



Miami-Dade County  
Office of the Inspector General

# Annual Report 2014



Report Fraud

(305) 579-2593

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

Providing Independent Oversight  
of County Affairs

## MESSAGE FROM THE INSPECTOR GENERAL



A large portion of the hundreds of complaints the OIG investigates each year come from County employees who want County government to operate with honesty and integrity. In the pages that follow, take note of all the cases that were initiated because a County employee came forward to tell the Inspector General's Office that something was not right. It is not an easy thing to do. It takes courage and a desire to do the right thing. The identity of many of the complainants that come forward to share information remains confidential, even after the case is closed, thanks to a provision in Florida Law. This year our featured investigation is the result of such a tip from a County employee. The confidential tip was enough for us to launch a comprehensive investigation. It resulted in the perpetrator going to jail, repaying the County, and forfeiting his pension. He didn't get away with his scheme to defraud the County. He didn't get away with it because an honest employee came forward confidentially to ensure that the theft didn't go on any longer.

I have spoken with many County employees about what motivates them to come forward and report misconduct to the Office of the Inspector General. They tell me that they are motivated because they want to live and work in an environment that is free from corruption. They also want to know that they can safely report misconduct to someone that is independent, and someone who will keep their identity confidential when requested.

This community deserves the assurance that there is an independent watchdog at County Hall who will listen and act. The OIG is committed to working with those who come forward to protect the interests of all. Our goals are the same—fraud and corruption have no place in Miami-Dade County government. The OIG will work tirelessly to ensure that reported acts of fraud, corruption, and misconduct are professionally investigated and wrongdoers are caught and punished. Only then, can we restore the public's trust in our governing institutions.

Sincerely,

A handwritten signature in blue ink that reads "Mary T. Cagle".

Mary T. Cagle  
Inspector General

# TABLE OF CONTENTS

Watchdog Agency of Miami-Dade County .....	2
Mission Statement .....	3
Vision Statement.....	3
Core Values .....	4
Commitment.....	5
Upholding a Valued Tradition .....	6
Examining Our Ordinance .....	6
OIG Budget .....	8
Office Blueprint .....	9
The Importance of Accreditation .....	10
The Association of Inspectors General .....	10
Measuring Our Fiscal Year Successes.....	11
Reporting Fraud .....	12
Processing Complaints.....	12
Employee Protection Statute .....	13
This Year’s Complaints .....	13
Spotlight on Miami-Dade Aviation Department.....	14
OIG Case Highlights and Summaries .....	16
The Investigations Unit.....	17
Other Criminal Investigations Resulting in Recent Arrests.....	19
Criminal Cases Resolved.....	19
Administrative Investigations .....	21
Featured Case: Wholesale Theft of Equipment from the ISD Alarm Unit .....	24
The Audit Unit.....	26
Contract Oversight.....	30
OIG Ongoing Monitoring Activities.....	33
Appendix: Code of Miami-Dade County, Sec. 2-1076 Office of the Inspector General ..	35
OIG Photo Gallery.....	41



---

## Watchdog Agency of Miami-Dade County

---

**6,354,266,000** Miami-Dade County approved Budget for FY 2013-14

**5,875,222,096** Dollar value of County contracts

**2,572,821** Population of Miami-Dade County

**25,577** County employee positions in the FY 2013-14 Budget

**12,530** Registered County vendors

**1,372** Active County contracts for goods and services

**25** County Departments

**13** Commission Districts

---

**1** **County Watchdog**





## mission STATEMENT

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 STATEMENT

To be recognized as the premier agency in holding Miami-Dade County government accountable, ensuring it continues to provide excellence every day.

# CORE 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

# COMMITMENT

is what transforms a promise into reality

- Abraham Lincoln

You have our commitment that we will provide the Miami-Dade community with independent and autonomous oversight of County affairs, without political interference.

You have our commitment that we will work to detect, investigate, and prevent fraud, waste, mismanagement, and the abuse of power in County government.

You have our commitment that it is our goal to promote transparency in County programs, projects, contracts, and transactions.

You have our commitment that we adhere to the professional standards set for the Inspectors General community that ensure our work conforms to the highest level of scrutiny.

You have our commitment that we will maintain a staff of diverse, highly skilled professionals.

You have our commitment that we are guided by our Vision Statement as we work towards accomplishing our goals.

You have our commitment that we let our Core Values guide us in our daily work.

You have our commitment that we strive to restore trust in County government.



## UPHOLDING A VALUED TRADITION

The tradition of Inspectors General in the United States first started when an Army Inspector General was appointed to report to George Washington on the proper expenditure for wartime munitions and supplies. Shoddy and defective equipment, mismanagement, and bribery are problems that still follow us into modern times and continue to require Inspectors General oversight in order to deal with waste, fraud, and abuse.

The Inspector General Act of 1978, with President Jimmy Carter's creation of the first twelve Inspectors General positions, led the way to the creation of more than 72 Federal Inspectors General positions today, followed by numerous state and local Inspectors General.

The State of Florida has been a national leader in the promotion of integrity and transparency in its government. With a statute approved in 1994, Florida established in each of its state agencies an Office of Inspector General to promote accountability, integrity, and efficiency in state government. Florida Inspector General resources now watch over more than 30 state agencies.

Florida's role as a leader has spurred a growing movement towards many of its local governments also making a commitment to achieve trust in local government through ensuring integrity and transparency.

As the seventh most populous county in the United States, Miami-Dade was a groundbreaker at the local level in instituting an independent watchdog for its 2.6 million citizens. The Miami-Dade OIG is often viewed by other jurisdictions around the country as the leading model upon which to structure their organizations. We often lend our support to other local OIGs, established in the State of Florida and around the nation. OIGs are now located in Pinellas, Palm Beach, Lake, and Broward counties.

## EXAMINING OUR ORDINANCE DISSECTING SEC. 2-1076

The first OIG ordinance was codified in Section 2-1076 of the Code of Miami-Dade County in 1998, after the Board of County Commissioners (BCC) passed the ordinance unanimously. Several amendments have since been



passed to expand OIG authority to include oversight of County contracting, selection, and negotiation processes; specifying procedures for how the OIG issues its findings and recommendations; establishing future IG selection procedures; and clarifying the OIG's investigative authority over County affairs and its ability to conduct criminal investigations.

Below are pertinent excerpts of Section 2-1076 that define the attributes of our Office.

## What We Do

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 (PHT) programs, accounts, records, contracts and transactions.

- The Office shall have the power to report and/or recommend to the BCC whether a particular project, program, contract, or transaction is or was necessary...or was efficient both financially and operationally.
- The IG may, on a random basis, perform audits, inspections, and reviews of all County contracts.

## We Are Independent

- The Office shall have the power to require reports from the Mayor, County Commissioners, County agencies and instrumentalities, County officers and employees, and the PHT, its officers and employees on any matter within the jurisdiction of the IG.
- The IG shall be appointed by the Ad-Hoc Inspector General Selection Committee, comprised of the State Attorney of the 11<sup>th</sup> Judicial Circuit for Miami-Dade County, the Public Defender of the 11<sup>th</sup> Judicial Circuit for Miami-Dade County, the Chairperson of the Miami-Dade Commission on Ethics and Public Trust, the President of the Miami-Dade Police Chief's Association, and the Special Agent in Charge of the Miami Field Office of the Florida Department of Law Enforcement.
- The IG shall be appointed for a term of four years. The Director of the Employee Relations Department negotiates a contract of employment with the IG. The Office of the IG shall only be abolished upon the affirmative vote of 2/3 of the whole number of members of the BCC.
- To provide for the cost of random audits, inspections and reviews, an IG fee shall be incorporated into the contract price of all contracts and shall be 1/4 of 1% of the contract price. (See page 38 for exclusions.)
- The IG shall have, subject to budgetary allocation by the BCC, 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.

