



**BROWARD OFFICE OF THE  
INSPECTOR GENERAL**

**2014 - 2015  
ANNUAL REPORT**

## A MESSAGE FROM THE INSPECTOR GENERAL

It is my privilege to present you with the 2015 Annual Report for the Broward Office of the Inspector General. This report describes the function of the OIG as Broward's independent watchdog and details our efforts to investigate fraud, corruption, waste, abuse, and gross mismanagement in government.

This year has seen significant progress on a number of previously reported OIG investigations. It reminds us all that, in addition to our investigation, report, and recommendation functions, the OIG is tasked with referring our findings to other agencies for enforcement when appropriate. To date, we have referred over 20 individuals to outside agencies including federal and state prosecutors, the Florida Commission on Ethics, the Florida Elections Commission, and other state and local administrative agencies. Understandably, their enforcement mechanisms take time.

However, our efforts are now coming to fruition, as you will note in the new "update" feature of this report. Within this reporting period, enforcement agencies brought misconduct charges against a former Margate vice-mayor and his campaign treasurer, a former Lauderdale Lakes commissioner, and two former Fort Lauderdale Building Services Division supervisors. In this reporting period we also referred new findings of misconduct by the Deerfield Beach Mayor and two high-ranking Lauderhill officials to the Florida Commission on Ethics.

We have also moved forward with enforcement actions of our own. The OIG filed its own ethics complaints against a Margate mayor and a former Lauderdale Lakes commissioner. Adding to the list of milestones, the complaint filed against the Margate mayor was also the OIG's first ethics settlement and resulted in the first fine for a violation of the Broward Ethics Code.

The OIG has emphasized the prevention of misconduct through our ethics training efforts. But as we move forward, we also remain committed to identifying, prosecuting, and referring criminal and civil matters for enforcement.

Sincerely,



**John W. Scott**  
*Inspector General*



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## BROWARD OIG MISSION STATEMENT

THE MISSION OF THE BROWARD OFFICE OF THE INSPECTOR GENERAL (OIG) IS TO ACT AS AN INDEPENDENT WATCHDOG FOR THE RESIDENTS OF BROWARD COUNTY. WE PROMOTE INTEGRITY AND ACCOUNTABILITY BY INVESTIGATING ALLEGATIONS OF MISCONDUCT—INCLUDING FRAUD, CORRUPTION, AND ABUSE—AND GROSS MISMANAGEMENT, BY OFFICIALS AND EMPLOYEES OF THE CHARTER GOVERNMENT OF BROWARD COUNTY, ITS THIRTY-ONE MUNICIPALITIES, AND ALL ENTITIES AND PERSONS WHO PROVIDE GOODS AND SERVICES TO THE COUNTY AND THE MUNICIPALITIES. THE OIG PUBLICLY REPORTS ITS FINDINGS TO KEEP RESIDENTS INFORMED. WHENEVER APPROPRIATE, THE OIG SEEKS CRIMINAL PROSECUTION, CIVIL RECOVERIES, ADMINISTRATIVE AND MONETARY SANCTIONS, AND ETHICS SANCTIONS OF THOSE RESPONSIBLE FOR FRAUD, WASTE AND ABUSE IN GOVERNMENT.

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## AUTHORITY AND RESPONSIBILITIES

The OIG's purpose, authority and responsibilities are codified in Section 12.01 of the Charter of Broward County. The Charter authorizes the OIG to investigate misconduct—including fraud, corruption, abuse, and ethics violations—and gross mismanagement.

The OIG functions as an independent watchdog on behalf of approximately 1.8 million residents of Broward County. The OIG's authority extends over:

- all elected and appointed county officials and employees;
- all elected and appointed officials and employees of the 31 municipalities located in the county; and
- all entities and persons who provide goods and services to the county and the municipalities.

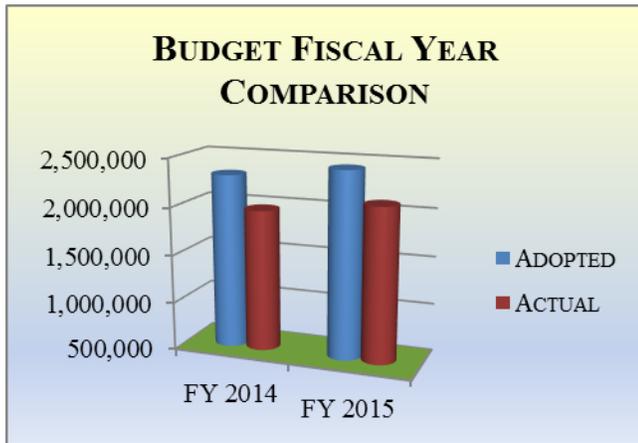
This responsibility encompasses county and municipal budgets totaling approximately \$8.9 billion, more than 26,000 employees, and over 450 separate divisions and departments of government. In addition, the OIG has oversight responsibility for more than 170 elected officials including county commissioners, mayors, vice mayors, city commissioners, and town council members, as well as more than 36,000 registered vendors who provide goods or services to the county and municipalities.

