector General coordinates with state and federal criminal prosecutors to shepherd OIG cases to a successful legal resolution.

General Counsel Patra Liu leads a team of five lawyers. Assisted by a Deputy General Counsel, the Legal Unit advises the Auditors, Investigators and Contract Oversight Specialists on matters of jurisdiction and facilitates inter-agency cooperation for purposes of prosecution. The Legal Unit provides continuous support and guidance to OIG personnel, from the moment a complaint is received up to the time a

final report is published. The OIG attorneys also pursue legal remedies and take other administrative actions to recoup monetary losses and rectify deficiencies on behalf of taxpayers. General Counsel Liu also manages the Contract Oversight Specialists, experienced public administrators who monitor procurement and construction activities to ensure compliance with contract specifications.

Audit Manager James Schlotzhauer is charged with leading the Audit Unit, which consists of a team of certified professionals with a wide range of government and private sector experience. The Audit Manager formulates the OIG's annual Strategic Work Plan and oversees audits, inspections and reviews. The Audit Manager frequently coordinates with the Investigations Unit and/or Contract Oversight Unit. All three units work together to advance the mission of the Office.

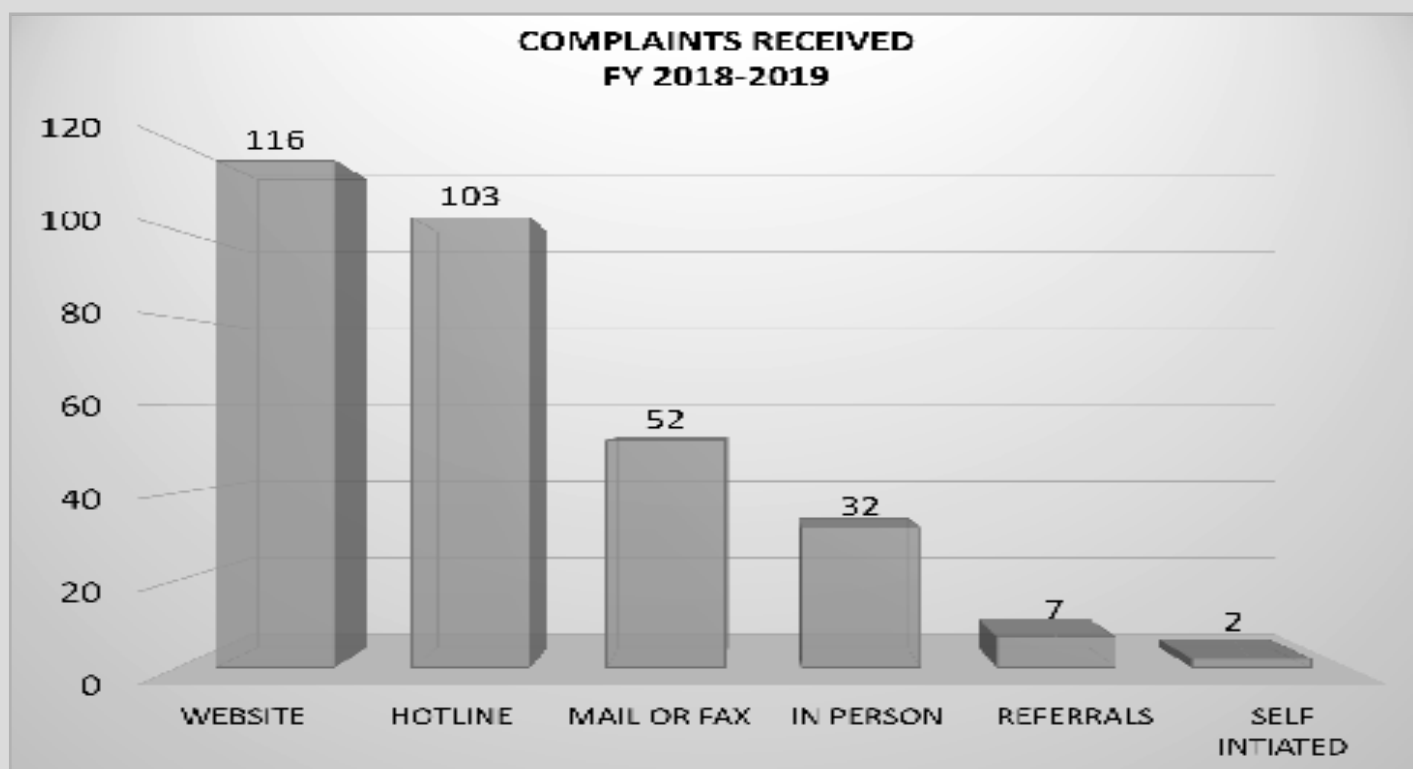
THE OIG BUDGET

In Fiscal Year 2018-2019, the Miami-Dade County Office of the Inspector General was allocated \$6.371 million, sufficient resources to fund 38 positions and cover operating expenses. The OIG receives its funding from three distinct sources: 1) a formula fee assessed on County contracts; 2) negotiated payments from County departments seeking dedicated OIG resources; and 3) an allocation from the General Fund. Combined, the financial resources dedicated to the OIG are less than 0.1% of the overall County budget. In FY 2018-2019, in its entirety, the County reported an annual budget of \$7,942,097,000 and 27,593 employees.

COMPLAINTS ARE THE KEY FACTOR

An overwhelming majority of cases opened each year, over 90%, are developed from complaints submitted to the office by concerned citizens, County employees and County vendors. Other cases are opened based on related investigations, audits or are the result of routine oversight. Clearly, complaints are a vital source of information for the Office.

The OIG received 312 complaints in FY 2018-2019. Of those, 103 were received through our hotline, 52 by mail or fax, 116 were made using our website's on-line complaint form, 32 were received from individuals who came to the office in person and met with an investigator, auditor or contract oversight specialist, 7 were referrals from other agencies and 2 were self-initiated. If a complaint is sufficiently detailed to merit immediate attention, without the need to open a case for investigation, the information is referred to the appropriate authorities for direct action. In these instances, the OIG requests a written response documenting the resolution of the complaint. To properly account for all referred complaints, the OIG maintains a log of the complaints routed to the administration and closely monitors responses. Based upon the response, the OIG may close the complaint, return it to the administration for additional clarification or open an investigation into the matter.



REPORTING FRAUD

Tips received from citizens, County employees, vendors, contractors and subcontractors have resulted in many of the administrative investigations, criminal cases, audits and reviews featured in our annual reports. Individuals can report their complaints to the OIG without fear of consequences. Complaints can be taken over the phone, electronically, or in person. In person meetings can be at the OIG office or a convenient location away from government facilities. Whistleblowers are protected and may remain confidential.

EMPLOYEE PROTECTION ORDINANCE

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

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

PROTECTION FROM RETALIATION:

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

CONFIDENTIALITY:

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



INVESTIGATIONS UNIT HIGHLIGHTS AND SUMMARIES

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

Directly supporting investigations, through intelligence gathering and analytical support, is the Analyst Unit. OIG Investigative Analysts are dedicated to maintaining relationships with organizations such as the Financial Institution Security Association and the Florida Department of Law Enforcement. The Miami-Dade County Board of County Commissioners has created 85 advisory boards comprised of volunteers nominated by individual commissioners. As part of the appointment process, the Analyst Unit conducts Florida criminal history background checks on advisory board nominees. In 2019, 174 criminal history background checks were conducted. The analysts also manage the OIG Hotline that allows the public, stakeholders and others to report suspected fraud, waste and abuse.

During this past fiscal year, numerous investigations were completed pertaining to bribery, housing fraud, procurement violations, tax fraud and perjury. In the following pages we describe some of these cases.



AFFORDABLE AND LOW-INCOME HOUSING RELATED INVESTIGATIONS

Workforce, low income and affordable housing are some of the greatest challenges facing Miami-Dade. The OIG is working with the U.S. Housing and Urban Development's Office of Inspector General (USHUD OIG), the State Attorney's Office (SAO), the United States Attorney's Office (USAO), and the Miami-Dade County Department of Public Housing and Community Development (PHCD) to investigate complaints such as those listed below that challenge the integrity and fairness of housing programs.



PROPERTY MANAGER FOR A COUNTY-FUNDED LOW-INCOME APARTMENT ARRESTED AND CONVICTED OF BRIBERY

The Royal Palm Apartments, a low-income housing complex located in Opa-Locka, Florida, is owned and operated by Peninsula Housing Development, Inc. XVI (Peninsula) and was built with the aid of a \$500,000 Miami-Dade County-allocated HOME Program loan, in addition to direct federal funding. HOME Program funds are especially targeted for low and very low-income individuals. The County loan to Peninsula, made in 2005, required Peninsula (among other building requirements, such as number of units, size, etc.)

to maintain very low monthly rents (pursuant to a formula) and annually provide the County with an occupancy report. Most tenants at the Royal Palm Apartments are Section 8 housing voucher recipients. Pursuant to the loan agreement, these conditions would be in effect for 30 years after the date that the project was completed.

In May 2018, a low-income Miami-Dade County resident informed the OIG that the on-site property manager of the Royal Palm Apartments was attempting to extort her. The agent of Peninsula was employed through CNC Management, LLC, a property management company affiliated with Peninsula. The victim explained that she was on a waitlist for low-income housing at the Royal Palm Apartment since 2013. She was required to resubmit an annual recertification for eligibility, which she did annually. In June 2017, the victim failed to recertify her eligibility for the apartment and was dropped from the waitlist. She contacted the Royal Palm Apartments to try to get back on the list and was informed by the manager that the only way to be reinstated on the waitlist would be to pay her a \$1,000 bribe. The OIG partnered with USHUD OIG and conducted an undercover investigation. In a controlled setting, the victim paid the \$1,000 bribe payment and was given the keys to an apartment. The property manager was charged by the USAO and subsequently pled guilty to one count of bribery. OIG appreciates the partnership with USHUD OIG and the USAO and the assistance afforded by the Miami-Dade Public Housing and Community Development Department in this investigation.