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 IG.

## THE OIG BUDGET

The OIG supports its commitment that we shall be productive and cost effective, being careful to continue doing our part to spend frugally and to not waste economic and environmental resources.

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

The chart below shows the OIG's financial summary and comes directly from the County's Fiscal Year 2014-15 Adopted Budget:

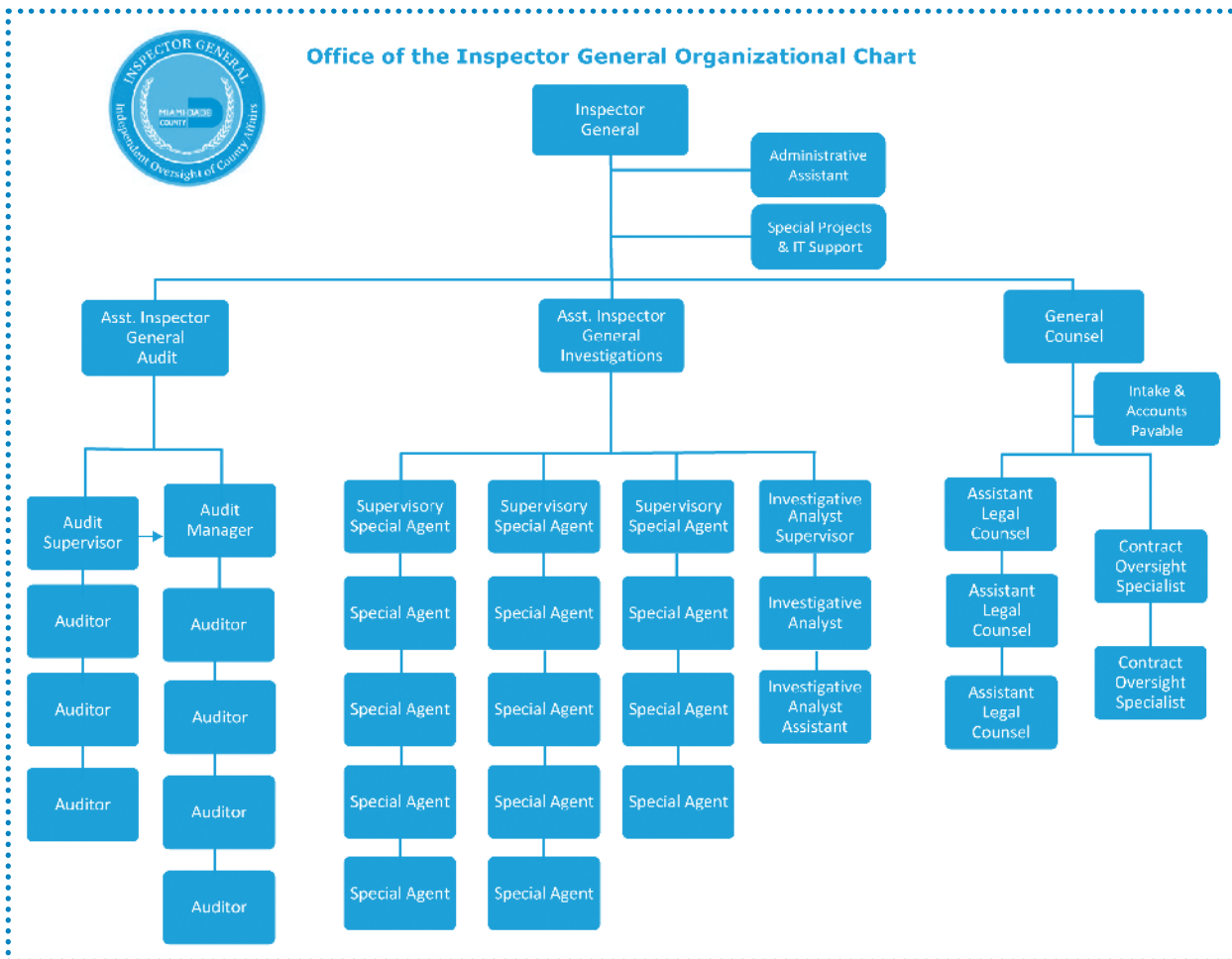
FINANCIAL SUMMARY				
(dollars in thousands)	Actual FY 11-12	Actual FY 12-13	Budget FY 13-14	Adopted FY 14-15
<b>Revenue Summary</b>				
General Fund Countywide	550	1,612	2,167	1,931
Interest Earnings	4	2	0	0
Miscellaneous Revenues	7	11	0	0
Carryover	477	249	0	217
Departmental Oversight (MOUs)	988	721	850	850
Fees and Charges	3,224	2,520	2,350	2,550
<b>Total Revenues</b>	<b>5,250</b>	<b>5,115</b>	<b>5,367</b>	<b>5,548</b>
<b>Operating Expenditures Summary</b>				
Salary	3,731	3,593	3,912	3,989
Fringe Benefits	823	656	907	1,015
Court Costs	0	1	2	2
Contractual Services	17	18	6	6
Other Operating	409	371	484	482
Charges for County Services	21	23	38	36
Capital	1	0	18	18
<b>Total Operating Expenditures</b>	<b>5,002</b>	<b>4,662</b>	<b>5,367</b>	<b>5,548</b>
<b>Non-Operating Expenditures Summary</b>				
Transfers	0	0	0	0
Distribution of Funds In Trust	0	0	0	0
Debt Service	0	0	0	0
Depreciation, Amortizations and Depletion	0	0	0	0
Reserve	0	0	0	0
<b>Total Non-Operating Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# OFFICE BLUEPRINT

During her first year as Inspector General, Ms. Cagle has focused on a holistic approach to the structure and operations of the Office that led to some redesign of the core framework of the OIG in order to increase its overall effectiveness. With the IG at the head, two Assistant IGs help support the two primary functions of the Office. One serves as Assistant IG for Audit, whose Unit is the central mechanism for oversight and the prevention of fraud, waste, and abuse. The other serves as Assistant IG for Investigations, whose Unit is the central mechanism in rooting out and remedying fraud, waste, and abuse in County affairs. Both units work together to advance the mission of the Office.

The General Counsel also reports directly to the IG. The General Counsel is supported by the Legal Team. They provide the Investigations and Audit Units with the fundamental guidance necessary to set the stage to effectively pursue legal action to prevent, remedy, and rectify loss and damage caused by those committing fraud, waste, and abuses of County affairs. Below is the OIG's Table of Organization:





## THE IMPORTANCE OF ACCREDITATION

The Commission for Florida Law Enforcement Accreditation (CFLEA) accredits law enforcement agencies and OIGs within the State of Florida that attain specific standards for operations, investigations, and other activities. The Miami-Dade OIG was one of the first local government OIGs to be accredited by the CFLEA in July 2010. Being an accredited agency means that the work product of the Miami-Dade OIG meets or exceeds the highest professional standards promulgated for Offices of the Inspectors General. The benefits of this designation include improved agency transparency, enhanced consistency and quality of investigations, organizational self-assessment, the identification and elimination of administrative and operational redundancies, clarification and definement of rules and procedures, reinforcement of the Office's ability to maintain the highest standards of professional service, improved accountability, and statewide recognition that the Office has achieved and maintains its accreditation status. All of these benefits help in our aim to achieve our Vision—to be recognized as the premier agency in holding Miami-Dade County government accountable, ensuring it continues to provide excellence every day.