The Inspector General (IG) has the authority to investigate violations of state and federal statutes and codes, county and municipal ordinances and codes, and conduct involving fraud, corruption and abuse. In connection with an investigation, the IG has the power to subpoena witnesses, administer oaths, and require the production of documents and records. As part of an investigation, the IG may audit any program, contract, or the operations of any division, department, or office of the county or municipalities, as well as the operations or performance of any provider as it relates to its contract with the county or municipality. The OIG is also charged with the responsibility to enforce the Code of Ethics for Elected Officials, which was made applicable to all Broward elected officials in January 2012.

## BUDGET

Although the OIG's budget is funded through the county general fund, the Charter requires that the OIG remain an independent organization to assure that no interference or external influence affects the objectivity of the office. Each year the Inspector General, pursuant to the Charter, submits a proposed budget to the County Commission in accordance with the county's regular budget process. The proposed budget includes a reasonable estimate of operating and capital expenses, which includes funds required to retain hearing officers. The funds must be approved by the County Commission. In addition, the County Administrator and the Office of Management and Budget provide

resources and support throughout the budget process.



The OIG is committed to operating in a fiscally responsible manner. The approved budget for fiscal year (FY) 2014 was \$2,311,860, with actual expenditures of \$1,970,312. The approved budget for FY 2015 was \$2,434,390 with an estimated actual expenditure of \$2,102,309.<sup>1</sup> The OIG's FY 2015 budget represented 0.06% of the county's total budget. For FY 2015 the OIG was budgeted for 18 positions. The adopted budget for FY 2016, which commenced on October 1, 2015, is \$2,682,740 with 20 budgeted positions.

## THE OIG TEAM

The OIG is led by Inspector General John W. Scott. Inspector General Scott was selected as the first Broward Inspector General in 2011 by the independent Selection-Oversight Committee who, in December 2014, unanimously voted to

<sup>1</sup>The OIG has provided an estimate of actual expenditures because the Broward County Office of Management and Budget had not finalized actual expenditures for FY 2015 as of the preparation of this report.

renew him for a second term. Before becoming the Inspector General, Mr. Scott spent most of his career with the United States Department of Justice, where he investigated and prosecuted public corruption and fraud cases across the nation. Those cases included allegations of misconduct by federal, state and local officials including members of Congress, governors, judges, city council members, state legislators, members of the military, and law enforcement officials, as well as vendors, lobbyists and representatives of the banking, securities and finance industries.

The Inspector General is aided by a management team that is comprised of a Deputy Inspector General, an Assistant Inspector General and a General Counsel. The OIG team is comprised of a diverse group of highly qualified individuals who bring to the organization a variety of specialties and skill sets. The team consists of an Ethics Counsel, Assistant Legal Counsel, Audit Manager, Special Agents, Contract Oversight Specialists, an Office Manager and an Investigative Support Specialist. The professional qualifications of our team include a certified public accountant; attorneys including former federal and state prosecutors; former federal, state, local, and military law enforcement officers; former state regulatory investigators; procurement specialists; and administrative specialists. Our team holds certifications as fraud examiners, inspector general investigators, public accountants, public procurement

Officers and criminal justice information system operators.

## PROFESSIONAL DEVELOPMENT

The Inspector General recruits the highest quality professionals within their respective fields. As an accredited agency we are committed to maintaining the highest level of professionalism by investing in our most valuable assets, our staff. To date OIG staff members have received over 2200 hours of training, 524 of which have occurred during this fiscal year. The OIG provides in-house training to all new staff members on topics including the mission, function, and authority of the OIG; the Charter, the Broward County Code of Ordinances, and municipal codes; county and municipal government organization and function; ethics codes and the Sunshine laws; the accreditation process; the OIG Manual of Directives; and proper investigative techniques and protocols. Staff members have also completed ethics training that is provided to elected officials by our Ethics Counsel.

In addition to new staff member training, the OIG provides resources for continuing education to further develop, cross-train, and add new skills to our staff of professionals. Staff members have participated in training provided by the county including new employee training, Microsoft Office applications, contract central overview, procurement system, purchase card program, web publishing and cyber security awareness.

Throughout the year, staff members have

participated in training and conferences provided by various government entities and associations including:

- Sunshine Law, Public Records and Ethics;
- Florida Accreditation Conference;
- Governance, Risk and Compliance Conference;
- Data Analytics to Detect Fraud and Error;
- Challenges and Opportunities in the World of Government Auditing;
- 6th Annual IIA/ACFE Fraud Conference;
- Procurement Fraud: Improve Fiscal Responsibilities with Procurement Fraud Detection;
- Property Room Management Training Seminar;
- Interview Techniques: Advanced Interviewing Skills in Law Enforcement;
- Criminal Justice Officer Ethics, and
- Constitutional Considerations.

OIG staff members are affiliated with the Association of Inspectors General (AIG), a national organization comprised of state, local and federal inspectors general and their staffs. The AIG's goals include

encouraging professional development, sponsoring educational programs and standardizing practices, policies and procedures. The AIG awards the designation of Certified Inspector General, Investigator and Auditor to individuals who meet the eligibility requirements regarding education and experience, and successfully complete the respective certification program.

In 2015, two members of the OIG's management team were awarded the designation of Certified Inspector General. All OIG Special Agents have received the designation of Certified Inspector General Investigator after undergoing training and testing by the AIG.