AVIATION SECTION MANAGER ARRESTED FOR LOW-INCOME HOUSING FRAUD

An Aviation Department Section Chief assigned to the Real Estate Management and Development Division at Miami International Airport (MIA) was arrested for forging her supervisor's signature and falsifying county payroll documents in order to qualify for low-income housing in Broward County. Acting on an anonymous tip, a joint investigation between the OIG and the State At-

torney's Office resulted in the arrest of the 20-year County employee. To obtain a residential lease at the Broward low-income housing complex, the applicant was required to provide an Income Verification form signed by her supervisor, along with paycheck stubs, as proof that her gross income fell below a required threshold. At the time of her application—in 2017—her income was approximately \$10,000 over the threshold limit. Nevertheless, she informed the complex that she made less money. The OIG found emails from 2017 where she requested copies of her 2015 payroll records (when her salary was under the low-income housing threshold). Documents obtained from the Broward housing complex's tenant file revealed six (6) Miami-Dade County Payroll History Detail reports from 2015 that were altered to make it look like they were from 2017. Additionally, the file contained an Income Verification form purportedly signed by her division director. The document fraudulently verified that she made less money than she actually did. The investigation confirmed that the division director's signature was forged on the Income Verification form, considered identity theft under Florida law. Further, copies of the documents found in the tenant file show that all were faxed to the housing complex's leasing office from a fax/copier machine located on the 6th floor of MDAD's Executive Offices. The employee was arrested on charges of Identity Theft, six (6) counts of Uttering Forged Instruments, and two (2) counts of Wire Fraud—all third-degree felonies. The OIG appreciates the assistance of MDAD during this investigation.

COUNTY CONTRACTOR SENTENCED TO FEDERAL PRISON FOR FALSE STATEMENTS MADE ON LOW-INCOME HOUSING CONTRACTS

The president and vice-president of County contractor Aaron Construction Group (Aaron Construction) were sentenced in May to 51 and 41 months, respectively, to federal prison. As reported in our 2018 annual report, the pair were convicted at trial on multiple counts of Conspiracy to Commit Wire Fraud, Wire Fraud, and False State-

ments related to work on County construction contracts for the Public Housing and Community Development Department. The work involved renovation and repairs for low-income housing units and was federally funded. The case involved Aaron Construction's bids and work coming from the County's 7360 Miscellaneous Construction Contract. The evidence at trial established that, between June 2014 and December 2016, the defendants engaged in a scheme to unlawfully enrich themselves by securing PHCD bid awards and then falsely representing in the payment requisitions that workers were paid the correct wages as required by prevailing wage rates, including overtime rates. Other false statements involved the employment status of the workers, in that Aaron Construction represented that the workers were its employees, when they were not; instead the workers were hired by subcontractors. The OIG was a member of the joint investigation team with other federal and local law enforcement agencies including USHUD OIG.

CHILDREN'S COURTHOUSE SUBCONTRACTOR CHARGED AND PLEAD GUILTY TO ORGANIZED SCHEME TO DEFRAUD



The OIG initiated an investigation after being contacted by the County's Internal Services Department, Small Business Development Division

(SBD) after an employee of a global communication and technology services company alleged that the company was underpaying its employees in violation of the County's Responsible Wages Ordinance. The company was doing business as a subcontractor installing low voltage wiring at the Children's Courthouse. In response to an SBD demand, the company provided SBD with proof that it had supposedly repaid its workers the amounts they had been shorted. Upon SBD suspecting that some of the repayment documents were forged or fraudulent, the case was referred to the OIG for investigation. The company was owned by a Florida Trust whose trustee was its former president. While under the direction and leadership of its former president, the company provided fraudulent certified payroll documents to the County to appear as if it was complying with the County's Responsible Wages and Benefits Ordinance. A Florida Trust is a fiduciary arrangement, which is created pursuant to a trust agreement in accordance with Florida Law. Assets are transferred into the name of the trust, as owner, to be cared for and managed on behalf of others, i.e. the trust beneficiaries. A trust can own property, can sue, can be sued and pays taxes. It can also be charged with a crime and be sentenced.

Based upon a joint OIG and State Attorney's Office (SAO) investigation, the Trust was charged with Organized Scheme to Defraud over \$50,000, a felony of the first degree.

The OIG investigation corroborated the findings of SBD. A review of all the company's certified payrolls submitted to the County between April 2013 and December 2014 revealed that they were all false. The criminal investigation proved that the company falsely certified that eight (8) workers were paid in accordance with the Responsible Wages schedule, when in fact the workers received a much lower rate of pay. Further, it falsely inflated the number of hours that another employee worked on the Children's Courthouse project when in fact he was working on other projects. The company, under control of its former president, eventually repaid its employees their correct wages and paid additional penalties of \$6,469.70 imposed by the County. As the criminal inves-

tigation was nearing an end, it was learned that the Trust sold the company to an unrelated third-party, which had no prior knowledge of the fraud or the existence of the pending criminal investigation. Upon learning of the investigation, the new owner immediately locked employees suspected of involvement with the fraud out of the company computer system, fired those employees and cooperated fully with the investigation and prosecution. Further, the new owner voluntarily instituted new internal controls to guard against this happening in the future. Based upon the new owner instituting these measures, the SAO elected not to charge the company. (The ramifications of charging it with criminal conduct included a potential shutdown of the company — rendering all of its employees, many of whom were victims of the fraud, jobless.) Instead, the SAO elected to charge the former owner — the Trust. The Trust pled guilty to Organized Scheme to Defraud and was sentenced to two (2) years of administrative probation. The Trust must pay costs of investigation and stipulated that the Trust is barred from owning any business wherein compliance with the Responsible Wages Ordinance is required.

Further, in lieu of a fine, the Trust agreed to pay a \$20,000 donation to a charity that has a primary purpose of benefitting victims of crime in Miami-Dade County. In exchange for not criminally charging the former president, who is over 72 years of age, he signed an agreement wherein he is personally debarred from contracting with Miami-Dade County for a period of 5 years, pursuant to Section 10-38 of the Code of Miami-Dade County.

OIG ASSISTS IRS IN TAX FRAUD INVESTIGATION RESULTING IN ARREST AND CONVICTION OF A COUNTY BUS OPERATOR

The OIG participated in an investigation at the request of the Internal Revenue Service's (IRS) Criminal Investigations Division of a County bus operator suspected of identity theft and tax return fraud. The subject had been arrested in Georgia for possession of a financial transaction card forgery device, financial transaction card forgery and obstruction. The bus operator was also in possession of a large amount of U.S. currency. The OIG determined that the subject had failed to notify his employer, as required by the County's personnel rules, of his arrest. OIG Special Agents continued assisting the IRS in its investigation resulting in the subject's arrest following an indictment by a federal grand jury on charges stemming from his involvement in a conspiracy to commit identity theft and the filing of fraudulent tax returns. The subject, who was terminated from the County, was subsequently found guilty at trial, sentenced to federal prison and ordered to pay restitution in the amount of \$192,000.

FORMER ISD EMPLOYEE SENTENCED IN CONNECTION WITH COUNTY STORE AND SURPLUS PROPERTY FRAUD

A former Internal Services Department (ISD) employee, was sentenced for orchestrating a scheme to defraud the County through the ISD auctions of surplus vehicles and heavy equipment at the County Store. The County Store, located in Hialeah, is open to the public and provides direct sales of surplus items on behalf of all Miami-Dade County departments and other governmental entities. In addition, the County Store conducts sealed bid auctions and online auctions for larger, more expensive surplus items such as cars, trucks, heavy equipment, computer and office equipment. The employee was responsible for the sealed bid auctions of County surplus vehicles. A joint investigation by the OIG and the State Attor-

ney's Office uncovered that she used her position at the County Store to alter sealed bids submitted by the owner of a pre-owned equipment truck dealership. Altering the bids allowed this person to save money while depriving the County of funds. ISD terminated the employee from the County and blocked the business owner from participating in on-line auctions for other surplus property. The OIG investigation found an elaborate scheme by the business owner, after he had been blocked, to acquire trucks and other vehicles sold through Public Surplus, the County's third-party administrator for the on-line auctions. He created fictitious accounts and essentially halted the sale of property by bidding against himself and then defaulting on the items; he ultimately purchased the property using a straw buyer. Both were jointly charged with one count of Organized Scheme to Defraud (a 3rd degree felony) for the altered bids. The business owner was additionally charged with another count of Organized Scheme to Defraud (a 1st degree felony) and a Computer Offense (a 2nd degree felony). He was sentenced in the fall of 2018 to 90 days jail, one (1) year of house arrest, and three (3) years of probation. As part of his sentence he paid full restitution to the County and costs of investigation to the OIG. The former County employee pled guilty to the court and was sentenced to two (2) years of house arrest followed by two (2) years of probation, with the special condition that she not seek employment with Miami-Dade County nor obtain any employment with money handling responsibilities, and to stay away from the business owner. The former employee has since been rearrested for violating the conditions of her probation and sentenced to jail for the violation.

