



**BROWARD OFFICE OF THE  
INSPECTOR GENERAL**

**2016 - 2017  
ANNUAL REPORT**

## A MESSAGE FROM THE INSPECTOR GENERAL

It is my privilege to present you with the 2016-2017 Annual Report for the Broward Office of the Inspector General.

As the culmination of another successful year, the Commission for Florida Law Enforcement Accreditation unanimously voted to grant the OIG reaccreditation status. The CFA assessment team appraised our performance as “flawless and outstanding,” observing that OIG staff are “the epitome of a professional and enthusiastic” agency.

This year the OIG investigated and reported on systemic gross mismanagement by the Hollywood Police Department and the Town of Davie. Both municipalities embraced our findings, took extensive remedial action, and have implemented programs and procedures designed to prevent future shortcomings.

Our Audit and Contract/Procurement Oversight program identified almost \$5 million in questionable expenditures and placed special emphasis on the recovery of misspent taxpayer funds. For instance, ACPOP staff reviewed a portion of a construction contract entered into by Broward County and determined that the vendor overbilled the county and sub-contractors by over \$100,000, which the vendor subsequently refunded. ACPOP also identified 22 instances of duplicate vendor billings in four municipalities which have now been refunded. And our review of debarred county vendors assuming a different name then resuming business with the county resulted in prompt county action to prevent any further such occurrences.

On the ethics front, the OIG issued a final report concluding that Hallandale Beach Commissioner Anthony Sanders engaged in a pattern of misconduct that violated state, county and city ethics laws. Within two days of the report’s release, Commissioner Sanders resigned from office. We referred the matter to the State of Florida Commission on Ethics and we are filing a Broward County ethics complaint to be tried by an administrative hearing officer.

As the CFA has recognized, the OIG remains committed to upholding the highest standards established for the I.G. community.

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



Sincerely,

A handwritten signature in blue ink, which appears to be "John W. Scott". The signature is fluid and cursive, written over a white background.

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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 10.01 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 more than 1.9 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 that provide goods and services to the county and the municipalities.

This responsibility encompasses county and municipal budgets totaling approximately \$9.3 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 that provide

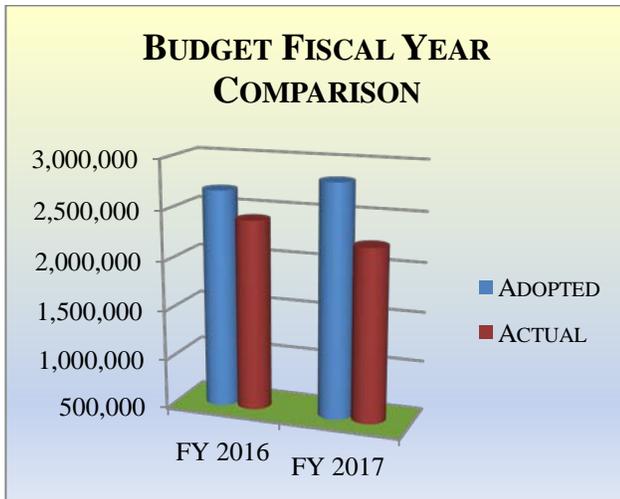
goods or services to the county and municipalities.

The Inspector General 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 Inspector General has the power to subpoena witnesses, administer oaths, and require the production of documents and records. As part of an investigation, the Inspector General may audit any program, contract, or the operations of any division, department, or office of the county or municipalities. The Inspector General may also audit the operations or performance of any provider as it relates to its contract with the county or municipality. The Inspector General is also charged with the responsibility to enforce the Broward Code of Ethics for Elected Officials (Broward Ethics Code), which applies to all Broward county and municipal elected officials.

## 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 remains committed to operating in a fiscally responsible manner. The approved budget for fiscal year (FY) 2016 was \$2,682,740, with actual expenditures of \$2,410,376. The approved budget for FY 2017 was \$2,829,420 with an estimated actual expenditure of \$2,236,499.<sup>1</sup> The OIG's FY 2017 budget represented 0.06% of the county's total budget. For FY 2017, the OIG was budgeted for 20 positions. The adopted budget for FY 2018, which commenced on October 1, 2017, is \$2,885,750. The budgeted positions for the OIG remain at 20.