## THE ASSOCIATION OF INSPECTORS GENERAL

The Association of Inspectors General (AIG) is a national professional organization for federal, state, and local government IGs. An elected 37-member board of directors sets the policy for the Association. The Association sponsors the Certified Inspector General Institutes®. The AIG also publishes *Principals and Standards for Offices of Inspector General* (known as the Green Book). These principals and standards serve as best practices for IG offices and provide specific guidance for the conduct and performance of investigations, audits, inspections, and reviews.



AIG member organizations may further participate in a Peer Review process that is performed by an independent body of one's peers. The Peer Review will evaluate whether specific criteria are being met by the agency, in strict accordance with the AIG's published principals and standards. The Office has asked to be included in the Peer Review schedule, and we are now set to undergo a Peer Review in September 2016.

## MEASURING OUR FISCAL YEAR SUCCESSES



### Fiscal Year's Questionable Costs, and Identified Damages

For the Fiscal Year 2013-14, the OIG identified over \$19.9 million in questionable costs, damages, losses, and lost revenues for the County.

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

During the Fiscal Year reporting period, almost \$2.7 million in averted losses, projected savings, financial recoveries, and increased revenues have been achieved for the County.

### This Year's Publications

In Fiscal Year 2013-14, the OIG issued 15 public reports. Ten advisory memos were issued on matters that were under review. The OIG also reviewed and/or audited 31 County contracts and programs during the fiscal year.

### Arrests Made This Fiscal Year

OIG investigations have resulted in seven arrests during Fiscal Year 2013-14. An additional 13 arrests and the indictment of one company have taken place since the end of the Fiscal Year 2013-14 reporting period.



### Charges Filed

These arrests included charges of Grand Theft, Absentee Voter Fraud, Filing a False Insurance Claim/Worker's Compensation Fraud, Unlawful Compensation, Official Misconduct, Uttering Forged Instruments, Organized Scheme to Defraud, Grand Theft, Petit Theft, and ID Theft.

## REPORTING FRAUD

In accordance with our mission to detect, investigate and prevent fraud, waste, mismanagement, misconduct, and abuse of power through independent oversight of County affairs, the OIG provides the public with a process to register and address their concerns to ensure the County operates with honesty and integrity.



Leads from citizens, employees, contractors, subcontractors, and vendors have resulted in many of the criminal cases, audits, and reviews featured in our annual reports. Information from employees has helped create and strengthen policies and procedures, and the enforcement of existing statutes and regulations. In many situations a complainant's identity remains confidential even after the case is closed.

### CONTACT US TO REPORT FRAUD



HOTLINE (305) 579-2593



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



MAIL TO 19 West Flagler Street, Suite 220  
Miami, FL 33130



FAX TO (305) 579-2656

## PROCESSING COMPLAINTS

When the OIG receives a complaint, it is logged in and reviewed. If a determination is made that further review is warranted, then it is assigned to an analyst, investigator, auditor, or contract oversight specialist.

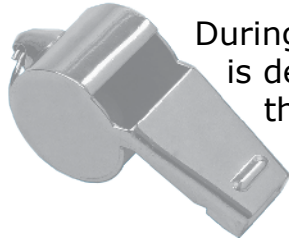


Some complaints result in OIG contact with the appropriate entity and the complainant is notified of the results. Some complaints involve personnel matters or other issues that may best be referred to the appropriate County departments to address. The OIG also receives complaints that are not within our jurisdiction, which are referred to other governmental agencies that can directly address the concerns. When we refer a complaint, typically the complainant's contact information is included (unless the OIG is asked not to disclose the identity of the complainant) so that the department or agency can make contact if more information is needed.

Because the OIG does accept anonymous complaints, we often receive

complaints that have insufficient information or detail to warrant further review. When possible, the OIG will provide the results of its review to the complainant. The OIG copies complainants, when a contact is provided, on its complaint referrals.

## EMPLOYEE PROTECTION STATUTE

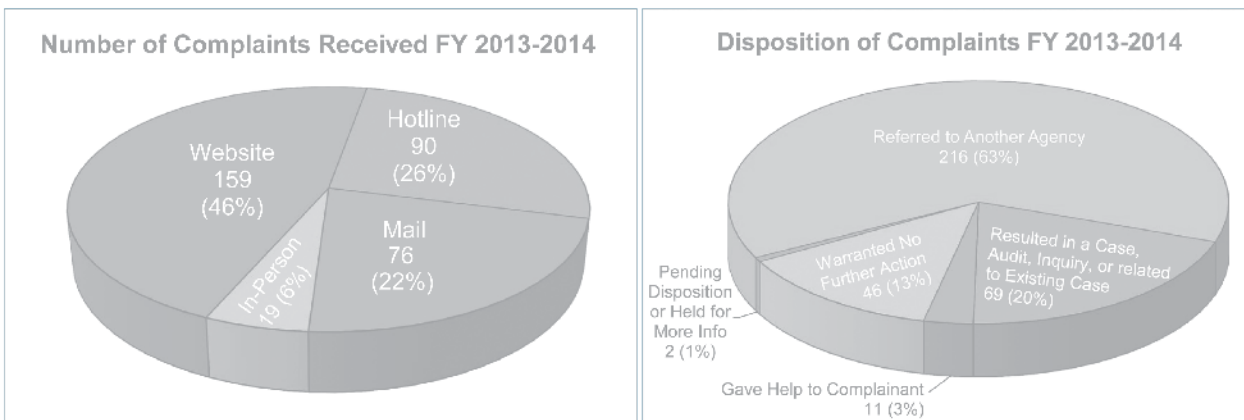


During an active inquiry, case, or review, all of our work product is deemed confidential by statute. When the case is closed, the identity of the complainant continues to remain confidential in most situations. Specifically, this applies if the complaint concerned possible violations of any federal, state, or local law or regulation that presented a substantial and specific danger to the public's health, safety or welfare, or the commitment of an act of gross mismanagement, gross waste of public funds, malfeasance, misfeasance, or gross neglect of duty.

## THIS YEAR'S COMPLAINTS

The Office received 344 complaints in Fiscal Year 2013-14, which was a 14% increase over last Fiscal Year. Of these, 90 were received through our Hotline, 76 were received by mail, 159 were made using our website's On-line Complaint Form, and 19 were received through walk-ins.

The majority of the complaints received (63%) were referred to the appropriate County departments or other governmental agencies that could directly address the complaints. Immediate assistance was given to 3% of the complainants. It was determined that 13% warranted no further action for various reasons, such as a lack of sufficient detail. However, 20% of the complaints received led to the initiation of an audit, inquiry, or investigation. The remaining 1% are still under review or are pending additional information or resources.



# SPOTLIGHT ON MIAMI-DADE AVIATION

**A series of investigative events and arrests** led the BCC's Transportation and Aviation Committee (TAC) Chairman to hold a hearing on revenue accountability at Miami International Airport (MIA). The Chairman requested the Inspector General, the Director of Audit & Management Services, the MDAD Director, and the Commission Auditor to address the losses and fraud occurring at MIA and to propose strategies to combat these abuses. Below we detail what led up to the hearing and the results of the call to action.