AIRPORT EMPLOYEE ARRESTED AND SENTENCED FOR DEFRAUDING THE EARLY LEARNING COALITION

While conducting an unrelated fraud investigation involving an airport contractor, OIG agents discovered that a clerk used the company's computer to create and submit false documentation to the Early Learning Coalition of Miami-Dade/Monroe (ELC) in the form of nine (9) redetermination applications for continuation of childcare benefits that she was not entitled to. The employee under-reported her household income and falsely claimed to be unemployed and attending a trade school. She was arrested and charged with grand theft, scheme to defraud and identity theft. She pled guilty and was sentenced to community control followed by a lengthy probation and restitution to the ELC and cost of investigation to the OIG.

REVIEW OF PORTMIAMI PARKING GARAGES AND REVENUE CONTROLS



As part of the OIG's ongoing efforts to detect and prevent, waste, fraud and abuse in County operations, the OIG initiated a multi-disciplinary review of the Seaport Department's parking garage revenue collection process. The OIG's review included investigative efforts in partnership with the Miami-Dade Police Department (MDPD), as well as data analysis and review by OIG Contract Oversight and Audit personnel. The OIG's collective efforts were spearheaded following the arrest and criminal prosecution of a Seaport toll collector who manipulated his handling of cash transactions to steal parking revenues. Evidence of his crimes was revealed by examining security video footage of the toll collector and his booth area. Given the heightened risk for theft - the nature of

cash transactions - the OIG and MDPD expanded the review to proactively examine parking tickets for known indicators of fraud/theft. This expanded review sought to determine whether other Seaport toll collectors were involved in the theft of parking fees. The exhaustive individual examination of thousands of reconciled parking tickets revealed signs of fraud related to the parking revenue. OIG personnel also undertook a data analysis review of data from the parking revenue system. The data consisted of all the information pertaining to parking tickets dispensed and redeemed and the corresponding parking revenue collected for a 12-month period. This information was evaluated against the cruise ship sailing schedule and other data points to identify relevant trends and outlier events. The OIG's analysis sought to determine whether the Seaport was collecting all tolls/monies due from patrons (cruise passengers and daily parking) using the garages. Moreover, we looked for unusual patterns or indicators that could identify circumvention of the parking systems operational controls.

The OIG's multi-disciplinary review identified areas of concern that, we believe, should be addressed in developing relevant scope and specifications requirements for the parking system upgrades. Our concerns consisted of several observations, comments and recommendations regarding security system upgrades to include anti-pass-back programming of authorized access cards; the issuance of parking access cards to non-County employees working at PortMiami using the garages; implement procedures to reduce or eliminate unredeemed tickets, which account for a significant percentage of all tickets issued; install additional pay-on-foot kiosks in conjunction with automated exit lanes to eliminate or discourage person-to-person cash transactions; provide prepaid options and integrate all PortMiami parking garages into the same operating system. The Seaport is addressing our recommendations in a multi-step approach. A two (2) year Seaport Parking Control System Invitation To Bid (ITB) contract was issued, awarded and a notice to proceed was given to the vendor contract. In parallel to the two (2) year ITB contract, PortMiami advised the OIG that it is working with ITD and ISD on

the long-term PortMiami Parking Control System Request for Proposal (RFP) initiative, which will address the OIG recommendations.

DEVELOPER CHARGED AND SENTENCED WITH MAKING ILLEGAL CAMPAIGN CONTRIBUTIONS

An analysis of campaign contributions reported in a 2016 campaign treasurer's report for a candidate for County Commissioner revealed suspicious contributions, specifically, five \$1,000 checks made payable to the candidate's campaign account. All five (5) checks were dated July 19 or 20, 2016, were all made by individuals living outside of the commission district and did not appear to have the financial means to make such a contribution. It was suspected that unknown person(s) had conspired with these individuals to reimburse them for their contributions, in violation of Florida law.

A preliminary inquiry found that all five (5) contributors had a nexus to a restaurant located within a Hialeah shopping center. This shopping center is owned by an individual involved in commercial and residential real estate development in Miami-Dade County, including 42 acres of undeveloped property located in the candidate's district. For several years, this person has tried unsuccessfully to have this property rezoned by the Board of County Commissioners. The OIG, in

conjunction with the State Attorney's Office Public Corruption Task Force, initiated a criminal investigation which verified that all five donors received \$1,000 in cash from the developer, who in turn requested from each straw donor that a personal check be issued to the candidate's campaign account.

The investigation revealed that all five (5) straw donors had a connection to the restaurant as either employees or customers and advised that they were approached by the subject while in the establishment. Bank financial records showed that the straw donors deposited the cash into their personal checking accounts at their respective financial institutions and then issued a check to the candidate's campaign on the same day as the original cash deposit or within 48 hours of the cash deposit. All five straw donors stated that they provided the checks to the subject at the restaurant, which he frequented on an almost daily basis. A decision was made by the State Attorney's Office not to criminally charge the straw donors. Their testimony was used to prosecute the subject. The subject pled guilty to two (2) misdemeanor counts of Campaign Contributions in the Name of Another F.S.S. 106.08(5), and was sentenced to two (2) years of reporting probation, cost of investigation to the OIG and the SAO and a donation of \$10,000 to the Denise Moon Victims of Crime Assistance Fund. Lastly, he is prohibited from making political contributions during the probationary period.



OIG AGGRESSIVELY SEEKS DEBARMENT OF CROOKED CONTRACTORS

Miami-Dade County Code Sec. 10-38, titled - Debarment of contractors from County work, describes the purpose of debarment is to “solicit offers from, award contracts to, and consent to subcontracts with responsible contractors only. To effectuate this policy, the debarment of contractors from County work may be undertaken. The serious nature of debarment requires that this sanction be imposed only when it is in the public interest for the County’s protection...”

In furtherance of protecting the County, the OIG ensures that as part of the sentencing of individuals and corporations who are criminally prosecuted, the maximum debarment period allowed by law is included in the sentencing. Of the 25 contractors listed on the County’s most recently published Debarred Contractors List, over one-third were debarred as a direct result of OIG investigations.

The Contractor Debarment Report lists all contractors that have been debarred from participating in County projects. The Report provides the names of the debarred firms and/or officers, the initiating County department, the grounds for debarment, and the debarment period. Contractors are removed from the Report upon the expiration of the debarment period. The Report is updated monthly and be found at <https://www.miamidade.gov/smallbusiness/library/reports/debarment.pdf>.

The Debarment process is critical to the protection of County government from fraud, waste and abuse because it allows the County to avoid doing business with non-responsible contractors. This is an important message to send to all contractors desiring to do business with County government. The County debars non-responsible contractors to maintain integrity in the procurement process.



BAGGAGE HANDLING SYSTEM OPERATION & MAINTENANCE PR

An intensive, long-term investigation wrapped up in 2019, with the filing of Miami-Dade County Ethics violations and the issuance of an OIG public report. This report served as an indictment of the procurement practices that plagued the award of the Miami-Dade Aviation Department (MDAD) Operation and Maintenance (O&M) Agreement for the Miami International Airport (MIA) Baggage Handling System (BHS)—a contract worth \$163 million.

The original O&M agreements were held by two incumbent contractors, each operating and maintaining a different portion of the BHS at MIA. The new contract combined the two (2) incumbent contracts into one—making one contractor responsible for operating and maintaining the entire, newly-upgraded BHS. The procurement of this agreement devolved into a Battle of the Incumbent Contractors. It took two go-rounds before this agreement was awarded. Both procurements were rank with greed, bias, cronyism and undue influence.

The first procurement ultimately ended with all proposals being thrown out and a new RFP being issued. During the first procurement, the OIG found numerous communications of deep concern. For example:

- The County employee in charge of the BHS O&M agreement and technical advisor to the selection committee made disparaging comments to MDAD's Deputy Director, expressing her concern that the proposer poised to win the agreement could not handle the job.
- An MDAD consultant emailed the Procurement Officer and the County employee/technical advisor a six-page unsolicited critique of the first-ranked proposer, stating such an award would be "of detriment to the O&M mission critical CBIS/BHS infrastructure and impact overall customer service at MIA."
- An interested third party, prompted by the losing incumbent proposer, unlawfully lobbied or attempted to influence MDAD's Deputy Director by emailing a letter that expressed its "grave concern" over the recommendation to award the contract to the number-one-ranked proposer, doubting its ability to perform the contract

Finally, it was discovered that the County employee/technical advisor, during the Cone of Silence, set sail on an out-of-country cruise with another member of the selection committee, the MDAD consultant and the eventual winning proposer of the second procurement—who sponsored a portion of the cruise.

After the Mayor threw out the first procurement due to important technical infirmities in the RFP's scope of services, a new RFP was issued. The second procurement was equally rife with communications of deep concern. The County employee/technical advisor from the first procurement was allowed more power in the second procurement—she was appointed a voting member of the selection committee. During this second procurement, the same MDAD consultant further meddled in the procurement. The MDAD consultant emailed the County employee/voting member detailed instructions on how he would score all the proposers. This instruction took the form of an emailed "How-to-Vote" spreadsheet, which favored one incumbent proposer over the other. The favored incumbent proposer had been ranked second during the first procurement. In the MDAD consultant's spreadsheet, the favored incumbent proposer was now ranked first. The disfavored incumbent proposer—that had been poised to win the first procurement—was now ranked dead last.