<sup>1</sup>The OIG has provided an estimate of actual expenditures because the Broward County Office of Management and

## THE OIG TEAM

The OIG is led by Inspector General John W. Scott, who is serving his second term after being selected as the first Broward Inspector General in 2011. 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 leads the organization aided by a management team that includes a Deputy Inspector General, Assistant Inspector General, and 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 professional qualifications of our team include certified public accountants; attorneys including former federal and state prosecutors; former federal, state, and local law enforcement officers; former state regulatory investigators; procurement specialists; and administrative specialists.

Budget had not finalized actual expenditures for FY 2017 as of the preparation of this report.

## 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 asset, our staff. Our team holds various certifications including fraud examiner, inspector general investigator, inspector general auditor, inspector general, criminal trial lawyer, public accountant, public procurement officer, and criminal justice information system operator. In order to maintain these certifications, as well as the state's accredited status, continuing education hours are required.

To date OIG staff members have received over 3,330 hours of continuing professional education, 592 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 staff attorneys.

Throughout the year staff members have participated in training provided by the county including new employee training, employment issues refresher, Microsoft

Office applications, and various purchasing classes including, requests for proposals, specifications writing, bid process, and contract administration.

In addition staff members have participated in training and conferences provided by various government entities and associations including:

- Advanced Interviewing for Investigation/Audit Professionals;
- Contract and Procurement Fraud;
- City, County, and Local Government Law Certification Review;
- Hot Topics in Evidence;
- 40th Annual Local Government Law Conference;
- Advanced Federal Practice;
- Professionalism in Motion Practice;
- Supreme Court Review;
- Florida Accreditation Conference;
- Managing the Accreditation Process;
- CJIS Security and Awareness Training;
- Open Source Intelligence and Social Media Research/Investigation Training;

- Florida Ethics/Internal Auditing Charter Independence and Objectivity;
- Identifying and Managing Fraud Related Risks;
- Construction Procurements and CCNA Statute Requirements; and
- Construction Auditing

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 certification status to individuals who meet the eligibility requirements regarding education and experience and successfully complete the respective certification program.

Two members of the OIG's management team have been awarded the designation of Certified Inspector General. OIG Special Agents have received the designation of Certified Inspector General Investigator and our Director of Audit and Contract/Procurement Oversight has received the designation of Certified Inspector General Auditor after undergoing training and testing by the AIG.

## COUNTY CHARTER REVIEW COMMISSION PROCEEDINGS

As previously reported, the OIG made public in January 2014 a proposed reform to the county's ethics enforcement structure, which the OIG Selection-Oversight Committee approved in April 2014 and December 2016. In particular, we focused on the problems attendant to local government attorneys providing immunizing advice on the Broward Ethics Code to their clients, and we recommended an independent ethics officer as a way of providing needed formal and informal ethics guidance consistent with the public's interest, as well as providing other critical ethics commission functions. The Broward County Commission declined to follow these recommendations in the 2015-2016 reporting period.

During the current reporting period, the Ethics Subcommittee of the Charter Review Commission heard from the OIG and considered, over the course of ten meetings, several OIG recommendations. The Chair of the OIG Selection-Oversight Committee testified before the subcommittee to convey the oversight committee's support of the proposals to create an ethics officer or ethics commission. The OIG proposals to the Ethics Subcommittee of the Charter Review Commission were to amend the charter to:

- expand OIG jurisdiction to include grantees who receive public funds;

- expand OIG jurisdiction to include lobbyists who are regulated by the Ethics Code;
- allow OIG discretion in the commencement of an investigation if good cause exists;
- eliminate the ability of municipalities to exempt their officials from the Ethics Code; and
- create an ethics officer independent of the OIG for uniform adjudication, training, and guidance on the Ethics Code.