## **MIA Permittee Johnson Service Group Cheats the System by Underreporting**

In January 2014, the OIG concluded an investigation into Johnson Service Group (JSG), a company that had been granted a permit to provide services at MIA, commonly referred to as an MIA permittee. The investigation began with a complaint alleging that JSG was intentionally underreporting its revenues to the Aviation Department. The investigation involved examining several years of JSG's Monthly Gross Revenue Reports submitted to MDAD and comparing those reports to information subpoenaed from JSG's customers. The examination found that JSG began operating at MIA without a permit and failed to account for those first few months of revenue it generated. Furthermore, after JSG obtained its permit, it was systematically underreporting the revenue from its business at MIA. This underreporting resulted in underpayment of the applicable opportunity fees owed to MDAD. As a result of our investigation, MDAD collected the additional monies that JSG owed.



## **BCC Transportation and Aviation Committee Chair Holds Hearing—Committee Calls for Action**

On September 2, 2014, the TAC held a hearing to address revenue accountability problems at MIA. The TAC Chairman, in a memorandum issued a month earlier, expressed alarm based on the OIG's investigation involving the Airport Hotel and the Police Department's recent arrests of airport lounge operators for allegedly stealing over \$2 million from those operations—revenues belonging to the airport.

During the hearing, both stakeholders and



# VIATION DEPARTMENT (MDAD)

## MIA Facts

- Over 1,179 MDAD employees
- Almost 37,000 MIA workers
- 400,000 flights/year
- 100 different airline carriers
- 40.9 million passengers/year
- \$33.7 billion economic impact to the County

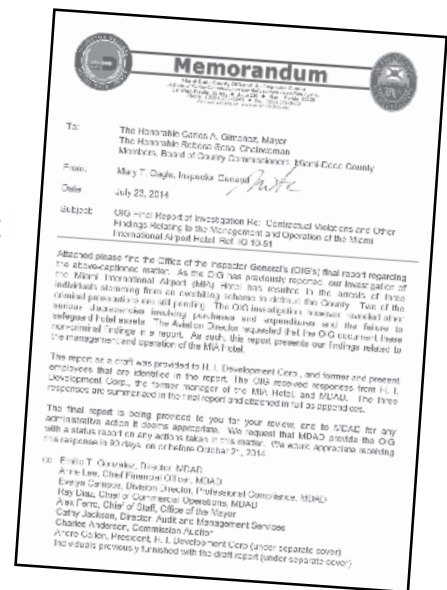
## On-Site Office

The OIG has maintained an on-site presence at MIA for 15 years and is currently staffed with a Supervisory Special Agent and three Special Agents.



## Miami International Airport Hotel Billing Scheme

Following the arrests of three individuals related to the management company running the MIA Hotel, the OIG provided the BCC and MDAD officials with a comprehensive report in July 2014 that detailed contract violations committed by the management company and its employees. While the criminal case involved an organized scheme of fraudulent billing that included inflated prices and non-supplied materials, the OIG's comprehensive contractual review involved widespread non-compliance and abuse by management employees. The OIG also identified weaknesses in MDAD's administrative oversight of the agreement.



oversight entities expressed the need for stiffer penalties for those who cheat. The TAC Chairman concurred with the OIG and the Audit & Management Services Department, suggesting increased random inspections of permittee accounting records to ensure that MIA was receiving its accurate payment of permittee fees. Airport staff also highlighted some of the new measures that they were in the process of implementing to mitigate risks and strengthen internal controls.

Throughout the latter part of 2014, the Task Force met to coordinate strategic activities resulting in proposed legislation, development of operational policies and procedures, increased lines of communication between oversight agencies and MDAD, and coordination of audit and inspection activities—all with the ultimate goal of achieving greater accountability for MIA revenues. As a first step, the OIG initiated a comprehensive audit of all of MDAD's permits—inspecting all the permit files and evaluating internal controls in the application and renewal process and the revenue remittance and collection process. This audit began in January 2015 and is currently ongoing.

## OIG CASE HIGHLIGHTS AND SUMMARIES

The majority of the OIG's workload involves the examination of selected programs, projects, contracts, transactions, entities, and



individuals. These examinations may be in the form of investigations, contract oversight, or audits. While the OIG's mission to detect, investigate and prevent fraud, waste, mismanagement, misconduct, and abuse of power is focused Countywide, the methods to accomplish these results vary among the OIG's various units. The following sections describe each of the OIG's functional areas and highlight our significant activities of the past year.

### Investigative Analysts—Making the Case Behind the Scenes



OIG investigative analysts provide intelligence support for criminal and administrative investigations and other reviews the OIG undertakes. OIG analysts process intelligence information collected from a variety of sources that is compiled, analyzed, and disseminated in support of OIG activities. Analysts retrieve and examine records such as bank accounts, civil court records, and criminal histories. They produce court exhibits, bank analysis spreadsheets, and criminal intelligence charts. In essence, they

collaborate with investigators and exchange information that may support their investigations.

OIG investigative analysts are dedicated to maintaining relationships with the intelligence community and other organizations such as the Financial Institution Security Association (FISA) and the Florida Department of Law Enforcement (FDLE). Two of the OIG's analysts are certified through FDLE and hold the title of Certified Law Enforcement Analyst.

In 2009, the BCC asked the OIG to assist with the Advisory Board appointment process by conducting Florida Criminal History Background Checks on Advisory Board Nominees. Advisory Boards are groups created by the Mayor or the BCC to advise or inform in the decision-making process through fact-finding discussions, information gathering, and reporting. This past fiscal year, OIG analysts conducted 99 Florida Criminal History background checks to support the BCC in their appointment of candidates to the Advisory Boards.



## THE INVESTIGATIONS UNIT

The OIG's Investigations Unit engages in both criminal investigations and administrative investigations involving allegations of waste, abuse, and mismanagement.



Over its 17-year history, the OIG, through a successful partnership with the Miami-Dade State Attorney's Office (SAO), has seen the successful prosecution of over 200 wrongdoers. This past fiscal year has been no exception—OIG investigators have had their plates full. Our mandate to "investigate County affairs" affords us the breadth and flexibility to examine programs, contracts, and transactions across the entire spectrum of County



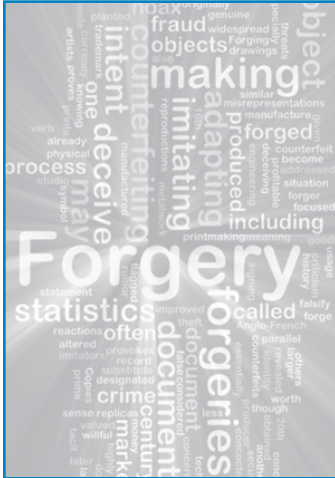
government. Criminal cases over the past year range from organized scheme to defraud, theft, the filing of falsified reports or documents, to grant misappropriations. The cases summarized below highlight the wide variety of criminal investigations the OIG conducted.

### Cleaning up the Cleaners

OIG investigators uncovered a scheme by a County vendor, Best Janitorial & Supplies, Inc., to cheat on workers' compensation premiums by underreporting the salaries of its employees to its payroll processing company. The real victims of this case were the employees, who were often paid with checks from different companies in an effort to conceal the actual payroll amounts due. Those checks were frequently rejected for non-sufficient funds, leaving employees waiting for days or weeks for their salaries. The investigation determined that Best Janitorial not only avoided paying over \$34,000 in premiums over three years, but deprived the payroll company of over \$19,000 in administrative fees.