In the days before oral presentations to the selection committee took place, the County employee/voting member exacerbated her wrong-doing by summoning a representative of the favored incumbent

PROCUREMENT: THE BATTLE OF THE INCUMBENT CONTRACTORS

proposer to her office, chastising him on his company's poor proposal and giving him the "How-to-Vote" spreadsheet. At that time, she asked him if he felt comfortable sharing the spreadsheet with anyone else. She expressed her qualms about the unreliability of the other members on the selection committee. The incumbent proposer claims to have taken the spreadsheet to his office and shredded it—but only after having read it. He then, days later, participated in the oral presentations to the selection committee, armed with the information gleaned from the "How-to-Vote" spreadsheet. The contract was awarded to his firm. Though selection committee members denied ever seeing the How-to-Vote spreadsheet, an OIG review of the actual scoring revealed that most members assigned scores generally consistent with the spreadsheet. To add insult to injury, the County employee at the heart of this procurement debacle resigned her County employment to work for the MDAD consultant. Unbeknownst to MDAD, the MDAD consultant had hired her in the midst of this procurement saga. This was disclosed to no one. This procurement embarrassment did not end with the BHS O&M agreement's award. By scrutinizing the payouts, the OIG learned that the MDAD consulting firm, that had

MIA
MIAMI INTERNATIONAL AIRPORT

Flight Info Passenger Info Directions & Parking Ground Transport Maps

May 08, 2019

Statement from MIA Director Lester Sola regarding airport baggage handling system agreement

I appreciate and welcome the report by the Office of the Inspector General (OIG) regarding the baggage handling system operation and maintenance (O&M) agreement at Miami International Airport. The OIG's investigation into the selection process for this contract - which started in 2012 and was completed in 2015 - brings to light deficiencies discovered at the Miami-Dade Aviation Department. Since my appointment as Aviation Director in 2018, a top-to-bottom assessment of our procurement processes has been performed, and stringent policies and procedures have been instituted. Ethics training is underway for all employees, as well as selection committee training for supervisory-level employees.

We have taken aggressive action in direct response to these findings. Specifically, we terminated the contract of the consultant involved. We have also decided to not extend the O&M agreement and have begun developing a new solicitation for a new contract. Moving forward, no selection committee panel will include contractors or consultants as voting members, and all recommended selection committees must be reviewed by senior staff before being approved by the County's Internal Services Department (ISD).

As the former Director of ISD, which included the County's centralized procurement division, and as a 27-year veteran of Miami-Dade County government, I will ensure that under my leadership, MDAD will uphold the highest ethical standards and provide a fair and competitive process for all procurements.

authored the "How-to-Vote" spreadsheet, was paid over \$700,000 out of the agreement's allowance account dedicated for TSA-reimbursable projects. According to all interviewed, the consulting services would never qualify as TSA-reimbursable. Instead, this allowance account was used as a pass-through contracting arrangement employed with MDAD's full approval—albeit actual approvals were executed 18 months after the fact. The MDAD consultant was subject to a 20% Small Business Enterprise (SBE) utilization goal on its own con-

sulting contract—which the consulting firm was late in meeting. An SBE utilization goal requires that a percentage of a contract be subcontracted out to be performed by an SBE. Due to the pass-through contracting arrangement, the consulting firm's 20% goal was never applied to the \$700,000. Further, the pass-through arrangement caused the BHS O&M awardee to be paid an additional \$87,000 in mark-up it otherwise would never have received. After the issuance of the OIG Draft Report, MDAD took swift action implementing the OIG's recommendations. Namely, MDAD terminated the Consultant contract for cause and initiated a new procurement process for a successor BHS O&M Agreement service provider. MDAD also agreed to adopt additional disclosures to enhance transparency in the procurement process and implemented additional training of staff. Lastly, MDAD agreed that all future selection committee panels would exclude aviation consultants as voting members and MDAD agreed to more closely monitor the composition of future panels.

CONTRACT OVERSIGHT

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

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

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

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

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

The OIG's Contract Oversight function often results in substantial direct savings, measurable cost avoidance and/or an improved procurement process that is fair and equitable to the vendor community. The Contract Oversight Specialists are committed to promoting integrity and accountability in the County's procurement processes and contracting activities. The following pages highlight some contract oversight activities performed in FY 2018-2019.

TRANSPORTATION-RELATED PROCUREMENT

PROCURING AND IMPLEMENTING AN ADVANCE TRAFFIC MANAGEMENT SYSTEM (ATMS)



In the past year, OIG Contract Oversight Specialists continued to monitor the County's progress towards updating local traffic controllers and synchronizing the County's traffic lights. This effort began with the July 2017 contract award of an \$11 million bid waiver to update the local traffic controllers and vehicle detection devices

located at 300 County intersections on 10 highly congested corridors. Work under this contract was completed in 2019. This action served as a predecessor procurement to a subsequent large-scale procurement to outfit the remaining 2,900 traffic intersections with ATMS devices with vehicle detection and adaptive functionalities. As reported last year, the OIG had been monitoring and providing input into the development of the Request for Proposal (RFP). This highly anticipated RFP was advertised on October 4, 2018, and four (4) firms responded by the due date of November 1, 2018.

Throughout 2019, an OIG representative attended the Competitive Selection Committee meetings, heard the proposers' oral presentations, and observed the final ranking of the proposals. Before and during the negotiations with the top-ranked firm, the OIG representative attended multiple internal staff negotiation strategy sessions, as well as the Negotiation Committee meetings. On October 30, 2019, nearly a year from the date bids were received, the County Mayor issued a Recommendation to Award the multi-million-dollar contract. An award protest was immediately filed by the second-ranked proposer. The OIG will

continue to oversee this County endeavor through to the award of a contract, and throughout the subsequent contract implementation phase.

TRANSPORTATION CORRIDORS

During 2019, the OIG learned through press reports, that the County received two unsolicited proposals: one for a Miami Beach Monorail and the other for a South Dade Transitway. These unsolicited proposals offered Public, Private Partnership (P3) solutions for two (2) of the six (6) identified corridors that make-up the County's Strategic Miami Area Rapid Transit (SMART) Plan. Similar to other potential P3 projects, the OIG initiated active monitoring measures of these proposals and any subsequent actions by the County. In a proactive move on future unsolicited proposals, the OIG has reached an agreement with the Office of the Mayor, that the OIG would be immediately notified and be provided with a copy whenever the County receives an unsolicited proposal. Furthermore, the OIG has implemented a policy that would ensure the confidentiality of the information that is contained in the unsolicited proposal.

UNRAVELING CONTROVERSIES SURROUNDING THE COUNTY'S BUS PROCUREMENTS

On November 13, 2019, the OIG issued a final report regarding compressed natural gas (CNG) buses. This review, initiated in July 2019 at the request of the County Mayor, effectively dispelled concerns regarding the safety of CNG buses. Specifically, the OIG addressed each and every one of the safety-related allegations raised by representatives of the Transport Workers Union Local 291. The most alarming statement—suggesting that CNG buses are flammable hazards—was found to be without merit. Our report made clear that the conditions for CNG to burn require a very controlled environment to contain a specific range of concentrated gas. These

conditions are nearly impossible to establish on the open road, which is why no such incidents have ever been reported anywhere in the country. A second allegation suggesting that the brand new CNG buses were arriving with leaks was also determined to be unfounded. Still, based on the observations of the OIG staff during the initial inspection, test drives, maintenance and fueling procedures, several recommendations were developed to ease concerns about the CNG fueling systems. These suggestions have been embraced by the Department of Transportation and Public Works (DTPW). In 2020, the OIG will monitor the policies and procedures of the department to ensure best practices are fully adopted.

The OIG's report also examined the County's recent history of CNG bus procurements. In September 2019, as the competition among bus manufacturers escalated, the OIG was asked by the BCC to provide it with an analysis of why this program had become so contentious. Our resulting review traced the County's CNG bus program from the first acquisition of 300 New Flyer CNG buses, purchased through the Master Developer Agreement (MDA) for CNG transit fueling facilities, to the Invitation to Bid (ITB) for 140 CNG buses that remains pending as of this writing. Included in the review was the purchase order for 120 Gillig CNG buses, initiated by the BCC in December 2018 and approved in January of 2019. The OIG report also identified a failed administrative attempt to acquire 181 CNG buses late in 2017, a procurement item that was never presented to the BCC.

The December 2018 BCC approved, multi-pronged procurement directive to access and "piggy-back" competitively awarded contracts from other jurisdictions, including a contract expiring within days of the BCC action, introduced a level of expediency that is atypical of multi-million dollar procurements. The OIG report showed that this

accelerated process to access existing contracts, uninhibited by the rules of the County's highly regulated competitive bidding process, resulted in a highly charged public contest among CNG bus manufacturers. Not having a "Cone of Silence" in place allowed for unbridled communications between and among a host of parties with vested interest in the outcome of the selection process.

In the conclusion of the report, the OIG emphasized that the replacement of the aging diesel bus fleet with CNG buses is not an isolated matter of simply buying new buses, but rather a policy issue that requires complex analysis that weighs infrastructure needs, environmental impacts, ridership experience, economic trade-offs and social equities. To that end, the OIG's report posited several policy questions for consideration by the BCC and Administration. The full response to these questions will be revealed by the actions and decisions of transit policy makers. The OIG will remain vigilant over transportation policy and future procurement decisions. Specifically, we are committed to ensuring that our limited transportation funds are spent wisely, fairly and transparently.



THE OIG AND THE COURTS – PHYSICAL AND INFORMATION TECHNOLOGY INFRASTRUCTURE

A NEW CIVIL AND PROBATE COURTHOUSE



Beginning in January 2018, the OIG began monitoring this complex multi-year procurement process for the Public-Private Partnership (P3) initiative to acquire a new civil and probate courthouse. The procurement process intensified during 2019, and so did the OIG's monitoring. This process initially began in 2018 with an unsolicited proposal for the new Civil and Probate Courthouse and was soon joined by the County's own Request for Qualifications, which was subsequently rescinded in favor of a two-step Request for Proposals (RFP) process.