The Ethics Subcommittee recommended to the full Commission (1) the discretion to commence an investigation and (2) the expansion of OIG jurisdiction to include grantees and lobbyists. The Ethics Subcommittee voted against the above remaining proposals, including the creation of an ethics officer or commission.

In August 2017 the full Charter Review Commission voted to approve a charter change to allow OIG discretion to commence an investigation on good cause. Following two public hearings, the proposed amendment “providing for the Inspector General’s discretion as to whether to commence an investigation if good cause exists that an entity or person over whom the Inspector General has authority has engaged in misconduct or gross mismanagement” should appear on

the November 2018 ballot. On November 1, 2017, the Charter Review Commission voted down the proposals to expand OIG jurisdiction to include grantees and lobbyists.

The OIG will continue to provide information and feedback as requested by the Charter Review Commission, as its work continues into the Spring of 2018.

## ACCREDITED AGENCY

In October 2014, the Broward OIG received its initial accreditation from the Commission for Florida Law Enforcement Accreditation (CFA) which appraised the OIG’s performance as “flawless.” The CFA reviews and accredits law enforcement agencies and OIGs that meet or exceed the principles and established standards for offices of inspectors general. To ensure consistent and continued compliance with these standards, the CFA reviews agencies every three years for reaccreditation.

In August of 2017 an assessment team selected by the CFA conducted an on-site assessment of all aspects of the OIG’s investigative operations, including policies and procedures, management, and investigative practices. On September 5, 2017, the CFA issued its final report of our reaccreditation assessment, which appraised the OIG’s performance as “flawless and outstanding.”



In support of its findings, the assessment team stated that OIG staff, “are the epitome of a professional and enthusiastic unit that recognizes the importance of accreditation, and how it plays an important role in their work. The BOIG’s team is truly what has made it a successful organization.” The assessment team highly recommended the Broward OIG be favorably reviewed for reaccreditation status by the CFA.

On November 1, 2017, the CFA Commission unanimously voted to grant the OIG its first reaccreditation status. By achieving this status, the OIG has

demonstrated that it is committed to maintaining the highest standards of professionalism established by the CFA which in turn has resulted in enhanced quality of investigations, accountability, and transparency.

The OIG continues to maintain regular communications with inspectors general throughout the state, attend accreditation conferences, and provide feedback to the CFA in an effort to contribute to the process of maintaining the highest level of accountability and professionalism for the inspector general community.

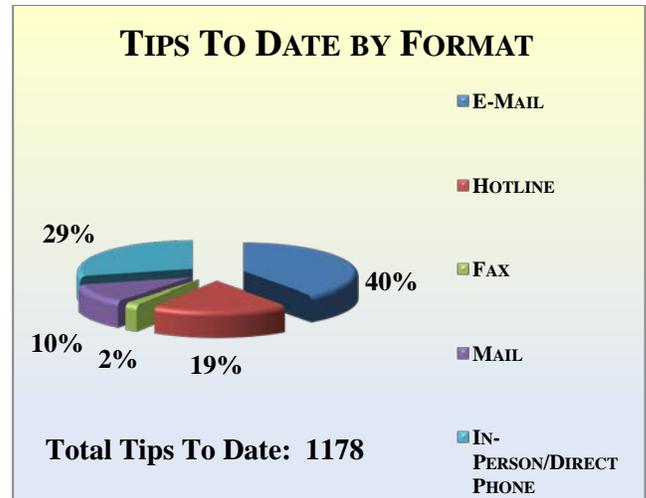
## COMPLAINTS, TIPS, AND INFORMATION

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.