Best Janitorial had received over \$3 million from multiple contracts with the County since 2004 to clean County-owned facilities such as police stations, courthouses, the Juvenile Justice Center, and Transit facilities. Best Janitorial's contracts expired in 2013 and were not renewed. The president and owner of Best Janitorial, Pedro M. Diaz, was criminally charged with felony counts of Workers' Compensation Fraud and Grand Theft, putting an end to his abuse of his employees. Diaz pled guilty to both charges in April 2015 and was sentenced to six years of probation, is prohibited from future contracting with the County, and must pay restitution to his employees.



## Fire Rescue Code Enforcement Officer's Fraud Uncovered

Working with the SAO, the OIG investigated the actions of former Miami-Dade County Fire Rescue Department (MDFR) Code Enforcement Officer Jeffrey Lowman that resulted in the unauthorized waiver of \$40,000 in fire code violation penalty fees. This case was initiated by a tip from a County employee. The OIG found that Lowman, in direct conflict with his duties as a Code Enforcement Officer, was also running his own private consulting business to help private businesses resolve their outstanding code enforcement violations. In this particular case, OIG investigators established that Lowman, while still employed with MDFR, falsified documentation resulting in the removal of \$40,000 in accrued penalties for a business that had hired him through his consulting company. The investigation resulted in Lowman's arrest and the filing of several criminal charges. This case is currently pending trial.

## Fire Rescue Inspector Charged with Insurance Fraud

As a spin-off of the Lowman case described above, the OIG examined the workers' compensation insurance claim of Fire Rescue employee Anthony Dorta. Due to an on-the-job injury to his knee, Dorta claimed workers' compensation and had already received over \$143,000 in benefits that included medical, temporary partial indemnity, and administrative expense payments. More significantly, he was to receive lifetime payments, which based on actuarial tables, could have exceeded \$1 million.

During the Lowman investigation, the OIG found that Dorta had received compensation from Lowman's business. He also did work as a handyman and was getting paid for that work. As part of his workers' compensation claim, Dorta had to attest that he was not receiving income from any other jobs. Dorta was charged with one count of Filing a False and Fraudulent Insurance Claim. His case was resolved with a plea where he agreed to forfeit his lifetime disability benefits related to his knee injury. Because the County is self-insured, this plea agreement avoids approximately \$1 million in future costs to the County and its taxpayers.



## OTHER CRIMINAL INVESTIGATIONS RESULTING IN RECENT ARRESTS

Our 2014 investigative caseload achieved several positive results in the early months of 2015. These include the arrests and filing of criminal charges in cases such as:



- County employee submitted falsified fire sprinkler inspection reports with regulatory authorities
- Insurance agent inflated the cost of premiums for reimbursement by the County
- County employee theft of over \$200,000 worth of County-owned equipment for his own private commercial operations

## CRIMINAL CASES RESOLVED

Individuals previously arrested and criminally charged are prosecuted by the Miami-Dade State Attorney’s Office. The following are several of the criminal cases resolved during the past year.

### OIG Derails Grant Fraud

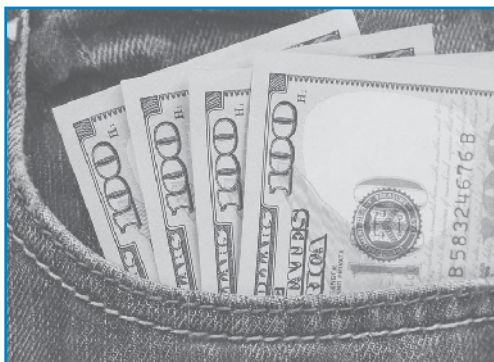
2014 saw the successful conclusion of two criminal prosecutions involving the misappropriation of grant funding. Grant funds provided by the County are meant for the neediest in this community. Unfortunately, some unscrupulous individuals abuse their access to these funds—treating them as their own personal bank accounts.

- In the first case, Larrie Lovett, II, the head of the Brownsville Community Development Corporation (BCDC), pled guilty to Grand Theft in January 2014. He was sentenced to 10 years of probation and ordered to repay over \$70,000 in restitution. BCDC was the agency leader of a consortium of community-based organizations that provided



services whose aim was to reduce violence in the community. As the agency leader, other community-based organizations acted as subcontractors and would submit their requests for reimbursement expenses through BCDC. Lovett would then submit their reimbursement requests to the Children’s Trust. Upon receiving the reimbursement funds from the Children’s Trust, Lovett spent the money on personal expenses such as travel, car rentals, clothing, and untraceable cash withdrawals. The subcontractors—his victims—did not receive the reimbursements owed to them. In addition to his criminal sentence, Lovett was also debarred from contracting with the County.

- In the second case, Hilda Hall-Dennis, the owner and operator of the Business and Technology Development Center (BTDC),



pled guilty to Organized Fraud and three counts of Identity Theft. BTDC received grants from both the County and City of Homestead Community Redevelopment Agency (CRA) to run a business incubator that provided office space at reduced rates, business guidance, and advice to startup businesses. Hall-Dennis submitted phony

proof to the County and the CRA of BTDC’s business and salary expenses for reimbursement. The phony proof included fraudulent invoices. Once she received the funds, she would underpay her employees’ wages and pocket the money for other uses that were not authorized by the grants. Hall-Dennis was sentenced to four months in the County jail and ordered to repay the County, the CRA, and her employees over \$32,000.

### Jackson Employee Caught Stealing from Cancer Patients

The OIG caught Michael Clarke, an employee of the Jackson Health System, stealing money from patients. His scheme was simple. When patients approached him to pay their co-payments and other fees for their doctor visits, he would suggest that the patient leave the payee portion on the check blank. Instead of stamping the check with the Jackson stamp, he would cancel the patient’s appointment in





the billing system and deposit the checks into a personal checking account. Clarke pled guilty in January 2014 to four counts of Grand Theft and 14 counts of Petit Theft. He was sentenced to jail on the Petit Thefts and to 12 years of probation on the Grand Thefts. His sentence includes the payment of restitution to both the victims and the Jackson Health System.

## ADMINISTRATIVE INVESTIGATIONS



In addition to pursuing criminal wrongdoing, OIG Special Agents investigate a wide variety of non-criminal allegations ranging from employee misconduct to waste of taxpayer resources. Our investigative findings are shared with

County management and the BCC, and we provide recommendations aimed at improving operations and procedures. The OIG frequently requests that management provide updates so that we can monitor the implementation of our recommendations. Below are a few of the non-criminal cases the OIG investigated during the fiscal year.

### OIG Identifies \$900,000 Unused Asset



Based on a confidential employee complaint about wasteful practices at the Public Works and Waste Management Department (PWWM), the OIG investigated the circumstances surrounding the 2008 purchase of a \$900,000 VIRA (Visual Inventory of Roadway Assets) van. The cost of the specially-equipped van included the hardware and software to operate VIRA, which uses GPS technology to record locations as

digital images. The system was purchased to visually record the condition of County assets at various sites such as sidewalks, storm drains, ADA ramps, pavement conditions, and traffic signs.

OIG Special Agents reviewed the circumstances that resulted in the van's

underutilization. Budgetary cutbacks and staffing issues played a significant part. Service contracts had also been allowed to expire, which was significant when the van began experiencing system malfunctions. A new service contract was put in place and the van was repaired, but again the department struggled to find qualified staff to operate the asset and create usable reports from the data. As the van was used less and less, more mechanical problems emerged. By the time the OIG began reviewing the issue, the van was completely idle and was undergoing a complete mechanical assessment.