While monitoring the procurement, the OIG became involved in two separate quality assurance reviews that could potentially affect the procurement. For each incident, the OIG conducted its own quality assurance review of the

matter, and both of our reviews were conducted independent of the OIG's on-going procurement monitoring efforts. In both cases, we did not find that the incidents had an adverse impact on the procurement process. The first incident occurred in 2018 and involved the inadvertent release of privileged information related to the unsolicited proposal, which we reported in our 2018 Annual Report.

The second incident occurred in April 2019, when one of the stakeholders, the Clerk of Courts, notified the OIG that he had become aware that his office's longstanding outside counsel was also representing one of the short-listed proposers for the new courthouse project. The Clerk's Office was not only a stakeholder but had three employees participating on the Competitive Selection Committee for the RFP (one as a voting member and two as technical advisors). At that time, in April 2019, the first phase of the Request for Proposal process had been completed, and an interlude involving a series of workshop-like meetings with each short-listed proposer was taking place. The OIG was asked to review the matter to determine whether the on-going representation by the Clerk's outside counsel, of a proposer and his office, posed prohibited conflicts. The review examined if there were any communications by the proposer, through its attorney representative, that were in violation of provisions in the Conflict of Interest and Code of Ethics Ordinance (Ethics Code) and provisions in the bid documents. We also sought to review any disclosures made by the Clerk's Office personnel to procurement officials about this firm's dual representation.

The OIG reviewed email communications, invoices and engagement letters, by both the Clerk's Office and the law firm. The OIG also examined the procurement documents, as well as the proposals submitted. All procurement documents such as the Competitive Selection Committee Member Neutrality/Disclosure Form

Background Check (Neutrality Affidavit) and bid tabulations were also considered. For Phase 1 of the RFP, the OIG listened to and/or watched all taped meetings of the CSC and the Individual Proposer Negotiation Sessions. In addition, the OIG conducted numerous sworn interviews of Clerk's office personnel, the outside counsel's personnel, the represented proposer, and County procurement staff.

In June 2019, while the OIG review was on-going, the Clerk terminated his legal engagement with said outside counsel. Shortly thereafter, the Clerk sent a letter to the Mayor withdrawing all his personnel from participating on the CSC for the prospective Phase 2 portion of the RFP. Notwithstanding the Clerk's commendable actions, the OIG issued a final report on this matter, which included responses received from the affected parties.

Prior to the issuance of Phase 2 of the RFP, the OIG made a recommendation to ISD to revise the Neutrality Affidavit. The goal of the recommendation was to capture additional relationships in order to ensure transparency and provide the County an opportunity to make an informed decision about CSC membership. Additionally, the OIG asked that Section 1.6, restricting communications between proposers and key stakeholders, be amended to further limit proposers from any communications with stakeholders who are not covered by the "Cone of Silence" provisions of the County Code – members of the Judiciary and Constitutional officers.

The OIG's review did not find evidence of prohibited conflicts, violations of the Ethics Code, nor violations of any other restrictions in the bid documents. However, the OIG found that the voting member of the Competitive Selection Committee should have communicated the information about the representation to the Clerk in a more timely manner. The OIG review also identified several areas to improve the procurement processes and is actively working with ISD on these areas to ensure fairness and impartiality are enhanced and maintained.

Throughout the entire process, the OIG attended and monitored numerous meetings whether it be for internal strategy, stakeholder meetings, evaluation and scoring of proposers, negotiations with shortlisted proposers, evaluation and scoring of shortlisted proposers or negotiations for the final product. Throughout all these meetings all parties were fully aware of the OIG's determination on ensuring that the integrity of this highly competitive procurement process was not compromised, ensuring that all interested parties strictly adhered to the heightened prohibition on communications that went beyond those established by the Cone of Silence.

The OIG believes that its highly visible presence during this process contributed to ensuring a fair, open and transparent process that resulted in a protest-free recommendation. Furthermore, we found no exceptions to the integrity of the procurement process and took no issue with the recommended contract award. As anticipated, the BCC approved the award on December 17, 2018.

CRIMINAL JUSTICE INFORMATION SYSTEM

Continuing the plethora of unsolicited proposals received by the County, the OIG learned of the existence of another unsolicited proposal received in late 2018 for a "Case Management System for the County and Criminal Court, State Attorney, and Public Defender." In response to this unsolicited proposal, the County issued RFP-01208 for a Court Case Management System. Similar to the Courthouse project, although its acquisition will be funded by the County and maintained by the County's Information Technology Department, the end-users of the system are primarily non-County entities (e.g., the Eleventh Judicial Circuit, the Clerk of Courts, the Office of the State Attorney and the Office of the Public Defender). As such, this procurement process includes 27 Technical Advisors of which 20 are non-County employees. The OIG's active oversight of this procurement involves ensuring that the non-County members are aware of the County's procurement rules that include certain

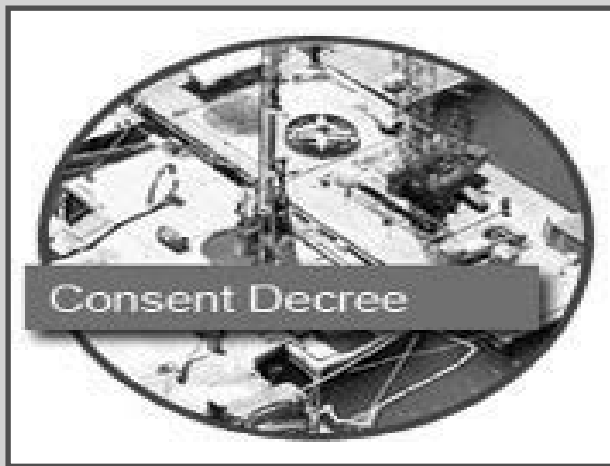
prohibitions on communications provided for in the County's Cone of Silence. Likewise, the OIG's presence is to ensure integrity of the process. The OIG will continue to monitor this procurement through 2020 when a full five (5) days of presentations are being scheduled for each of the short-listed proposers.

WATER AND SEWER DEPARTMENT (WASD) CAPITAL IMPROVEMENT PROGRAM (CIP) OVERSIGHT

A long-standing OIG oversight activity has been associated with WASD's Capital Improvement Program (CIP). WASD's CIP is the largest in the County's history and is one of the largest utility CIPs across the nation. WASD will invest approximately \$7.5 billion over the next five (5) years in capital projects related to water and wastewater system upgrades. The CIP is funded by WASD revenue bonds that are backed by revenues generated by water and sewer rates.

WASD's CIP consists of four (4) major programs, each one driven by either an external or an internal impetus, which involve:

1. A federally mandated Consent Decree (CD) Program consisting of improvements to the wastewater, collection and treatment system with the United States Environmental Protection Agency (USEPA) and the Florida Department of Environmental Protection (FDEP);
2. The State of Florida's Ocean Outfall (OOL) legislation;
3. A Pump Station Improvement Program (PSIP) responsive to pump station performance criteria established by the USEPA; and
4. Other capital improvements to its water and wastewater transmission, collection, distribution and treatment systems to meet service needs not otherwise addressed by one of the other CIP components.



ASSESSMENT OF CONSENT DECREE PROGRAM MANAGER'S FEE INCREASE

As part of its continuing oversight of WASD's Consent Decree Program (CD), the OIG learned that the CD Program/Construction Manager (PMCM)—AECOM Technical Services, Inc.—was seeking a substantial fee increase. AECOM had initially executed a Professional Services Agreement (PSA) with the County, on May 20, 2014, valued at \$91,149,497, for a fifteen-year term (five-year initial term plus two, five-year option-to-renew periods). In early 2019, however, the PSA's original funding was almost gone and there still remained up to ten years of service. In response, after extended negotiations with WASD, the parties agreed to increased funding for the remaining term totaling \$48.81 million; this is a 53.55% fee increase.

The OIG, after reviewing the supporting documentation, developed concerns about the methodology used to arrive at the agreed-upon fee increase and the quality of the supporting documents. Said concerns were expressed in a memo from the OIG to the Mayor and members of the Board of County Commissioners, dated March 1, 2019. In its memo, the OIG noted that while it could support an extended contract term, it had reservations about the reasonableness of the amount of the concurrent fee increase and information presented to support the increase.

With its concerns in mind, the OIG continued its review to gain a greater understanding of the history leading up to the current period events, as well as the methodology used and the amount of the resultant fee increase. We interviewed WASD and AECOM professional staff and thoroughly deconstructed the County's justification for wanting a fee increase. We also reviewed

AECOM/WASD's newly developed three and six month reports detailing CD project progress and PMCM fee expenditures, as requested by the Board of County Commissioners. The results of the OIG's follow-up review were transmitted to the Mayor and members of the Board of County Commissioners, in a memo dated May 22, 2019. In its follow-up memo, the OIG noted that it obtained WASD and AECOM records that documented both the original 2012 construction cost estimate and the current CD construction cost estimate and was satisfied with the records. In addition, the original AECOM PMCM fee was a negotiated amount based on each party's understanding of the scope of work and level of effort required at the time. One of the first tasks completed by AECOM (at WASD's direction), in or about the summer of 2016, was to revalidate the earlier construction cost estimates prepared by WASD. This effort, which involved significant input from WASD, was the first in a series of events that formed the basis for future negotiations about amending the PSA's not-to-exceed fee amount. Additional savings were to be achieved by relocating AECOM PMCM personnel into WASD offices, thus decreasing overhead amounts to be paid to the consultant. The OIG also noted that AECOM and WASD had collaborated on developing a new automated tracking system to ensure that future CD program fee expenditures will be managed to stay within the revised PSA amount of \$139.395 million.

