



Memorandum



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To: The Honorable Carlos A. Gimenez, Mayor
The Honorable Jean Monestime, Chairman
and Members, Board of County Commissioners, Miami-Dade County

From: Mary T. Cagle, Inspector General 

Date: May 10, 2016

Subject: Conclusion of Joint Investigation of the Internal Services Department's Parking Operations Unit, Ref. IG15-09

During the past year, the Office of the Inspector General, joined by the Miami-Dade Police Department (MDPD), had been investigating the Internal Services Department (ISD) Parking Operations Unit's (Parking Unit) collection, handling and accounting of parking revenue fees. Our involvement was initiated pursuant to a request by ISD after it discovered—through a preliminary reconciliation of monthly parking receipts issued versus deposits—that \$13,000 could not be accounted for during the preceding six months.

The joint OIG/MDPD investigation entailed formal interviews of ISD staff, an evaluation of the procedures for the handling and deposit of cash and checks, a financial analysis of parking revenues covering a 28-month period, as well as other investigative steps utilized in cases involving the suspected misappropriation of funds. Because this investigation involved the possible theft of public funds, the State Attorney's Office was enlisted to assess the evidence gathered pertaining to each individual employee and provide a criminal charging decision.

By way of this memorandum, we are advising you that the investigation is now concluded. Our financial analysis revealed a net discrepancy of over \$25,000 in unaccounted for monthly parking receipts. The investigation found serious failings in the Parking Unit in basic money handling procedures. There were no internal controls in place and no written procedures. And while the Parking Unit employees were knowledgeable of the general procedures in place for handling money, these procedures were largely ignored. Money—both cash and checks, in the tens of thousands of dollars—was found lying around in the office, in drawers and unsecured. Checks had dates that were from several months ago, demonstrating a complete disregard to timely deposit revenues. As stated above, the OIG/MDPD investigation found a net discrepancy of \$25,000 based on receipts versus deposits; however, several receipt books—12 of them—could not be located and, thus we were unable to determine the actual totality of the loss.

The OIG/MDPD investigation determined that certain individuals were responsible or partly responsible for the failings of the Parking Unit. As a result of our investigation, two employees were terminated—one of whom was criminally prosecuted and has since pled guilty to felony theft. Another resigned after being placed on administrative leave; and two received (or are in the process of receiving) disciplinary action. The one employee who was criminally prosecuted admitted to stealing somewhere between \$4,000 to \$5,000. In his residence, he had official receipts totaling over \$6,000 and had approximately \$1,300 of the stolen public funds, which was seized by the investigators. The other employees' transgressions ranged from complete dereliction of duties to admissions that they borrowed money from the parking revenues but repaid the monies later on, i.e., helping themselves to payday loans.

While the joint OIG/MDPD investigation was proceeding, ISD immediately began instituting new controls and corrective actions. By way of a status report submitted to the OIG in April 2016, ISD reported on the various activities that it has undertaken since all these deficiencies came to light. These actions, as reported by ISD, are listed below:

Deficiency in Controls Identified and Corrected

Parking Office controls and segregation of duties were insufficient. The Interim Parking Team strengthened controls by:

- *Conducting daily deposits of cash and checks collected and securing funds in the safe nightly.*
- *Implementing credit card payment process for monthly account holders to minimize the collection of cash for these transactions.*
- *Limiting access of pay station funds to supervisory staff only.*
- *Reconciling monthly parking fees collected to accounts in the parking system, and generating reports daily that tie to deposits.*
- *Reconciling payroll deductions for monthly account holders to accounts in the parking system.*
- *Requiring attendants to place collections in sealed security bags labeled with the date, garage/lot and collection amount.*
- *Bolting down the office safe to secure funds and ensuring that the safe is locked when not in use.*
- *Securing monthly parking decals and coupon booklets in a locked area, and creating logs to account for the proper distribution of booklets.*
- *Assigning an armed security guard to escort the supervisor collecting funds from pay stations and parking offices.*

Deficiency in Written Procedures Addressed

The Parking Office did not have written procedures documenting processes and procedures. The Interim Parking Team enhanced and documented processes and developed written procedures to establish controls and to ensure segregation of duties. The following written procedures were developed to date:

- *Parking Attendant Opening/Closing Procedures*
- *Monthly Card Access: Activation, Cancellation and Replacement Process*

- Payroll Deduction and Payroll Cancellation Process
- Monthly Account Holder Payment Process
- Deposit Preparation and Reporting Procedures

Backlog Eliminated

There was a backlog in the processing of deposits, updating patron accounts and collecting from delinquent account holders. The Interim Parking Team eliminated the backlog and instituted the following processes:

- Processed transactions and deposited over \$48,000 in checks associated with backlogged transactions.
- Contacted over 300 delinquent patrons and collected or deactivated accounts.
- Eliminated backlog of unprocessed payroll deductions (from October – February) for new patrons.

Customer Service and Personnel Development Improvements

Customer service enhancements and personnel development were addressed as follows:

- Opened a service window for monthly account holders to pay conveniently on the 1st floor of the West Lot Garage Building. Future on-line automation is also being pursued.
- Conducted comprehensive Ethics, Customer Service and Parking Operations training for Parking Attendants and Interim Parking Team. Formal monthly meetings are conducted to reinforce procedures.
- Provide Parking Attendants with Active and Delinquent Monthly Patron list in order to eliminate the former process of allowing patrons to exit without paying simply by saying that they are a monthly patron.
- Require Parking Attendants to contact a supervisor regarding any collection and patron issues contrary to Parking Procedures.
- Instituted breaks for Parking Attendants previously working 8 hour straight shifts without a scheduled lunch break.
- Provided Parking Attendants with access to computers and established their e-mail accounts.
- Instituted an Incident Report to be completed by Parking Attendants to report and document unusual incidents and issues affecting operations.

Last, ISD reported to the OIG that it has filled all positions vacated by the former Parking Unit staff and has enhanced parking operations with the addition of five new positions. ISD reported that it is still in the process of recruiting a qualified individual to fill the position of Parking Manager and they are hopeful to have a new hire decision later this month.

While revelations of mismanagement are never welcome, ISD took appropriate and immediate steps to address them, starting with the immediate removal of Parking Unit staff that had administrative revenue collection responsibilities. ISD also requested the investigative resources of the OIG and MDPD, recognizing that crimes may have been

committed. Throughout this investigation, ISD has been open and transparent in acknowledging the deficiencies of Parking Unit staff and their lack of adherence to operating procedures and protocols. ISD's openness has enabled it to aggressively address and correct these failings. As no further action by the OIG in the matter is required, we consider this case now closed.

This investigation was conducted in accordance with the *Principles and Standards for Offices of Inspector General, Quality Standards for Investigations*, as promulgated by the Association of Inspectors General.

cc: Alex Ferro, Chief of Staff, Office of the Mayor
Edward Marquez, Deputy Mayor
Tara C. Smith, Director, Internal Services Department
Jennifer Moon, Director, Office of Management and Budget
Juan Perez, Director, Miami-Dade Police Department
Cathy Jackson, Director, Audit & Management Services Department
Charles Anderson, Commission Auditor
Joseph Centorino, Executive Director, Commission on Ethics and Public Trust