As is typical with OIG reports, we requested that PWWM provide us with a report on how it intended to return the van to a useable asset to accomplish its intended purpose. PWWM responded with an action plan and identified the personnel who would be operating the van. PWWM also reported that it had secured a new five-year software maintenance contract and expended \$32,000 to make the needed repairs. The action plan also included future marketing efforts to other County departments, such as the Water and Sewer Department and to municipalities, to offset future operating costs.



## Overweight 18-Wheeler Tractor Trailer Trucks

The OIG substantiated a complaint from a County employee that the Public Works and Waste Management Department was constantly overloading its 18-wheeler tractor-trailer trucks at its transfer facilities and delivering the overweight loads to the Resource Recovery Facility. The complainant stated that these loads were being transported in violation of laws establishing weight limits for such trucks and posed significant safety concerns.

The OIG analyzed available weight load data on overweight trucks and found that over half of the loads going to the Resource Recovery Facility were overweight and a high percentage were substantially overweight.

PWWM was aware of this situation and had



begun a pilot study using onboard scales on two trucks. While the results showed a significant decrease in the tonnages loaded onto the 18-wheelers with the scales, the trucks without the scales were still being heavily overloaded, being in violation of the law and causing safety concerns. We strongly urged PWWM to expedite its plans to outfit its 18-wheeler fleet with onboard scales. As a proactive monitoring method, PWWM provided the OIG with quarterly reports on its efforts to test and procure devices. We also suggested that the trucks be weighed at the Resource Recovery Facility to double-check that the scales are working correctly.

To date, PWWM has evaluated various different onboard scale technologies and has completed their pilot testing period. PWWM is moving forward with a formal bid solicitation in their efforts to ensure compliance with safety regulations.





# Featured Case: Wholesale Theft of E

## THE COMPLAINT

Our featured investigation showcases the value and success of our holistic approach to combatting fraud. In late 2013 and continuing throughout 2014, a team of OIG investigators, auditors, and analysts worked on a case involving an organized scheme to defraud the County of hundreds of thousands of dollars. The investigation resulted in the arrest and criminal

*This case could never have happened without the confidential tip from a County employee who alerted the OIG to ongoing theft in the Alarm Unit.*

## THE INVESTIGATION



This multi-faceted case required OIG units to work together to unravel the scheme and identify the loss to the County.

**OIG Special Agents** conducted surveillance to track and account for Schratter's actions during his County work day and documented his meetings with private clients and private businesses throughout Miami-Dade and Broward Counties during working hours.

**OIG Investigative Analysts** provided detailed and in-depth analysis of Schratter's bank records. Their diligence resulted in the identification of private clients and verification of Schratter's undisclosed private business as Owner of Moon Security.

## THE RESULTS



The OIG's findings were reported to ISD's Security Management Division for corrective measures. In 2014, ISD closed the Alarm Unit and contracted with a private vendor to provide alarm installation and repair services in County facilities. As part of the new procedures, serial or model numbers of all purchases are required on the vendor invoices.

Schratter, who had been the Alarm Unit Supervisor for 20 years, resigned in March 2014 as a result of the OIG investigation. He was charged and pled guilty to

# Equipment from the ISD Alarm Unit

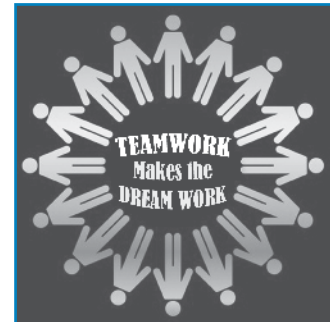
prosecution of Ram Schratter, the supervisor of the Internal Services Department (ISD) Alarm Unit.

A confidential tip from a County employee alerted the OIG to ongoing theft in the Alarm Unit. Our investigation confirmed that Ram Schratter, a 20-year County employee, was operating a private business on County time and installing County-purchased equipment in the homes and businesses of his private clients.

**OIG Auditors** compiled County purchasing records and reconciled the pieces of equipment purchased by the ISD Alarm Unit against interdepartmental billings for the purported installation of that equipment.

As the Supervisor of the Alarm Unit, Schratter's responsibilities included both making equipment purchases and approving equipment purchases. Schratter also approved the service tickets billing various County departments for both equipment and labor. The audit reconciliation involved compiling data from two different databases. The reconciliation showed that there was a large gap between equipment ordered and equipment installed at County facilities.

Enabling his scheme was the fact that the vendor's equipment invoices did not contain serial numbers or other identifying information. The audit team was able to isolate fraudulent purchases and the investigations team was able to tie those purchases to Schratter's private clients.



Organized Scheme to Defraud, a first degree felony, and was sentenced to six months in jail, followed by six months of house arrest, followed by two years of probation. Additionally, Schratter was required to pay \$200,000 in restitution to the County and forfeited his 20-year County pension and accumulated sick and annual leave.



## THE AUDIT UNIT

OIG Auditors conduct performance audits of selected County programs, contracts, and transactions. The work of the Audit Unit complements the overall mission of the OIG to detect, investigate and prevent fraud, waste, mismanagement, misconduct, and abuse of power. The OIG's audit authority is found throughout Section 2-1076 of the County Code, and it allows the OIG to perform randomly selected audits and inspections of every County contract. The summaries below detail some of the work performed by OIG Auditors during the fiscal year.



### Audit of GOB Grant to Bay Point Schools, Inc.

The County awarded a \$1 million grant funded by the County's Building Better Communities General Obligation Bonds (GOB) Program to Bay Point Schools, Inc., a not-for-profit organization. The purpose of the grant was to build a vocational trade school on its main campus, which is located in the Town of Cutler Bay. The GOB grant was matched with a \$1 million grant pledge from the Lennar Foundation.

The OIG was satisfied that the \$1 million dollar grant to Bay Point Schools appears to have been used for the purpose of the grant award—to construct a new educational facility. However, we found that the purpose of the grant was left unfulfilled and that the facility, while built, has remained vacant for the past three years. This is primarily because the grantee, Bay Point Schools, lost all of its operational funding from the State of Florida Department of Juvenile Justice and effectively shut down its entire operation in June 2010, and discontinued being a legal entity in September 2013. All of this was complicated by the fact that Bay Point Schools only held a land lease to utilize the property. When it ceased to operate any programs on that location, Bay Point Schools was evicted and its lease terminated.

The audit also determined that the County paid \$831,000 of GOB grant funds to Bay Point Schools after it was aware of the Project's lack of viability, and that \$121,680 was disbursed for construction-related expenditures that were not supported. Our recommendations were directed to the County and to its Office of Management and Budget (OMB). Of primary importance, we encouraged the County to explore its options concerning the vacant and unused facility, which entails working with the landowner and the Town of Cutler Bay to devise acceptable uses for the vacant building in accordance with the objectives of the Building Better Communities Bond Program. Additionally, we recommended that OMB officially inform both the BCC and

the Building Better Communities Bond Program's Citizens' Action Committee about the issues with Bay Point Schools and that it continue to monitor the situation to help ensure that an acceptable alternative use of the facility is agreed to.