OIG INQUIRY OF A WASD-FUNDED SEWER MAIN BENEFITING THE AMERICAN DREAM MALL PROJECT

In the course of monitoring the WASD Capital Improvement Program and related legislative actions, the Contract Oversight Unit took notice of an expenditure that appeared to conflict with BCC policy. During the approval of the American Dream Mall (ADM) land use application, the BCC amended the legislation to expressly prohibit any subsidies for the project. When the OIG's Contract Oversight personnel observed task orders issued by WASD to a firm for the design and construction of a 2.1 mile sewer main to connect the ADM project area to an existing pump station in Palm Springs North on the east side of I-75, a review was initiated.

WASD acknowledged that the purpose of the \$7 million regional sanitary sewer force main extension was to provide service to American Dream Mall and two other developers in the service area, AMB I-75, LLC and the Graham Companies. The OIG submitted a series of questions to the WASD Director seeking an explanation of how this expenditure is not in conflict with the BCC policy. Resolution 629-18 restricted the County administration from entering into "any new agreement to provide any County financing, County grant, County funded loan or subsidy, or similar County program" to benefit the ADM project.

WASD explained that the project to extend service to this area was in the best interest of the department in order to secure the revenues derived from future development in the area. It was also noted that the extension project would not be paid using County funds, but with WASD Plant Expansion Funds (PEF), which are derived from connection charges paid by developers. The PEF was established, in part, to provide capital for the installation of large-scale pipes to service regional needs. On June 28, 2019, the County Attorney issued an opinion affirming the WASD project to benefit American Dream Mall and other developers in the region did not violate the BCC

policy "because the use of connection charges is not subject to the funding prohibition set forth in the Resolution." In light of this opinion, the OIG closed this review.

OTHER OIG CONTRACT OVERSIGHT WASD ACTIVITIES

The OIG evaluated an allegation that WASD completed unnecessary construction of ultraviolet water treatment plants at its West and Southwest wellfields. We noted that, at the time of construction, there was a state requirement for such treatment facilities and, also at that time, WASD did not have a state-issued waiver to the requirement. In 2019, this requirement was lifted by the state. This complaint was closed without further referral or action.

The OIG addressed an allegation that a contractor was misappropriating scrap aluminum, while working on a WASD construction project. The allegation continued by stating that the contractor was not crediting or otherwise giving WASD value for the scrap material that it removed from the project site. The OIG's review determined that, initially, aluminum was on the list of designated "salvageable" materials but via a later contract addendum, it was removed from the list. As a result, the contractor was free to remove the material from the project site without compensating WASD for its scrap value. This complaint was closed.

OIG PARTICIPATION AT WASD'S INDUSTRY OPEN HOUSE

On September 12, 2019, personnel from the OIG's Contract Oversight and Investigative Units participated in WASD's Industry Open House, where attendees learned about the next five (5) years of WASD's \$7.5 billion Capital Improvement Program. OIG staff joined approximately 200 others representing the various contractor and consultant entities that provide WASD with its needed construction and consultant services. There were numerous presentations from various departmental personnel, including an overview



(left to right) Stephen Pollock, Contract Oversight Specialist and Cesar Cerecedo, Special Agent - OIG

by the Director of WASD. While at the Open House, OIG representatives met with attendees, answered their questions about the OIG's oversight function and presented them with copies of OIG promotional information and literature. In addition, the OIG shared abutting presentation space with personnel from WASD's Small Business Initiatives Unit, an office that often cooperates with the OIG as we work to ensure contractors and consultants are compliant with contractual obligations. This is the second such WASD event that the OIG has participated within the past four years and we look forward to participating in future WASD industry open houses.

OIG OVERSIGHT OF THE JACKSON HEALTH SYSTEM

Jackson Health System (JHS) continues to contract with private nursing homes to serve patients in need of long-term care. The OIG took notice of the final settlement payments associated with a previous provider of nursing home services in 2018. The billing practices of the prior vendor involved invoices for differential payments above the rates established for Medicaid/Medicare eligible patients. The contract was duly terminated by the Public Health Trust (PHT); a final resolution of this matter is pending. In the interim, the OIG made several recommendations to the procurement staff of JHS as they developed a new competitive solicitation for nursing home services. The prior vendor mentioned above is not a competitor for these services. Final negotiations with the successful primary and secondary vendors are expected to be completed soon.

JHS's \$1.8 billion capital plan, supported by the \$830 million Miracle-Building Bond program approved by voters, continues to be implemented as promised. Key projects, such as the new Rehabilitation Hospital on the main campus and the Jackson West Medical Center in Doral, along with a series of Urgent Care Centers, are moving forward on schedule. The OIG notes there have been no complaints about the management of this vast capital program that has involved hundreds of contractors, suppliers, subcontractors and vendors throughout the region.



OIG INVESTIGATION RESULTS IN A NEW PROCUREMENT FOR A BAGGAGE HANDLING OPERATOR

On May 6, 2019, the OIG issued a Final Report of Investigation regarding MIA’s Baggage Handling System Operation and Maintenance (O&M) Agreement. As noted in the Investigations Section of this Annual Report, the findings included multiple violations of the Cone of Silence and a variety of questionable relationships, prohibited communications, non-compliant practices and MDAD management failings during the procurement process. Among the decisive actions taken by the Aviation Director in response to the OIG’s report, MDAD would not be exercising the five 1-year options on the contract and a new solicitation for the O&M of the Baggage Handling System would be put forth as soon as possible, noting that the first five-year term of the contract ends in June of 2020.

The Contract Oversight Unit opened a case to monitor the new RFP for the O&M of the Baggage Handling System on April 1, 2019. MDAD officials initially held a series of meetings to develop the bid specifications, including an inspection of the physical plant to ensure the bid documents accurately reflect field conditions. OIG Contract Oversight personnel strongly advocated for a pre-bid facilities tour for all interested firms to ensure that all proposers had access to view the physical state of the facilities in order to better prepare their responses to the RFP. The OIG has monitored the process throughout. The final day for bid submissions has been extended to February 19, 2020. The OIG is committed to working with MDAD to ensure the integrity of this procurement process.

OTHER AIRPORT BIDS AND CONTRACTS BEING MONITORED BY THE OIG

Request for Proposal No. 1414 for Automated Teller Machines (ATM) Concessions at Miami International Airport has been monitored by OIG

personnel since inception. In the past year, the selection phase of the process has been concluded and negotiations with the highest-ranked proposer have begun. Even in today’s digital economy, access to cash for the traveling public is a vital necessity, and the airport’s ability to provide the public access to ATMs is an important service requiring our attention.

In June 2019, the OIG notified the Aviation Department of our intentions to monitor prospective consultant solicitations related to the department’s Capital Improvement Program (CIP). Prior OIG procurement oversight of the previously entitled “Terminal Optimization Program” would be now focused on the department’s engagement of two consultants for CIP Specialized Services. Further, the OIG memorandum to the Aviation Department urged it to consider finally conducting a new procurement process to award a new professional services agreement for bond engineering services. Our memorandum noted that the current agreement has existed since 1966, and that the OIG had previously strongly suggested that the Aviation Department, “as a public institution, has a responsibility to take advantage of an appropriate occasion to seek competitive solicitations from other interested firms.” Due to the department embarking on a new CIP, we urged that the “time is now” to engage in an extremely overdue competitive selection process. In response to our request, the Aviation Director stated:

“The Miami-Dade Aviation Department (MDAD) thanks the Office of the Inspector General (OIG) for their renewed commitment to provide independent oversight of the CIP. MDAD is equally committed in providing your office information and full access to all aspects of our CIP and the related competitive procurements. . . MDAD concurs with the OIG’s recommendation to competitively solicit for bond engineering services. . . MDAD is steadfast in participating in fully open and transparent procurements, with strict adherence to the County’s established procurement procedures. I welcome the OIG’s observations and recommendations throughout the program.”

THE STRATEGIC PROCUREMENT DIVISION OF ISD – A KEY STAKEHOLDER OF THE OIG’S CONTRACT OVERSIGHT FUNCTION

Probably the most contacted group by the OIG’s Contract Oversight Unit is the Strategic Procurement Division of the Internal Services Department. We interact with these procurement professionals weekly, and depending on the case assignments, sometimes on a daily basis. We also participate in their annual Procurement Expo.

One such assignment involved the 45-day whirlwind, expedited procurement of helicopters for the Miami-Dade Fire Rescue Department. On October 3, 2019, the recommendation to award Contract No. CBW9827-3/21 to AgustaWestland was rejected based, in large part, on prior improprieties uncovered by the Commission on Ethics. In rejecting the bid, the Administration stated that it would conduct a new, expedited procurement for the purchase of four (4) helicopters.

The BCC specifically requested that the OIG monitor this procurement. As a result, RFP 01424 was issued on October 10, 2019 with an expedited timeline; responses were due 14 days later, on October 24, 2019. Unlike the predecessor procurement (a competitive bid waiver), this was an open solicitation requesting proposals from any and all vendors. As reported in our November 18, 2019 memorandum to the BCC, the OIG’s Contract Oversight Specialist worked closely with the Strategic Procurement Division to ensure that there were no negative residual effects from the prior procurement process and that there would be unquestionable neutrality of the appointed members of the Competitive Selection Committee (CSC).

During this very accelerated process, the OIG monitored over 10 hours of CSC meetings and over 40 hours of negotiation meetings. Overall, the OIG found that the expedited procurement was conducted in a fair and transparent manner consistent with the requirements of the RFP.