## ACCREDITED AGENCY

In October 2014, the OIG was accredited by the Commission for Florida Law Enforcement Accreditation (CFA). The CFA reviews and accredits law enforcement agencies and OIGs that meet or exceed the principals and standards established for Offices of Inspectors General. By attaining accreditation status, the OIG has demonstrated that it is committed to maintaining high standards of professionalism, which has resulted in enhanced quality of investigations, accountability and transparency. To ensure consistent and continued compliance with these standards, the CFA reviews agencies every three years for reaccreditation. This year the OIG has remained engaged in the CFA process as the Commission considers potential amendments to the accredited inspector general standards.

The OIG has maintained regular communications with inspectors general throughout the state, attended meetings and provided feedback to the CFA to help maintain the highest level of accountability and professionalism for the inspector general community.

## COMPLAINTS, TIPS AND INFORMATION

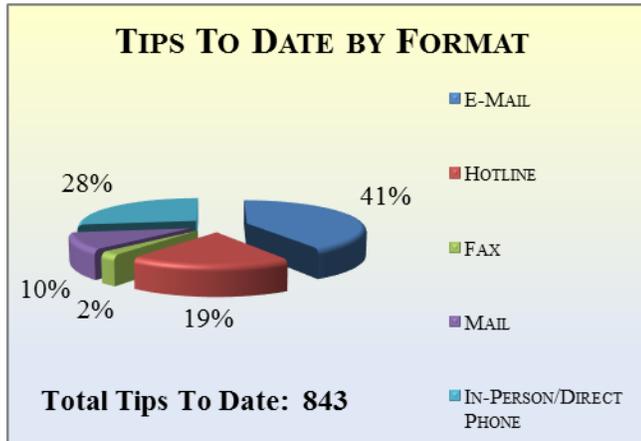
Investigations are initiated based on complaints, tips and other information that is thoroughly evaluated. The Inspector General has the authority to commence an investigation based on the existence of good cause to believe that any official, employee, or provider has engaged in misconduct or gross mismanagement. The Inspector General may find good cause based upon his own initiative or on a signed sworn complaint.

### *Tips and Information*

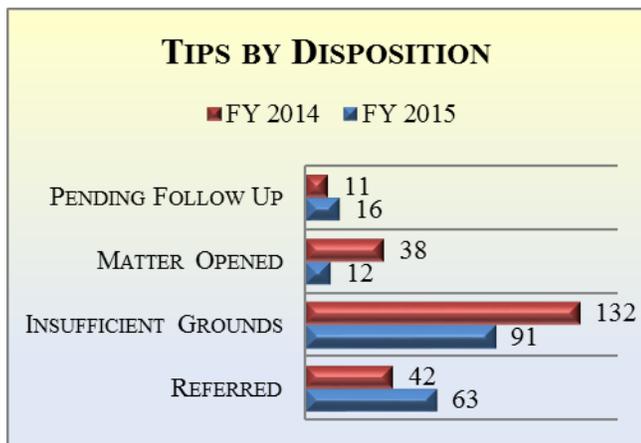
All county and municipal employees and residents are encouraged to assist the OIG in combating fraud, waste, misconduct and gross mismanagement by providing tips and information. There are a number of ways to provide information to the OIG. We accept tips and information through our Hotline at (954) 357-TIPS (8477), email at [InspectorGeneral@broward.org](mailto:InspectorGeneral@broward.org), fax at (954) 357-7857, mail, or in person. Information may be provided without disclosing a name or contact information, although the OIG encourages persons to identify themselves should additional

information be needed during the investigative process.

To date the OIG has received 843 tips, 171 of which were received during this reporting period.



Once a tip is received it is reviewed to determine the appropriate action and assignment.

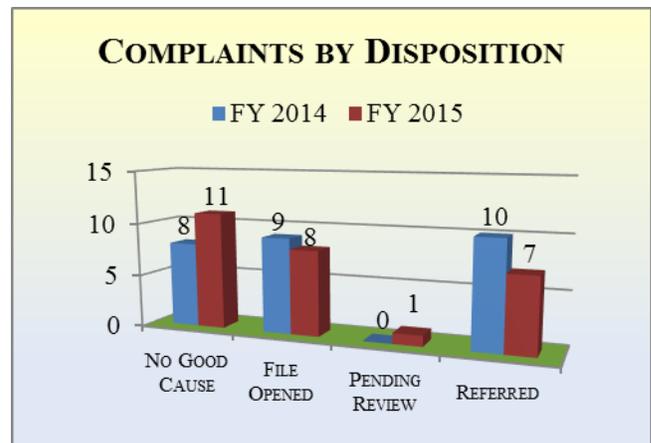


Since May 2011, 116 tips have resulted in the initiation of investigative matters and 217 tips have been referred to other governmental agencies. Of the tips received in the past year, 28 have resulted in investigative matters or are currently pending a final determination by the OIG.

### Complaints

The Inspector General may find good cause based on a signed, verified complaint. The Charter requires a complaint to be signed, under a penalty of perjury, with a statement that the complainant has personal knowledge of the facts. Persons who wish to file a complaint with the OIG may obtain a complaint form from the OIG website or by contacting the OIG at (954) 357-7873. The complaint must be completed, signed and delivered to the Broward Office of the Inspector General, One North University Drive, Suite 111, Plantation, Florida, 33324.