## Audit of GOB Grant to the City of Homestead for the Mayor Roscoe Warren Municipal Park

The City of Homestead (City) received a \$3.5 million grant from the County to convert a former landfill site into the Mayor Roscoe Warren Municipal Park (the Park Project). The County's grant funded approximately half of the Park's Project cost. Funding from the City and other sources would make up the balance.

The OIG initiated this audit based on a complaint that questioned project change orders and the value of the park that was ultimately constructed. In other words, the complainant was of the opinion that the value of what the public received was well below what \$6.3 million should have paid for.

The OIG determined that the full amount of the General Obligation Bond (GOB) grant (\$3.5 million) was used by the City towards the Park Project. However, the OIG was unable to assess the reasonableness of the construction costs, which eventually reached about \$6.3 million. This was primarily due to two factors. First, the absence of any actual construction-related supporting documentation (subcontractor invoices, payment records to subcontractors or for materials, etc.) made it impossible to determine whether the City's actual costs were necessary and reasonable. Second, because the award of the construction contract was made without any price competition, there was no external assurance that the prices eventually agreed upon in the contract were reasonable. We were concerned that the indirect construction categories (soft costs) made up 43% of the initial \$3.2 million contract value and collectively made up 25% of the total Park Project expenditures (totaling \$6.3 million) that were reimbursed to the contractor. These costs were questioned as excessive.

Last, we acknowledged that the construction of the Park was done in phases and the Project did have one substantial change order. This phased approach was made without the benefit of any price competition. Again, the lack of records and absence of competitive bids made it virtually impossible to assess the value of what the public ultimately received.

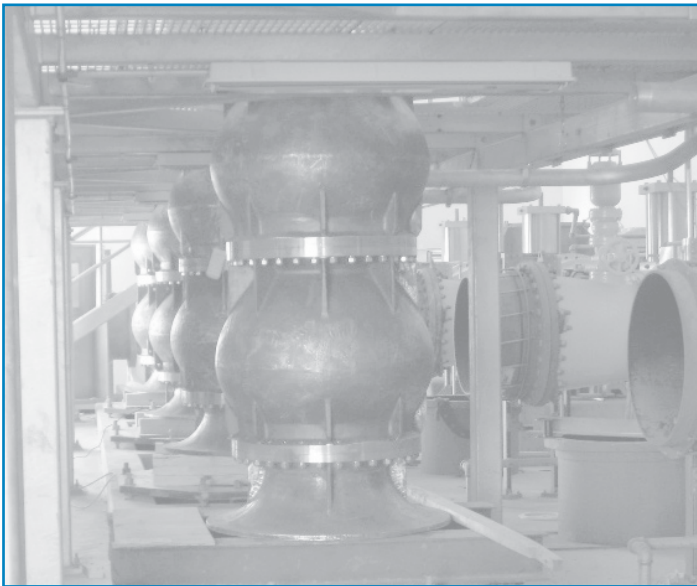




## Sludge Contracts Audited

The Water and Sewer Department's (WASD) wastewater treatment plants produce two types of bio-solids (sludge) as part of their normal operations. This material must be periodically removed to keep the plants operating properly. One type of sludge—Class AA—is a marketable byproduct that WASD sells for \$12 per ton. The other type of sludge—Class B—requires disposal in accordance with environmental regulations. WASD pays contractors to haul and dispose of Class B sludge. The OIG audited both of these contracts.

For Class AA sludge, the OIG found no exceptions. Over a five-year contract



term, WASD stands to earn approximately \$420,000 in revenue. For Class B sludge, WASD paid over \$17 million during a 33-month period to three vendors that it has on contract to haul and dispose of the sludge. As it related to the hauling and disposal of Class B sludge, the OIG found no audit exceptions, but we did provide one recommendation to WASD management relating to a contract requirement that vendors maintain records showing that they are qualified

and possess the necessary equipment to handle and dispose of the sludge.

We observed that the contract did not describe what these records might be, and when we questioned WASD about the requirement, staff was unable to clarify what the stated requirements encompassed. As such, when OIG auditors requested these records, WASD informed us that it did not have any records from the vendor that would meet these requirements.

This discrepancy was reported to WASD and we recommended that WASD formalize a list of all records, including licenses and permits that are required of its sludge hauling vendors. The Department stated it "will ensure that future solicitations contain the specific licenses and permits required to haul and transport both Class AA and Class B Sludge." As WASD was in the midst of a new procurement for a successor contract, this recommendation was put into effect immediately.

## Audit Follow-up Results in PWWM Implementing OIG Recommendations

The OIG issued a final audit report in September 2013 of concrete and asphaltic contracts awarded under the People's Transportation Plan (PTP). These contracts, which the Public Works and Waste Management Department administers, are funded by the half-penny surtax for transportation the voters approved in 2002. Our audit made several recommendations specifically relating to the lack of documentation showing PWWM acknowledgement and approval of significant variances between estimated versus actual quantities, and the usage of contingency funds. The accuracy of PWWM's project estimating is important because it establishes a baseline for evaluating both the Department's effectiveness in estimating contract requirements and in determining contractor performance. Conversely, inaccurate estimating may affect prospective contractor bid prices or percentage factors (overhead and profit mark-up) and can influence PWWM's efficient and timely use of PTP funds.

After the OIG issued the final report, PWWM staff reached out to OIG auditors to preview their newly proposed procedures developed to implement the OIG's audit recommendations. Through several meetings and lots of feedback, PWWM implemented four new procedures that include forms to track and approve usage of the contingency allowance account, a report to account for variances exceeding ten percent of the original estimate, and a requirement that original estimates be certified by key project personnel prior to the commencement of construction work. The OIG, satisfied that these procedures would address our concerns, closed this audit in September 2014.



## CONTRACT OVERSIGHT

While similar to audits and investigations, contract oversight activities generally involve the assessment of procurement activities, contract negotiations, and real-time performance as the events unfold. Our mandate and authority to engage in contract oversight stems directly from the OIG's enabling statute, Section 2-1076 of the Code of Miami-Dade County. These sub-sections provide:



- Recommending whether a particular program, contract or transaction is necessary, and assisting the Board of County Commissioners in determining whether the project or program is the most feasible solution to a particular need or program.
- Monitoring existing projects and programs and reporting whether they are on-time, within budget, and in conformity with plans, specifications, and applicable law.
- Analyzing the need for and reasonableness of proposed change orders.
- Monitoring, overseeing and inspecting procurement processes to include the establishment of project design and bid specifications, bid submittals, and activities of the contractor.
- Ensuring compliance with contract specifications.
- Attending procurement selection and negotiation meetings and posing questions and concerns consistent with the functions, authority, and powers of the Inspector General.

Contract oversight activities are primarily performed by OIG Contract Oversight Specialists with extensive experience in public procurement and government contracting. Currently the OIG has two Contract Oversight Specialists.



John Canepari is a civil engineer with over 40 years of experience working on public projects, either as a public employee or as a consultant, and is currently assigned to monitor WASD's Capital Improvement Program and the Transit Department's new railcar acquisition.



Peter Liu, a former municipal budget director, focuses his monitoring activities on the Public Health Trust/Jackson Health Systems, Economic Development Fund Grants, and selected Countywide procurements.



Both members of the team are part of the Legal Unit and report to the General Counsel.

Overall, our contract oversight objectives include promoting accountability and transparency in decision making processes and providing those same decision makers with independent observations and comments relative to the propriety and soundness of proposed actions. The following summaries highlight our significant contract oversight activities of Fiscal Year 2013-2014.