During the Summer of 2019, the BCC Vice-chairwoman asked the OIG, along with the Commission on Ethics, to collaborate with the County’s Chief Procurement Officer to address a number of perceived issues with the current procurement process. OIG Attorneys and Contract Oversight Specialists have been reviewing and making suggestions to update, streamline, and reform policies and procedures related to the composition of selection committees, disclosure of possible conflicts by committee members, training required of committee members, the application of the Cone of Silence and lobbyist registration and the registration of vendor representatives. We welcome the opportunity to provide such input and hope that, in the coming year, these reforms will be advanced and ultimately adopted.

The Strategic Procurement Division invited the OIG’s Contract Oversight Unit to participate in its 2nd Annual Procurement Expo for small and local businesses interested in doing business with local government. The event, held on November 7, was expanded this year to include participation by several Miami-Dade County municipalities. Several of Miami-Dade County’s larger departments with capital improvement programs, as well as the Jackson Health System, were on hand to provide information about their business opportunities. The OIG also participated in the training sessions held throughout the day; and we staffed our own booth where we were able to interact with the vendor community by responding to their questions and handing out informational material about our contract oversight function.



Patra Liu, General Counsel - OIG

AUDIT UNIT

The OIG Audit Unit conducts audits, inspections and evaluations, to detect and prevent fraud, waste, and abuse of power, as well as seek appropriate remedies to mitigate identified risks and recover public monies when applicable. The Audit Unit is supervised by an Audit Manager, with the assistance of two (2) Audit Supervisors. A Final Report that proposes targeted recommendations based on the noted findings is issued at the conclusion of each audit, inspection or evaluation.

During Fall 2019, the Association of Inspectors General (AIG) conducted a Peer Review of the Office of the Inspector General. They evaluated the work of the Audit Unit performed from October 1, 2016 through September 30, 2019. The Peer Review assessed the work of the Audit Unit for compliance with the AIG Principles and Standards for Offices of Inspector General (Green Book) and the Generally Accepted Government Auditing Standards (GAGAS, Yellow Book). On October 28, 2019, the Peer Review team issued an opinion stating that the standards under which this office operated throughout the review period are consistent with AIG and Government Accountability Office (GAO) standards.

The Audit team is a diverse group of individuals with varied backgrounds, most who have attained or are scheduled to attain the Certified Inspector General Auditor designation. Additional designations held by the Audit team include that of Certified Public Accountant, Certified Fraud Examiner, Certified Internal Auditor, Certified Construction Auditor, Certified Risk Management Assurance Auditor, Certified Government Auditing Professional, Certified Government Financial Manager, as well as Certified Financial Services Auditor.



AUDIT OF THE SPECIAL TRANSPORTATION SERVICES (STS) SELF-CERTIFICATION PROCESS

The OIG audited the self-certification process for Special Transportation Services (STS) vehicles. The STS Program involves the transportation of a particularly vulnerable group of individuals, including the elderly and disabled. The OIG's assessment was precipitated by the passage of Ordinance No. 18-94 (STS Ordinance) by the Board of County Commissioners (BCC) on September 5, 2018, as well as the fact that the current STS contract with Supernice STS, d/b/a Transportation America and its subcontractors, is one of the County's largest services contract, exceeding \$400,000,000. The STS Ordinance's key provisions provided STS operators the option to self-certify that their vehicles comply with the standards set forth in the Code of Miami-Dade County.

The OIG focused on the Department of Transportation & Public Work's (DTPW) Passenger Transportation Regulatory Division's (PTRD's) experience with Passenger Motor Carrier (PMC) operators electing self-certification. The language of the STS Ordinance closely mirrored the PMC passed a year earlier and PTRD had already been regulating the PMC operators opting for self-certification for approximately one year.

The OIG identified that Transportation America was not in compliance with the requirements of the PMC and STS Ordinances, as codified in Chapter 31 of the Code. Specifically, Transportation America's inspections of its PMC and STS vehicles were not conducted by a certified master mechanic, nor were they performed at a licensed or state registered auto repair shop. Additionally, Transportation America's facilities lacked adequate brake testing equipment, so it could not assure brake tests within allowable parameters. PTRD, as regulator, had failed to recognize the existence of both key factors until they were identified during the OIG's assessment.

The OIG formally notified the Department of Transportation and Public Works (DTPW) of these concerns through a series of meetings and correspondences. DTPW concurred with the OIG and required Transportation America to re-inspect its PMC and STS fleets in conformance with the self-certification requirements. Transportation America agreed that it would re-inspect its fleet using its recently acquired brake testing equipment. The documentation reviewed by OIG representatives, near the conclusion of this inspection, confirmed that Transportation America satisfactorily completed all the necessary re-inspections in advance of the June 30, 2019 remediation date established by DTPW. The issue regarding the requirement that the inspection be "conducted by" the certified master mechanic remains unresolved while awaiting a legal opinion from the County Attorney's Office.

The OIG also assessed DTPW's Paratransit Operations Division (POD) and how it coordinates its functions with PTRD. OIG representatives shadowed PTRD officers in the field to observe how the enforcement activities have been affected by the new self-certification protocols. OIG representatives also reviewed POD's QA monitors and found their work to be effective.

DTPW responded positively to each recommendation indicating either that it will prospectively implement our suggestions or have already taken steps to implement our recommendations during the assessment. In its response, Transportation America reaffirmed its commitment to comply with the amended policies, as well as the recommendations posited by the OIG.

INSPECTION OF THE INTERNAL SERVICES DEPARTMENT'S REFRIGERANT USAGE AND CONTROLS

An inspection was conducted concerning the usage and controls pertaining to air conditioning refrigerant at the Internal Services Department's (ISD), Renovations Services Section's (RSS) Heating, Ventilation and Air Conditioning Shop (HVAC Shop). The HVAC Shop provides services to all County Departments, with the exception of the Water & Sewer Department, Aviation Department, PortMiami and the Department of Transportation and Public Works. The inspection focused on the procurement, physical control, usage and tracking of refrigerant, as well as inter-departmental billings for service orders involving refrigerant.

The OIG report contained two findings and six recommendations. The findings are directly from testing of 100% of the refrigerant service requests made by County Departments to the HVAC Shop, during the review period of January 1, 2016 through August 31, 2018, as documented in HVAC Stock Requisition (SR) Forms and Product Release and Log Control (PR&LC) Forms. Additionally, the findings address the testing of the data, including refrigerant purchases, inventory and inter-departmental billings, maintained in the AS 400 data management system used by the HVAC Shop.

Finding 1 addresses the HVAC Shop's weak to non-existent policies and procedures (P&P) and internal controls pertaining to the tracking and use of refrigerants, including those concerning the proper completion and usage of the SR and PR&LC Forms, as well as the failure to follow the P&P and controls that did exist. Finding 2 addresses how data input errors made in AS 400 affected inventory accountability and inter-departmental billings to County departments using HVAC Shop services.

As to Finding 1, the OIG inspection revealed that the lack of functioning internal controls concerning refrigerants, and non-compliance with controls that did exist, combined with inadequate management oversight and hands-on direction, affected all the key functions of receiving, usage and billing of refrigerant. For example, 69% of the PR&LC Forms lacked a service address; 75% lacked a service date; and 63% failed to include the amount of refrigerant used on a service call. Management was aware the HVAC mechanics were not completing these forms, so they relied on the AS 400 input person to recreate refrigerant usage after-the-fact, based on the mechanics' recollection and estimates. The PR&LC Forms are the key source document for entry of refrigerant usage in AS 400 and to determine the amounts to be charged to user departments.

Finding 2 concerned data input errors into AS 400 and flawed data resulting from the recreated PR&LC Forms. These errors caused county user departments to be under-billed and over-billed, on different occasions for refrigerant usage. In addition, this also caused incorrect levels of inventory to be reflected in AS 400, which did not correspond to the actual inventory on hand.

The key recommendations set forth in the report were:

- The HVAC Supervisor must hold the HVAC Mechanics accountable for timely and accurately completing the PR&LC Forms;
- a quality assurance process overseen by the RSS Manager be instituted and used to confirm the HVAC Supervisor and HVAC Mechanics are meeting their responsibilities;
- policies requiring that refrigerant inventory received be documented and promptly entered in AS 400; and
- service orders/work orders information must be entered in AS 400 within a specified period-of-time, and there must be supervisory review of data entered in AS 400.

In ISD’s response to the report, the Director thanked the OIG for reviewing this specific operation in depth. The Director indicated that “...the Renovations section was in the process of amending existing policies and procedures in order to address each finding and implement the recommendations provided...”

Specifically the Director immediately established an interim policy as soon as the deficiencies were brought to the attention of the Renovations Manager. The interim procedure included documentation of deliveries of refrigerant tanks and updating forms to include the OIG recommendations. Training was implemented for all staff on all updated requirements. A Program Management Specialist position is being assigned to the Trade Shops to perform project management services so that the Renovations Manager can dedicate additional time to management and oversight of work orders and ensuring staff follow the policies and procedures. The Director is also taking steps to ensure that the HVAC Mechanics properly log the use of the refrigerant and input the information timely into the AS400 system.

Finally, the Director tasked ISD’s new Compliance Unit with follow-up to independently ensure that all of the OIG recommendations are promptly and accurately completed and she welcomed the OIG to participate in follow-up evaluations.

POOL CONTRACTS UNDER REVIEW

As part of an ongoing effort to evaluate the overall use and effectiveness of pool contracts within the County, we are currently performing audits of two (2) pool contracts.

Pool contract utilization is governed by County procurement policies and procedures, the contracts themselves, as well as the contract’s unique Roadmap. These audits will assess compliance with the Contract and the corresponding Roadmap.