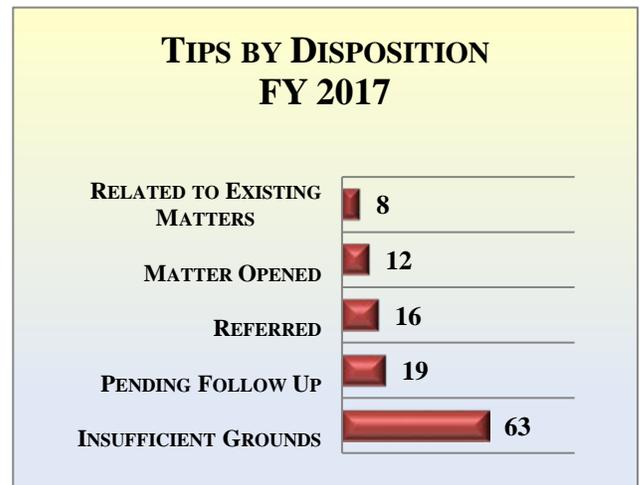
### *Tips and Information*

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 1,178 tips, 118 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, 142 tips have resulted in the initiation of investigative matters and 294 tips have been referred to other governmental agencies. Of all tips received in the past year 39, 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 134 signed complaints, including 15 received during this reporting period.



Of these 15 complaints, two were related to existing investigations, four were referred to other government agencies for their appropriate action, and good cause

was not established in nine of the complaints.

### 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 (Broward Ethics Code). The OIG Structure includes Investigations, Audit and Contract/ Procurement Oversight, and Ethics, all of which work together to fulfill the broad and varied jurisdiction of the Inspector General.

As the result of OIG efforts, we have identified more than \$27 million in questionable expenditures to date with \$4.8 million identified this fiscal year. Since 2014, as a result of our investigations, the county and municipal governments have recovered over \$340,000, \$124,000 this fiscal year.

Our structure allows for the flexibility to assign resources when and where they are needed to more effectively accomplish our mission. Each of the programs are discussed in more detail below.

### INVESTIGATIONS

The Deputy Inspector General is responsible for all investigative functions of the OIG. Under the supervision of the Supervisory Special Agent, Special Agents within 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.” Special Agents also investigate alleged violations of the Broward Ethics Code, the Florida Code of Ethics for Public Officials and Employees (State Ethics Code), and municipal ethics codes. They also assist on procurement oversight and audit related 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 that summarize 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 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.

### ***Gross Mismanagement of the City of Hollywood Police Department Property and Evidence Unit***

The OIG issued a final report finding that Hollywood Police Department (HPD) officials grossly mismanaged the operation of its Property and Evidence Unit (PEU). HPD officials failed to institute protocols consistent with industry standards and their failure to ensure the unit’s compliance with protocols already established by the department. This facilitated an environment to allow the theft of \$137,609 in currency and 1,096 pills from the evidence room to go undetected.

The OIG found that the theft was enabled by a lack of controls limiting access into the PEU. Evidence required to prosecute the culprit(s) was unavailable because the HPD had failed to institute security measures to document access, such as security cameras. While many issues remained at the time of the issuance of this report, the HPD had made significant progress in remediating years of mismanagement. The HPD instituted a number of control measures including requiring two persons to participate in the opening of cash and narcotic safes as well as other security measures to document access. The process of purging and organizing evidence had also improved but remained an on-going challenge.

In his response to our report, the HPD Chief provided the OIG with a summarized list of additional actions and steps taken since March 28, 2016, the date they provided us with an initial report of all the corrective actions the department had taken in response to our investigation. Some of those improvements included the purchase of a drug terminator device that facilitated the destruction of over 140 pounds of drugs, continued purging of property and evidence, and changes in protocol designed to reduce the amount of paperwork submitted to the property unit.

At the OIG's request, the Chief provided the OIG a status report that detailed the results of the HPD's remedial actions, which he said involved "a considerable

financial and human resource investment." Those actions included:

- The continued purging of items from the PEU;
- additional drug burns;
- The transport of an additional 100 firearms to the Broward Sheriff's Office for destruction, bringing the total number of firearms destroyed since the start of the OIG investigation to 502;
- The creation of two additional PEU clerk positions;
- The finalization of a manual which establishes guidelines for the PEU; and
- The expenditure of funds for upgraded storage, scanning, and video surveillance functions.

In addition, the HPD began meeting with vendors to research new technology to accurately track, inventory, and audit property and evidence by scanning. It has also arranged for a PEU supervisor and clerk to receive training provided by the Property and Evidence Association of Florida.