## Competitor Allegations Delay \$91 Million WASD Contract

In the midst of a high-profile procurement process to select and award a Program Construction Management Agreement for the Water and Sewer Department's Consent Decree Program—a contract worth up to \$91 million for 15 years—several allegations were



leveled against the first place ranked firm, AECOM Technical Services, Inc. Over 15 allegations were made by the second place ranked firm, CH2M HILL, Inc., that caused this high-profile, high-priority procurement to come to a screeching halt. These allegations all involved some sort of alleged misrepresentation made by AECOM. Until each allegation could be vetted and a disposition reached, this time-sensitive procurement process faced unforeseen delays.

The OIG assembled a multi-faceted team (including Legal, Investigations, Audit, and Contract Oversight) to tackle each allegation. The OIG team separated the allegations into three categories: (1) allegations against AECOM and its sub-consultants, (2) allegations against individual team members, and (3) miscellaneous allegations. Of over 15 allegations reviewed, the team determined that only one had merit.

Overall, this contract oversight assignment involved painstaking analysis under a compressed timeline. Within a matter of months, the team retrieved volumes of archived documents, located and interviewed witnesses across the country, and familiarized themselves with the consent decree programs of four other jurisdictions, some going back more than 20 years. Our findings were presented to the Mayor, WASD, and the BCC. Shortly after the presentation of our report, the procurement process was back on track, and the Program Construction Management Agreement was awarded.

## Copper Wire Anti-Theft Devices

Miami-Dade County roadway lights had been experiencing vandalism caused by a rash of copper wire thefts as the price of copper rocketed, directly



impacting the safety and security of affected neighborhoods. Miami-Dade and other jurisdictions across the country were looking for solutions to deter the thefts and keep the roadways well-lit and safe. As the County was conducting a pilot study with one such anti-theft device, the OIG surveyed solutions being implemented in other jurisdictions.

We concluded that there were several viable devices manufactured by different companies that the County could select from, thereby eliminating the justification for a sole source purchase.

## High Volume Spay & Neuter Services

In the winter of 2013, the County issued a Request for Information to acquire information and feedback from the animal welfare community about how to best deliver high-volume spay and neutering services at the South Dade Animal Clinic (a County-owned facility). The goal of such a program is the substantial reduction of the homeless pet population and decreasing the number of euthanized dogs and cats. The OIG's involvement with this procurement was based on reports that County administrators had changed course in the middle of the procurement to favor a contract with the Humane Society of Greater Miami. This new contract would be presented in the form of a bid waiver.

The OIG's monitoring efforts included assessing the reasonableness of the bid waiver approach and determining if the County's performance targets required in the proposed agreement were sound. We questioned whether contract funding would be subsidizing the Humane Society's current client pool and how contract funding would be dispersed. We also challenged County administrators to explain how the contemplated services would target the free roaming cat population. During the course of our monitoring efforts, several terms of the proposed agreement were modified. Significantly, funds were restricted to compensate the Humane Society of Greater Miami for providing spay and neutering services to income-qualified pet owners, as well as for rescue pets and free-roaming cats, thereby addressing the subsidization issue previously raised by the OIG. The contract was approved by the BCC in December 2014.





## Architectural Design Services for Domestic Violence Shelter

The OIG received a complaint that the County's procurement for the architectural design of a new domestic violence shelter contained overly restrictive eligibility criteria. The procurement required that the prime consultant have experience designing at least one domestic violence shelter and have experience working with a governmental agency. The complainant contended that because there are so few domestic violence centers in Miami-Dade County, the procurement favored a certain few firms. The OIG found this not to be the case. First, we determined that inclusion of the experience requirement was sound, as domestic violence shelters have special security requirements. Second, we evaluated all seven proposals received and found that firms were able to show that they met the requirement by having designed a domestic violence shelter either locally, in Broward County, or in other parts of Florida. We determined the procurement process to be competitive and without issue.

## OIG ONGOING MONITORING ACTIVITIES

During the past year, the OIG has been actively monitoring several high-profile procurements and construction projects. Many of these involve major capital programs and are continuing into 2015. Some of these include:

- Request for Proposals for the design, finance, construction, maintenance, and operations of Compressed Natural Gas Programs for the County's diesel powered transit buses and heavy duty vehicles. These programs include the provision of compressed natural gas and the upgrade of buses and other vehicles.



- The Joint Participation Agreement between Miami-Dade County and the City of Hialeah for the Reverse Osmosis Water Treatment Plant. Under the agreement, the County and the City are equally paying for the design, construction, operation, and maintenance costs for the facility. The City, however, is responsible for administering the contract (design, build, operate, maintain) for the plant. The project cost was estimated at \$160 million at the completion of Phase III when the plant would have a capacity of 17.5 million gallons per day. Construction



began in September 2011. In August 2013, WASD requested the OIG's assistance to provide independent monitoring of this project. At present, the project still has not reached Phase I completion and the OIG continues to monitor the construction project.

- Jackson Memorial Hospital's (JMH) Miracle-Building Bond Program. In November 2013, more than 65% of Miami-Dade voters supported JMH's new \$830 million General Obligation Bond Program. These funds will be committed towards JMH's ten-year capital modernization and expansion program—a program totaling \$1.3 billion in improvements. Some of the early projects that we are actively monitoring include the procurement process to select: professional consultants for the new rehabilitation hospital project, an owner's representative to provide program management services, and for



renovating JMH's 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup> floors.

- MDT's acquisition of new

heavy rail cars and the construction

of a new test track at the Lehman Yard. In November 2012,



the BCC approved both the contract award to acquire new rail cars and the design/build contract for the new test track. MDT contracted to receive 136 new modern rail cars. The projects are intertwined as the new rail cars will

be tested on the track and stored at new facilities being built at Lehman Yard as part of the construction project. Both projects are currently behind schedule. The OIG will continue to monitor contractor performance on these two projects.



## **APPENDIX: CODE OF MIAMI-DADE COUNTY Sec. 2-1076 Office of the Inspector General**

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

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

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

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

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

(ii) as a Federal or State court judge;

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

**(d) Functions, authority and powers.**

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

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

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

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

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

activities, programs and agencies of the County and the Public Health Trust.

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

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

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

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

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

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

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

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

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

**(e) Physical facilities and staff.**

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



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

**(f) Procedure for finalization of reports and recommendations which make findings as to the person or entity being reviewed or inspected.**

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

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

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

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

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

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



**The Miami-Dade County Office of the Inspector General thanks the Board of County Commissioners, the Mayor and his Administration, and County staff for their continued support. We also want to thank the State Attorney's Office and our law enforcement partners as we work together to support public integrity in government.**



Commissioner Sosa presenting a Proclamation to Charles Anderson and County Auditors, declaring May 2014 as Audit Awareness Month.



Ethics Conference (L to R): Howard Rosen (SAO Deputy Chief of Special Prosecutions), Jose Arrojo (SAO Chief Asst.), Judge William Altfeld, IG Mary Cagle, and Joe Centorino (Executive Director, Commission on Ethics and Public Trust)



Tour of WASD project: Deputy Director JC Arteaga pictured to the left of IG Mary Cagle



Administrative Professionals Day at PAMM



IG Mary Cagle in a strategic planning workshop with staff

Report Fraud On Our Hotline:  
(305) 579-2593



Miami-Dade County Office of the Inspector General  
19 West Flagler Street, Suite 220  
Miami, Florida 33130  
Phone: (305) 375-1946  
Fax: (305) 579-2656