To date, the OIG has received 103 signed complaints, including 27 received during this reporting period.



Our review of those 27 complaints has led to the establishment of good cause to open eight investigations. The OIG has referred 26 complaints to other government agencies for their appropriate action.

## PROGRAMS

The OIG is structured to support its primary mission of investigating gross mismanagement and misconduct, as well as enforcement of the Broward Code of Ethics for Elected Officials. The OIG structure includes Investigations, Contract Oversight, Ethics, and Audit, all of which work together to fulfill the broad and varied jurisdiction of the Inspector General. Audit is the newest addition to our structure and continues to evolve as a result of the efforts of our Audit Manager.

As a result of the combined efforts of the various OIG programs more than \$20 million dollars in questionable expenditures have been identified to date, with \$10.9 million being identified this fiscal year. In addition, as a result of an OIG investigation that was reported last fiscal year, the City of Weston recovered \$211,792.48 for overbilled landscape services.

The Investigations, Contract Oversight and Ethics programs are discussed in more detail below.

## INVESTIGATIONS

The Deputy Inspector General is responsible for overseeing all investigative functions of the OIG. The Special Agents in the Investigations unit are tasked with investigating credible allegations of misconduct and gross mismanagement by Broward and municipal elected officials, employees and providers. Misconduct is defined as “any violation of the state or

federal constitution, any state or federal statute or code, any county or municipal ordinance or code; or conduct involving fraud, corruption, or abuse.” Gross mismanagement is defined as “the material waste or significant mismanagement of public resources.” The Special Agents also investigate alleged violations of the Broward Code of Ethics for Elected Officials, the Florida Code of Ethics for Public Officials and Employees, and municipal ethic codes—as was the case in our investigation of Deerfield Beach Mayor Jean Robb, which is addressed below. They also assist on procurement oversight matters.

Special Agents are responsible for reviewing and corroborating information from hundreds of tips and complaints. They must also:

- conduct thorough, well documented investigations;
- perform extensive background checks; and
- carry out detailed ethics compliance reviews

Although OIG investigations vary in size and complexity, most require interviews of witnesses and implicated parties, review of numerous documents, analysis of financial records, and preparation of detailed reports summarizing investigative findings.

The OIG issues reports at the conclusion of investigations involving allegations of

gross mismanagement. We also issue reports involving allegations of misconduct when we determine that such a report will assist the county or any municipality in preventing similar future misconduct. When the issuance of a report is not warranted, the OIG may issue a memorandum notifying officials of the closure of the investigation and detailing its work. Following are summaries of significant investigative findings made by the OIG during this reporting period.

***Misconduct by Employees of the City of Fort Lauderdale Building Services Division***

The OIG issued a final report finding that former employees of the City of Fort Lauderdale Building Services Division (BSD) wrongly issued permits for two multi-building developments: Northwest Gardens and The Pearl. We found that in the case of Northwest Gardens, the BSD approved permits and issued ten certificates of occupancy for apartment buildings despite the fact that they were in violation of the Florida Building Code's flood zone requirements. The OIG discovered that Glen Osborn, the former BSD Structural Plans Reviewer, approved faulty plans and later signed the certificates of occupancy knowing that the buildings were not in compliance. Christopher Augustin, the former BSD Building Official, was responsible for the issuance of all certificates of occupancy by the BSD. With regard to the Pearl, the OIG discovered that four of its five buildings

also failed to comply with the flood zone requirements.

The OIG investigation also revealed that flood elevation regulations incorporated into the revised Building Code in March of 2012 were overlooked or ignored by the BSD, and that this oversight was not identified until several major construction projects were nearly completed. In addition, the investigation revealed that the BSD had no written policies nor procedures in place relating to the review of plans and elevation certificates, nor the approval process for building permit applications and certificates of occupancy.

During the investigation, numerous city officials candidly acknowledged that mistakes had been made in the application and enforcement of the Building Code. The City Manager stated that "I'm not saying that we have clean hands here" and observed that "issues should have been caught." The OIG is encouraged by the remedial steps the city has taken, including obtaining waivers from the Federal Emergency Management Agency (FEMA), which eliminated ongoing flood compliance concerns for the housing developments at issue; developing a manual of BSD policies and procedures; and bolstering BSD staffing.

The OIG referred this matter to the Florida Department of Business and Professional Regulation (DBPR) and the Broward County Board of Rules and Appeals for their independent assessment of the applicable laws and authorities. Subsequently the DBPR found probable

cause for one violation of Florida administrative law against Mr. Augustin and two violations against Mr. Osborn. The count against Mr. Augustin charges that he overlooked or ignored Florida Building Code requirements that were applicable to certain buildings vulnerable to flooding. The first count against Mr. Osborn charges that he acted without authority when he approved certain certificates of completion, and the second count charges that he approved the certificates of completion even though he knew them to be false. The final outcome of this action is still pending.