### ***Gross Mismanagement in the Control of Information Technology Equipment in the Town of Davie***

During an investigation into the Town of Davie's use of procurement cards which we reported in the last reporting period (see our update on page 22), the OIG found that the town did not properly account for I.T. equipment that its staff purchased with taxpayer dollars, and the OIG was unable to determine whether the town had custody and control of those assets. Thus we opened a second investigation, which we concluded during this reporting period. Our investigation established that the town was unable to account for or easily locate I.T. equipment valued at \$275,898.44. We substantiated that the town grossly mismanaged its control of the I.T. equipment by failing to keep an accurate and reliable log of the equipment and failing to conduct annual inventories, as required by its policy.

The town's lack of control over these assets exposed it to unnecessary risks including breach of security, misuse, and generally made it difficult for the town to accurately prepare budgets and track asset life cycles. It also resulted in the town's failure to capitalize some items that were required to be capitalized according to its own policy.

However, once town administration became aware of the problems we identified, it acted swiftly and effectively to address them which included the

resignation of the town's fixed asset specialist and acting I.T. director. The town hired a new I.T. director and its first I.T. security manager, who have implemented new security controls and accountability measures, upgraded equipment and policies, and provided town-wide training. In addition, the town completed a full physical inventory of its I.T. assets that will serve as a baseline for future inventories. The town located most of the items that it was originally unable to account for, and at the conclusion of our investigation only \$12,512.28 worth of equipment remained missing. In its response to our report the Town Administrator stated that the town "welcomes [the OIG's] findings and has made the necessary changes you identified beforehand, which will set a mandated standard for future expectations."

Although our report contained additional recommendations for the town, the OIG commended the administration's efforts to improve its controls.

### ***Miramar Mayor's 2015 Campaign Treasury Records***

During an investigation into Miramar Mayor Wayne Messam's publicly available campaign finance records for his March 2015 election, the OIG observed expenditures totaling \$9,059.66 for campaign supplies and services that were directly paid to two business entities owned and managed by the mayor and his wife, whom he appointed as his campaign

treasurer. In addition, numerous post-election expenditures were identified that may not have qualified for payment from campaign funds.

When the couple refused to interview with the OIG (as a municipal official within Broward, he is required to do so under the Broward County Charter) or to provide records that the campaign treasurer is required to keep under Florida law, we concluded that the records and statements they were withholding were unfavorable to them, that the records were not in the treasurer's possession as required by law, or both. With a referral to the Florida Elections Commission (FEC) on January 17, 2017, the OIG closed its investigation.

To date, the FEC has taken no reportable action on these two referrals.

***Update: Gross Mismanagement by the City of Hallandale Beach and its CRA***

As we previously reported, after the OIG issued a report of gross mismanagement by the city of Hallandale Beach and its CRA in 2013, we made a referral to the State Attorney's Office regarding the use of CRA funds intended for the Palms Center for the Arts, a local non-profit organization. The State of Florida thereafter charged Dr. Deborah Brown, the president of the Palms Center for the Arts, with grand theft in the third degree, and agreed to her placement in pretrial intervention (PTI) which included a condition that she pay restitution in the amount of \$5000 to the city. On March

15, 2017, we issued a status report regarding whether or not she paid restitution to the city or its CRA. We found that the State Attorney's Office properly conveyed the PTI condition of \$5,000 in restitution, that Dr. Brown admitted to the theft and stated that she intended to repay the full \$5,000 to the city, and that she successfully completed the PTI program. However, she did not pay the \$5,000, because her PTI supervisor did not require her to, relying on the representation of the former city manager, the city mayor, or both that the city was discharging Dr. Brown's \$5,000 debt to the city.

***Update: City of Fort Lauderdale Commissioner's Misconduct in the Handling of Campaign Funds***

On August 16, 2016, the OIG referred Fort Lauderdale Commissioner Robert McKinzie's matter to the FEC. As previously reported, the OIG found that, during his 2015 election campaign, Commissioner McKinzie underreported excessive contributions, omitted contributions, omitted a deposit and payout of funds unrelated to the campaign, withdrew cash, failed to make all expenditures by check or a properly documented debit card transaction, accepted and misreported a prohibited cashier's check contribution, and apparently kept and failed to report a refund of campaign funds, among other violations. The FEC has taken no public action on this referral to date.