SOUTH FLORIDA COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY AWARD



(left to right) Honorable Ariana Fajardo Orshan, United States Attorney Southern District of Florida, Mary T. Cagle, Miami-Dade County Inspector General, Honorable Katherine Fernandez Rundle, State Attorney for the Eleventh Judicial Circuit of Florida

One of the key components of the work of the Miami-Dade OIG is its holistic approach to allegations of fraud, waste and abuse. Offices of Inspectors General are generally made up of Investigators, Auditors and Lawyers. In many cases, all three disciplines are critical to determining culpability and calculating losses.

On September 12, 2019, the State Attorney's Office and the Office of the Inspector General hosted the awards ceremony for the South Florida Council of the Inspectors General on Integrity and Efficiency. The featured speakers were State Attorney Katherine Fernandez Rundle and the United States Attorney, Ariana Fajardo Orshan.

This year's winners included our very own OIG Deputy General Counsel Marie Perikles and Special Agent Larry Riley. Together with Miami Beach Police Department Detective Matt Ambre and Assistant State Attorney Sandra Miller-Batiste, they received the South Florida Council of the Inspectors General on Integrity and Efficiency award for Public Corruption Investigation of the Year.



REACCREDITATION AND PEER REVIEW

The Miami-Dade County Office of Inspector General welcomed both an Accreditation Team and a Peer Review Team into our office in 2019. Why do we go through these comprehensive, critical inspections? Because in our role as inspectors general, we believe our stakeholders have a right to know if we comply with our own standards.

OIG REACCREDITATION

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

In the State of Florida, the Commission for Florida Law Enforcement Accreditation (CFA) is the designated accrediting body for law enforcement agencies and for Offices of Inspector General. Accreditation involves a thorough examination of an office's policies and procedures, work product, investigations, supervision, personnel and training practices. Accreditation is primarily geared toward the investigative function. Once achieved, accreditation is good for three years.

Florida is the only state with an accreditation

process for Offices of Inspector General. There is no national organization for accrediting Offices of Inspector General.

The Miami-Dade County Office of the Inspector General (OIG) was initially accredited in July 2010 and was reaccredited in June 2013 and June 2016. In April 2019, a two-person team selected by the CFA conducted an on-site assessment and spent a day and a half reviewing the OIG's policies and procedures, office operations, reports, training records, personnel practices, interviewing OIG staff and touring the OIG Airport office. After a comprehensive on-site assessment, the OIG was found to be in compliance with all mandatory CFA standards. In the words of the accreditation team leader, the assessment was flawless, with no discussion of non-compliance or file maintenance issues. In June 2019, the Miami-Dade County OIG was reaccredited for the third time by the CFA.



(left to right) Darryl Daniels (Sheriff of Clay County), Oswaldo Romero (Miami-Dade County OIG Special Agent), Felix Jimenez, (Miami-Dade County OIG Deputy IG), Mary Cagle (Miami-Dade County IG), James Mazer (Miami-Dade County OIG Supervisory Special Agent), Lori Mizell (CFA Executive Director)

OIG PASSES PEER REVIEW BY ASSOCIATION OF INSPECTORS GENERAL

The Miami-Dade County Office of the Inspector General (OIG) underwent a Peer Review in October 2019. This was the second Peer Review for the OIG. The initial Peer Review of the OIG was conducted in September 2016. A Peer Review is a voluntary process where the agency requesting a Peer Review opens itself up to a thorough examination of its policies and procedures, processes, documentation, workflow and impact on the community. The goal of the Peer Review is not just to assess how well an OIG is functioning, but to assess how well organizational processes and activities work toward maximizing operational efficiency and adherence to established quality standards. The Peer Review examined all aspects of the OIG, including the Investigations Unit, the Audit Unit and the Contract Oversight Unit.

The Association of Inspectors General (AIG) conducted the Peer Review. The AIG is a national, non-profit, membership organization for agencies and professionals in the inspector general community. The mission of the AIG is to promote excellence in the inspector general community by

establishing and encouraging adherence to quality standards for each of the specific professional disciplines, and for OIG offices as a whole.

The Peer Review Team consisted of four experienced professionals in their respective fields. Over a four-day period, the Peer Review Team conducted in-depth reviews of completed investigations, audits and contract oversight reports. They reviewed personnel files, scrutinized staff qualifications and examined training records. In addition, the Peer Review Team interviewed every member of the OIG staff as well as several stakeholders, both internal and external to the County.

It was the unanimous opinion of the Peer Review Team that the Miami-Dade OIG's Investigation, Audit, and Contract Oversight Units were following all applicable standards. The Peer Review Team found that the Miami-Dade County OIG met all relevant AIG Quality Standards for Offices of Inspector General and commended our Office for our professionalism. Peer Review, like Accreditation, is conducted in a three-year cycle.



OIG PERFORMANCE, ACCOUNTABILITY, SAVINGS AND EFFICIENCY

IDENTIFIED FINANCIAL IMPACTS

In Fiscal Year 2018-2019, OIG investigations, audits, inspections and other reviews identified over \$881,961 in questioned costs, and over \$3.6 million in damages and losses due to theft, fraud and abuse. As a result of these cases, and others that began in earlier years, OIG cases in Fiscal Year 2018-2019 have given rise to over \$2.3 million in savings and funds put to better use, and have brought about over \$5.7 million in recoveries, repayments and court-imposed restitution.

INVESTIGATIONS RESULTING IN ARRESTS

OIG investigations resulted in four (4) arrests of individuals and one charge of Organized Fraud against a company during Fiscal Year 2018-2019.

CRIMINAL CHARGES FILED

Arrests in Fiscal Year 2018-2019 resulted in criminal charges being filed that include Organized Scheme to Defraud, Grand Theft, Petit Theft, Forgery, Uttering a Forged Instrument, Conspiracy to Commit Wire Fraud, Wire Fraud, False Statement to a Federal Agency, Unlawful Compensation and Aggravated Identity Theft.

PUBLICATIONS

The OIG issued seven (7) public reports and twenty-two (22) advisory memoranda during the Fiscal Year 2018-2019. The reports include audit reports, contract oversight reports and administrative investigative reports. The advisory memoranda typically involve notices of investigations resulting in arrest and the dispositions of those criminal cases.



APPENDIX: CODE OF MIAMI-DADE COUNTY

Sec. 2-1076 OFFICE OF THE INSPECTOR GENERAL

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

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

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

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

- (i) as a Federal, State or local Law Enforcement Officer;
- (ii) as a Federal or State court judge;
- (iii) as a Federal, State or local government attorney;
- (iv) progressive supervisory experience in an investigative public agency similar to an inspector general's office;

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

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

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

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

(a) The State Attorney of the 11th Judicial Circuit for Miami-Dade County;

(b) The Public Defender of the 11th Judicial Circuit for Miami-Dade County;

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

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

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

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

(3) Term. The Inspector General shall be appointed for a term of four years. In case of a vacancy in the position of Inspector General, the Chairperson of the Board of County Commissioners may appoint the deputy inspector general, assistant inspector general, or other Inspector General's office management personnel as interim Inspector General until such time as a successor Inspector General is appointed in the same manner as described in subsection (b)(2) above. The Commission may by majority vote of members present disapprove of the interim appointment made by the Chairperson at the next regularly scheduled County Commission meeting after the appointment. In the event such appointment shall be disapproved by the County Commission, the appointment shall become null and void and, prior to the next regularly scheduled Commission meeting, the Chairperson shall make a new appointment which shall likewise be subject to disapproval as provided in this subsection (3). Any successor appointment made by the Selection Committee as provided in subsection (b)(2) shall be for the full four-year term.

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

(4) Staffing of Selection Committee. The Miami-Dade County Employee Relations Department shall provide staffing to the Selection Committee and as necessary will advertise the acceptance of resumes for the position

of Inspector General and shall provide the Selection Committee with a list of qualified candidates. The County Employee Relations Department shall also be responsible for ensuring that background checks are conducted on the slate of candidates selected for interview by the Selection Committee. The County Employee Relations Department may refer the background checks to another agency or department. The results of the background checks shall be provided to the Selection Committee prior to the interview of candidates.

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

(d) Functions, Authority and Powers.

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

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

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

(4) The Office shall have the power to report and/or recommend to the Board of County Commissioners whether a particular project, program, contract or transaction is or was necessary and, if deemed necessary, whether the method used for implementing the project or program is or was efficient both financially and operationally. Any review of a proposed project or program shall be performed in such a manner as to assist

the Board of County Commissioners in determining whether the project or program is the most feasible solution to a particular need or problem. Monitoring of an existing project or program may include reporting whether the project is on time, within budget and in conformity with plans, specifications and applicable law.

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

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

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

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

(7) Where the Inspector General detects corruption or fraud, he or she shall notify the appropriate law enforcement agencies. Subsequent to notifying the appropriate law enforcement agency, the Inspector General may assist the law enforcement agency in

concluding the investigation. When the Inspector General detects a violation of one (1) of the ordinances within the jurisdiction of the Ethics Commission, he or she may file a complaint with the Ethics Commission or refer the matter to the Advocate.

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

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

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

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

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

(e) Physical facilities and staff.

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

(2) The Inspector General shall have, subject to budgetary allocation by the Board of County Commissioners, the

power to appoint, employ, and remove such assistants, employees and personnel and establish personnel procedures as deemed necessary for the efficient and effective administration of the activities of the Office.

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

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

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

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

(j) Retention of the current Inspector General. Notwithstanding any provision to the contrary, the incumbent Inspector General, Christopher R. Mazzella⁽¹⁾, 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).

⁽¹⁾ Mr. Chris Mazzella, the County's first Inspector General and the incumbent when this subsection was enacted, retired in April 2013. Mary Cagle, the current Inspector General, was appointed in February 2014 and reappointed in February 2018.

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

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

or

**Report Fraud On-Line at:
MiamiDadeIG.org**



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