***Unsubstantiated Allegation of Gross Mismanagement by the Broward County Environmental Licensing and Building Permitting Division – Elevator Section***

The OIG issued a final report finding that the County's Elevator Section did not engage in gross mismanagement in its handling of elevator inspections. Although the OIG's investigation established there was a significant backlog of annual inspections, the OIG found that there were several extraordinary factors that contributed to the backlog. The OIG investigation, however, also identified inadequacies in the Elevator Section's management which contributed to the backlog. These inadequacies were addressed in the final report along with recommendations designed to alleviate the mismanagement issues and enable more timely compliance with inspection requirements mandated by Florida legal and administrative authorities. The OIG has requested that the Elevator Section

provide a status report in January 2016 updating the number of elevators overdue for annual inspection as well as updating its progress in adopting and implementing the recommendations featured in the report.

***Contractor's Scheme to Misrepresent County Business Enterprise Subcontractor Participation***

The OIG issued a report finding that Sunshine Cleaning Systems, Inc., the prime contractor on a \$62 million janitorial services contract at the Fort Lauderdale–Hollywood International Airport, misrepresented its compliance with the County Business Enterprise (CBE) program participation requirements and its contractual obligations.

Sunshine led the County to believe that 30 percent of the funds paid by the County were going to CBEs, while in reality the CBEs were receiving only nominal payments. Our investigation determined that, for the time period beginning with the Contract's inception through March 31, 2012, Sunshine paid the CBEs a total of \$658,335.37 while representing to the County that it paid \$10,897,043.32.

When contractors flout their contractual obligation to employ CBEs, the resources committed by the County in furtherance of the CBE provisions are squandered. Accordingly, the OIG recommended that the County incorporate provisions to recoup its investment in the CBE program. County contracts should require prime contractors who fail to achieve CBE participation goals to reimburse the County for damages tied to

the County's cost of administering and enforcing the CBE program and requirements. The County could prospectively hold a prime contractor, such as Sunshine, accountable for damages proportional to the costs of the County's CBE program. In her response to the report, the County administrator stated that her office will work with the County Attorney and propose legislative changes.

***Update: Elections Law Violation by  
Lauderdale Lakes City Commissioner***

In the 2012-2013 Annual Report we reported on allegations that a City of Lauderdale Lakes Commissioner was no longer residing in the City of Lauderdale Lakes as required by the city charter. We also identified evidence that Commissioner Eric Haynes engaged in misconduct in connection with his voting in the November 2012 general election by falsely swearing or affirming to residing at an address within the city. The OIG referred the matter to the City Commission and the Florida Elections Commission. Although the City Commission voted to not remove Mr. Haynes for residing outside the city, in May 2015 the Florida Elections Commission, acting upon the complaint filed by the OIG, fined Mr. Haynes for violating the Florida elections code. Specifically, the Commission determined after a hearing that Mr. Haynes willfully violated Florida Statute 104.011(1), false swearing in connection with voting or elections, and assessed a fine of \$500.

***Update: Elections Law Violation by City  
of Margate Commissioner and His  
Campaign Treasurer in the Handling of  
Campaign Funds***

In the 2013-2014 Annual Report we reported on misconduct by former City of Margate Vice Mayor and Commissioner David Mclean and his campaign treasurer, Michael Natale. In August 2015, the FEC, again acting upon a complaint filed by the OIG, found probable cause for 19 violations of the Florida Ethics Code against former Margate Commissioner McLean and 62 counts against Mr. Natale. Eighteen of the nineteen probable cause violations committed by Mr. McLean involved the willful certification of campaign finance reports known to be incorrect, false, or incomplete. The remaining probable cause violation related to the disposition of his surplus campaign funds following the November 2012 election. The OIG's report, released in January 2014, had concluded that Commissioner McLean permitted his campaign treasurer, Mr. Natale, to improperly receive \$905.82 in surplus campaign funds after the 2012 election.

We identified additional violations of Florida campaign finance law by Mr. McLean and Mr. Natale, including filing Campaign Treasurer's Reports that contained false, incorrect, and incomplete information; making and accepting a \$400 cash contribution made in the name of Mr. Natale's sister but without her knowledge and permission; and writing campaign account checks on at least three occasions when there were insufficient funds to cover

them. Mr. Natale also stated that he did not know the whereabouts of any campaign finance-related documents, which Florida law required him to retain for four years following the election.

## CONTRACT AND PROCUREMENT OVERSIGHT

In order to fulfill its responsibility as an independent watchdog over the expenditure of taxpayer funds, the OIG has a specialized investigative program focused on public procurement and contract execution. The Contract and Procurement Oversight Program (CPOP) is a natural outgrowth of the OIG's responsibility to detect gross mismanagement, defined as "material waste or significant mismanagement of public resources."

The objective of CPOP reviews is to detect the vulnerabilities that make government entities susceptible to the waste of public resources, and to prevent that waste whenever possible. Utilizing the OIG's collective procurement, investigative and legal experience, the program is designed to randomly review recent or ongoing procurements and test the processes of each governmental entity. Occasionally, CPOP reviews identify misconduct or gross mismanagement that has already resulted in waste, fraud or abuse, in which case the CPOP staff proceeds to investigation.

Over the course of the past four years, our CPOP staff has initiated 36 reviews, spanning 18 governmental entities and contracts valued over \$113 million. This

past year the CPOP lost two of its three Contract Oversight Specialists to career advancement opportunities. The OIG went on to complete a successful recruiting drive with responses from over 190 candidates. Ultimately, the OIG has been able to expand the expertise of the program by hiring two individuals with extensive professional experience in public procurement and oversight of internal controls.