On August 16, 2016, we referred the McKinzie matter to the Broward State Attorney's Office, which also has taken no reportable action to date.

***Update: Campaign Finance Misconduct by City of Pompano Beach Commissioners***

Following its investigation into the campaign finance activity of elected officials of the city of Pompano Beach, the OIG made four referrals to the Florida Elections Commission (FEC) on October 26, 2016. We had substantiated several potential violations of Florida campaign finance law including that, months after his 2014 election, Commissioner Rex Hardin billed his campaign \$14,374 on behalf of the printing company he owned. During the campaign, he outsourced most actual printing to other companies, paid with his personal credit card, and later charged the campaign up to 307% more than he paid to the third-party vendors.

When we sought to compare Commissioner Hardin's printing expenditures to those of other commission candidates, we found additional violations of campaign finance law, including by Commissioners Edward Phillips and his campaign treasurer (accepting aggregate cash contributions in excess of \$50, inaccurate reporting of election day expenses, and others) and Barry Moss (the omission of three contributions and the omission of an expenditure to a poll worker).

The FEC has taken no public action on these four referrals to date.

## AUDIT AND CONTRACT/ PROCUREMENT OVERSIGHT

The Audit and Contract/Procurement Oversight Program (ACPOP) is a specialized investigative program focused on public procurement, contract execution, and contract administration and oversight. Under the supervision of the Director of Audit and Contract/Procurement Oversight, this unit, consisting of Auditors and Special Agents is responsible for conducting reviews, audits and investigations of the numerous contracts and procurements within the OIG's jurisdiction.

The OIG designed ACPPOP around the principles of prevention and detection. Primarily, ACPPOP identifies vulnerabilities in the procurement process that make government entities susceptible to the waste of public resources and recommends controls to prevent those vulnerabilities from being exploited. For example, this year ACPPOP staff discovered that vendors who were debarred from doing business with Broward County could simply reorganize under a different name and be awarded a new contract. This vulnerability was immediately addressed by the county's Procurement Department once we made them aware of it.

In another example, ACPOP staff identified vulnerabilities in the processing of invoice payments at multiple municipalities that has led to over \$30,000 in duplicated payments to vendors. Various recommendations were made to the municipalities to prevent these payments in the future.

In addition to recommending controls that prevent taxpayer dollars from being misspent, ACPOP analyzes payments already expended by the county or the 31 municipalities and detects instances of fraud, contract violations and overbillings. For instance, this year, ACPOP staff reviewed a portion of a construction contract that was entered into by Broward County and determined that the vendor had overbilled the county and subcontractors by over \$100,000. The funds were refunded by the vendor and the OIG made various recommendations to prevent this in the future.

To date over \$340,000 in misspent funds have been recovered due to OIG efforts.

Occasionally, ACPOP reviews identify potential gross mismanagement or misconduct. In those instances, the OIG proceeds with a full investigation and utilizes the expertise of staff as necessary. Following are summaries of Audit and Contract/Procurement Oversight's activities this reporting period.

### ***Billing Errors and Other Discrepancies in a Portion of Broward County's Broadview Park Project***

The OIG issued a final report concluding its investigation into an allegation that a subcontractor working under Giannetti Contracting Corporation (Giannetti) committed misconduct by privately paving driveways and passing on to the county the cost of materials they used while working on Broward County's Broadview Park project. Although the OIG concluded that the allegation was unfounded, during its review of records the OIG identified several errors and other discrepancies in Giannetti's billing totaling at least \$99,791.03 in the contractor's favor.

After Giannetti and the county reviewed our analysis against their records, in June and July 2017, Giannetti refunded affected parties a total of \$101,542.17 by paying \$31,612.27 to its subcontractor Stanford & Sons Trucking Corporation and repaying \$69,929.90 to Broward County.