### *Gross Mismanagement by the City of Pompano Beach in the Development of George Brummer Park*

The OIG issued a final report finding that the City of Pompano Beach significantly mismanaged public resources when it violated contractual and procedural requirements during the development of George Brummer Park. The report detailed the failure of the city's controls and procedures with regard to the construction of the bocce courts, tennis courts, and sidewalks.

The investigation revealed that city staff disregarded controls relating to change orders in order to expedite a project that was behind schedule. The OIG also found that although the contract required that a value—cost or credit—be established prior to authorizing a change, the staff authorized changes without determining a value, leaving the city vulnerable to overbilling at the completion of the project.

Controls such as spending limits are a valuable tool in preventing fraud, waste

and abuse, but only if properly executed and enforced. Here, city staff did not document or present the City Commission with the changes until months after the Park had been constructed. It was only after the contractor had performed the changes that staff began to discuss pricing and potential credits. The report contained a number of recommendations to assist the city in strengthening its procurement and project management functions.

### ***Update: Employee and Vendor Misconduct and Gross Mismanagement by the City of Weston***

In the 2013-2014 Annual Report we reported that Varney & Sons, a contractor for the City of Weston, engaged in a scheme to fraudulently overbill the city. On 41 invoices alone, the OIG was able to verify over \$114,000 in overbillings. During this reporting period, the city terminated its contract and approved a settlement of \$211,792.48 with the contractor. The city also competitively solicited and approved new contracts with new vendors for landscaping services.

## **ETHICS**

The OIG's charter mandate includes the investigation, referral, and enforcement of ethics codes that apply to Broward's officials and employees, including the Code of Ethics for Elected Officials, found at Broward County Code of Ordinances Section 1-19 (Broward Code of Ethics). The OIG's investigative efforts in prior

reporting periods has resulted in several significant reports of ethical misconduct, ethics code complaints, referrals to the Florida Commission on Ethics, and independent probable cause and violation findings by other agencies in the current reporting period. As in the past, we continued to balance this enforcement effort with our ethics compliance and education endeavors.

### ***Ethics Enforcement***

During the reporting period, the OIG reviewed 34 tips and complaints and concluded 11 investigations involving potential misconduct as defined by state and local ethics law. We issued three investigative reports of ethical misconduct, filed two Broward ethics complaints, and made three referrals to the Florida Commission on Ethics.

The OIG closed investigations of potential state and local ethics code violations resulting from the travel of two municipal mayors to Saudi Arabia. After consulting with attorneys for the Florida Commission on Ethics, the OIG filed a complaint with the Commission to determine if the trip qualified as a gift under state law. Ultimately, the full commission determined that there was not probable cause to believe the trip qualified as a gift. The OIG subsequently closed the related investigations of violations of the Broward Code of Ethics, which relies on the state's definition.

### ***Ethical Misconduct by Deerfield Beach Mayor Jean Robb***

On November 7, 2014, the OIG issued a final report finding that City of Deerfield Beach Mayor Jean Robb misused her elected position by attempting to obstruct the city's code enforcement efforts involving a luxury automobile dealership whose owner had made charitable donations. Specifically, Mayor Robb told a Broward Sheriff's Office Deputy who was the city's code enforcement officer that "I want you to leave [the dealership] alone. He just gave me two \$500 checks."

The investigation also uncovered other instances of misconduct by Mayor Robb: (1) using her position to obtain benefits for her church and pastor by directing city staff to issue an employee parking sticker to the pastor, and to use city employees and equipment to clean the church's parking lot; (2) attempting to block the city from awarding a contract to a vendor she personally disfavored; (3) unilaterally committing the city to pay for transportation for a Little League baseball team, in circumvention of procedures that required the participation and approval of city employees; and (4) attempting to personally direct the duties of the City Purchasing Manager. In furtherance of her aims, Mayor Robb repeatedly personally directed and attempted to personally direct the duties of city employees—and committed city resources in doing so—without the requisite knowledge or authorization of the City Manager, as plainly required by the city's charter and code.

The OIG investigation established probable cause to believe that Mayor Robb engaged in acts of ethical misconduct. In accordance with our Charter mandate, in November 2014 the OIG referred the matter to the Florida Commission on Ethics and the City of Deerfield Beach for their independent assessment of the application of state and local ethics law.

### ***Ethics Complaint: Lauderdale Lakes Commissioner's Failure to Disclose Outside Employment and Remuneration***

In September 2015, the Inspector General filed an ethics complaint against former City of Lauderdale Lakes Commissioner Eric Haynes for disclosure violations of the Broward Ethics Code. The OIG identified probable cause for disclosure violations of the Broward Code of Ethics. It is alleged that Mr. Haynes failed to disclose and file for public inspection his compensation from outside employers for the calendar years of 2012 and 2013, and failed to file for inspection a copy of his State of Florida Commission on Ethics Form 1 Statement of Financial Interests for calendar year 2013. The Ethics Code requires all Broward elected officials to make these disclosures. The complaint seeks \$15,000 in fines. The matter is currently presided over by a hearing officer, pursuant to Broward County Charter Section 12.01.C.

### ***Ethical Misconduct by the Mayor of the City of Margate***

The OIG released a report in September 2015 concluding that, as mayor of the City of Margate, Lesa Peerman knowingly

accepted \$150 worth of disc jockey services from a business tenant of Margate's Community Redevelopment Agency (CRA), for which she serves as a Board Member, at a wedding celebration held in the city in 2014. The OIG concluded that the acceptance of the DJ services for free violated the Broward Ethics Code's \$50 limit for a gift given in the donee's official capacity. Also at the event, the then-mayor informed party guests that she preferred charitable donations over wedding gifts and then arranged to set out two boxes labeled for the two charities she specified. She collected and delivered the cash that was donated to the organizations but failed to disclose the solicitations online as required by the Broward Ethics Code.

The OIG filed a companion ethics complaint against Ms. Peerman based on its probable cause findings. After Ms. Peerman paid the value of the DJ services to the CRA tenant at the OIG's request and filed the necessary disclosures, she and the Inspector General executed an agreement in which she admitted liability and agreed to pay a \$500 fine for these violations. The Ethics Complaint charged the former mayor with one count of the gift ban and one count of the solicitation disclosure rule. On October 15, 2015, a hearing officer accepted the Agreement, and Ms. Peerman paid the fine.

### ***Ethical Misconduct by Employees of the City of Lauderhill***

The OIG issued a preliminary report during the reporting period that resulted in a final

report on October 7, 2015, concluding that two high-level City of Lauderhill employees—including the Assistant City Manager—are violating state ethics law by obtaining loans from their own agency via a program administered by their subordinates and over which they have managerial authority. Kennie Hobbs, Jr. is the Assistant City Manager and City Finance Director, and also serves as Executive Director of the Lauderhill Housing Authority (LHA). Julie Saunders is the City Operations Manager who serves as LHA Deputy Director. Each obtained a mortgage from the LHA. Ms. Saunders signed loan related documents for Mr. Hobbs, and Mr. Hobbs signed loan related documents for Ms. Saunders. The OIG found probable cause to believe that both loans were obtained, are administered, or are being monitored in violation of the Florida law that prohibits a public employee from entering into any contractual relationship that creates a continuing conflict between his or her private interests and his or her public duties.

In conducting its investigation, the OIG uncovered the lack of internal controls that laid the foundation for these employees' actions. Consistent with its Charter mandate, the OIG is referring this matter to the Florida Commission on Ethics for its independent assessment of the application of state ethics laws. In addition, the OIG has requested the city to provide a status report by January 5, 2016 regarding its actions in response to the findings and recommendations within the report.

### ***Ethics Compliance Review***

The OIG issued a memorandum in April 2015 reporting its finding that, through this office's efforts, all current Broward County elected officials had complied with the requirement that they post copies of their 2013 State financial disclosure forms on their governmental entities' websites. To expand transparency in government and encourage public participation in the oversight of public officials, the Broward Code of Ethics obligates each mayor and member of the governing bodies of the county and its municipalities to ensure that his or her *COE Form 1: Statement of Financial Interests* or *COE Form 6: Full and Public Disclosure of Financial Interest*, as applicable, is made available to the public on the internet. In our initial review of internet postings, the OIG determined that 18% of the forms (involving nine municipalities) were missing. We then communicated and worked with municipal clerks, attorneys, and office holders, after which time we observed that all officials were in compliance.

### ***Ethics Education***

Although this year resulted in a significant number of ethics enforcement measures, the OIG continued to maintain an uninterrupted focus on ethics education to help officials come into compliance with ethics requirements. The OIG held five free ethics training sessions, primarily for Broward's elected officials, during the reporting period.

In October 2014, the OIG held its basic four-hour training session on the Broward Ethics Code, and in November 2014 it held a four-hour review course designed to refresh and sharpen Broward and municipal commissioners' and mayors' understanding of the standards of conduct and disclosures required by that code.

For the first time, on January 29, 2015, the OIG conducted an ethics training session tailored to meet a new state law requirement for municipal elected officials that became effective January 1, 2015. The law now requires that municipal elected officials receive four hours of training each year in state ethics, public records, and open meetings ("Sunshine") laws. Twenty-eight commissioners and mayors from the County and ten municipalities attended the four-hour class.

The OIG offered the Broward review course again in April and May of 2015. A total of fifty-five officials, including eleven mayors, from twenty-four out of the thirty-one Broward municipalities attended the four-hour classes.

Since late 2012, we have provided ethics training on 13 occasions for 328 (non-OIG staff) attendees.

The OIG has also continued its practice of obliging its staff to obtain continuing education on ethics laws and rules applicable to them as well as those whom they investigate. To that end, five Special Agents attended the training session with elected officials in October 2014, and our two new Contract Oversight Specialists

underwent in-house ethics training in August 2015.

Ethics Counsel continues to provide ongoing guidance to the public, local officials, and the press on the OIG's interpretation of applicable ethics laws.

### *Update: Ethics Reform*

As reported in the 2013-2014 annual report, the OIG issued a report detailing our review of the existing ethics structure for Broward County and its municipalities. In May 2015 the OIG appeared before the Broward County Commission along with representatives of the Broward League of Cities to discuss potential changes to the ethics code or structure. The OIG provided information obtained through its enforcement and educational efforts. The county is currently pursuing a number of changes addressing a variety of concerns with ethics code. The OIG will continue to provide feedback as necessary to inform the process.

## INTERGOVERNMENTAL COOPERATION AND OUTREACH

In order for the OIG to effectively accomplish its mission of identifying and investigating misconduct and gross mismanagement, it is essential to engender the cooperation of the individuals and entities that we examine. Many of the violations the OIG investigates are also enforceable only by other state or local agencies. Therefore, the OIG must actively

pursue opportunities for outreach and intergovernmental cooperation.

The OIG continues to maintain relationships with federal, state and local law enforcement, regulatory, and governmental agencies throughout the state. We have referred completed OIG investigations to various regulatory agencies including the Florida Ethics Commission, Elections Commission and Department of Business and Professional Regulation who have initiated action in a number of matters that were detailed in the related program sections above.

The OIG is also a member of the South Florida Inspectors General Council, and the Financial Institution Security Association. We participate in the Law Enforcement Coordination Committee, which brings together law enforcement executives at the federal, state and local levels to discuss issues of mutual interest. We work with both the Miami-Dade and Palm Beach County Offices of Inspectors General regarding issues of mutual interest. We participate as members of the National and Florida Chapter of the Association of Inspectors General.

Maintaining communications with local government leaders, stakeholders, and residents of the county regarding their concerns and to inform them of the OIG's mission and the services it provides is an integral part of the OIG's success as an organization. The Inspector General has made it a priority since his selection in 2011 to periodically meet with the Mayors of the 31 municipalities in Broward

County. In 2015, the Inspector General met individually with the mayors of ten municipalities. He also met with five members of the County Administrator's management team. In addition, the Inspector General met with the other government leaders including the Directors of the Office of the Medical Examiner and Trauma Services, Public Communications, Intergovernmental Affairs and Professional Standards, Economic and Small Business Development, Management and Budget, Regional Communications and Technology, and Greater Fort Lauderdale Convention and Visitors Bureau and ten Broward County Department Directors. He also routinely interacts with elected officials during ethics training provided by the OIG.

In addition to the training opportunities for local Broward elected officials regarding ethics, in February 2015 the OIG hosted five visitors from Macedonia interested in anti-corruption efforts and how government transparency assists those efforts. We presented on the disclosure requirements of the Broward Ethics Code; the searchable internet databases of the county and municipal websites for those disclosures; and the OIG's efforts to promote the transparency of its own activity, intended to ensure officials' compliance with disclosure rules and to inform Broward's press and public of the availability of the disclosures. The visiting Macedonian officials visited United States cities under the U.S. Department of State's International Visitor Program and were hosted locally by Global Ties Miami.

We also spoke on disclosure rules of the Broward Ethics Code at the Broward County Municipal Clerks' Association's bimonthly meeting in February 2015. The discussion centered on the requirement that Broward's municipal elected officials make certain forms available on searchable municipal websites; practical considerations for municipal clerks in helping officials fulfill this requirement; and how the OIG facilitates training, posting, and compliance reviews for these disclosures.

The OIG's website, [www.browardig.org](http://www.browardig.org), is an essential resource both for providing and receiving information and for staying connected with all those whom we serve. It is designed to allow users to easily navigate the site to obtain information about the OIG including its mission, structure, authority and responsibilities. Users can access information about our activities, read our issued reports, stay up-to-date about our recent activity, and find out how to contact us. Users can navigate from anywhere on the site to our "Report Misconduct" application, which encourages them to assist the OIG in combating fraud, waste, misconduct and gross mismanagement by providing information in a number of ways.

To find out more about the OIG or to provide information regarding misconduct and gross mismanagement, please visit our website at [www.browardig.org](http://www.browardig.org). The OIG also uses social messaging to inform the public of the issuance of reports and important activities. To stay connected to the OIG, follow us on Twitter @BrowardIG.

## MOVING FORWARD

As the Inspector General begins his second term of service it is important for the OIG as an organization to continue to build upon its successes and consistently engage in a process of individual and organizational self-assessment. Accreditation is the conduit by which we regularly assess our administrative and operational processes.

With the addition of our Audit Manager we look forward to further developing the audit program in the coming year. To that end, an additional audit position was approved as part of our 2016 budget. Already the Audit Manager has identified questionable practices and weaknesses in controls within various governmental entities. In conjunction with our investigative team these activities will be reported on in the coming year.

A continuing goal for the use of our audit resources is to proactively use data analytics to identify vulnerabilities and weaknesses within various governmental processes, augmenting our investigative and CPOP work. The program will endeavor to reach out to municipal management to coordinate internal control

reviews, a cornerstone for identifying risks and vulnerabilities of mismanagement, misconduct and fraud.

The OIG will continue the process of enhancing its information management system. We are working to upgrade our existing system to a comprehensive solution that will provide increased structure and efficiency, automate workflows, streamline processes, enhance productivity and provide ease of use.

In the coming year, we also plan on continuing to provide information and feedback to the county and municipalities as they work to make changes to the local ethics code and structure. Whatever changes are made, we will provide innovative in-person training to ensure that elected officials and others remain informed of their ethical responsibilities.

Finally, the convening of the Charter Review Committee is an opportunity to further evaluate the county's ethics code and related concerns. The OIG looks forward to providing that board with any information it seeks in furtherance of its work over the coming years.

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