The OIG credited the county for acknowledging our analysis and requiring Giannetti to forfeit the overpayment, and we appreciated Giannetti's voluntary repayment. However, the OIG remained troubled about Giannetti's billing practices and some of the county's oversight of them.

While both parties reported that all outstanding issues had been resolved

among themselves, neither party acknowledged that some of the errors could have been avoided had the parties adhered to contract language.

Accordingly, our report not only detailed the billing errors and other discrepancies identified in our review, but offered recommendations to Broward's county and municipal governments to improve their administration of construction contracts.

***OIG Observation, Review and Comment  
Re: Broward County-Debarred Vendors***

The OIG's review of debarred Broward County vendors assuming a different name and resuming business with the county concluded that the county had awarded a contract and was making payments to one vendor with a managing member who was the president of a debarred vendor.

The OIG found that, on November 21, 2005, the Director of Purchasing issued notice to the president of Chemtel Supplies, Inc., that the county had debarred the company, its affiliates, and other companies with any of the same officers or principals as those of Chemtel Supplies from bidding or being a subcontractor on any county contract for at least three years and until reinstatement. The Director of Purchasing had not reinstated Chemtel Supplies.

As a managing member, the Chemtel president filed Articles of Organization for

Florida Clear Energy, LLC, effective March 1, 2012. Effective November 9, 2016, the county awarded an open-end contract to Florida Clear Energy LLC, valued at \$60,194 with a three-year potential estimated contract amount of \$180,581, to supply street light luminaires.

However, as stated above, the Director of Purchasing had not reinstated the former president of Chemtel from the November 21, 2005 debarment. Thus, he was still debarred from doing business with Broward County. By the conclusion of the OIG's review, the Accounting Division's check payment lists showed that the county had paid Florida Clear Energy \$12,339 on a contract it was ineligible to be awarded.

Once the OIG made the Director of Purchasing aware of this issue, she immediately took action. On May 16, 2017, she notified the using agency that the county was closing Florida Clear Energy's contract and that the county had debarred the vendor. On May 22, 2017, she notified the vendor of the issue and gave it ten days to respond. The vendor did not respond to the letter; however, on July 5, 2017, it submitted a request for reinstatement. In addition the Director of Purchasing made various changes to relevant language in county solicitation documents.

### *Duplicated Payments by the City of Deerfield Beach*

Our review for duplicated payments by the City of Deerfield Beach identified nine occurrences, totaling \$14,968.66, where the city paid the same invoice twice and did not receive a refund or credit for the second payment.

Once made aware of the duplicated payments, city finance staff sent letters to the six vendors that received the extra payments, requesting refunds. Staff recovered \$4,637.06 and is holding payment on a \$9,999.60 invoice from a vendor that had not refunded the city for the same amount. The duplicated payments were apparently due to (1) errors in data entry, (2) limitations of the city's accounting software in identifying duplicates, and (3) staff not always activating the software's functionality to detect duplicates.

The OIG made a number of recommendations at the end of this review, including that the city continue its efforts to collect refunds for the identified duplicated payments; ensure its software's ability to flag duplicated payments is activated and properly functioning; remind staff that invoice numbers should be entered exactly as indicated on the invoice; and periodically review invoice payment reports to determine if any invoices were paid twice.

### *Duplicated Payments by the City of Parkland*

Our review for duplicated invoice payments by the City of Parkland Identified six occurrences, totaling \$3,076.43, where the city paid the same invoice twice and was not refunded or credited for the second payment.

Once made aware of the duplicated payments, city finance staff sent letters to the five vendors which received the extra payments, requesting refunds. Staff recovered \$1,409.77 from five out of the six vendors where the duplicated payments occurred. It is unlikely the city will recover the remaining \$1,666.66, as the vendor who received this payment is no longer in business.

The city's accounting software had the ability to flag duplicated invoices before they are processed. However, some duplicated payments did not have invoice numbers, which required finance staff to create invoice numbers. Because the invoice number created for the second duplicate invoice did not match the first, the software system did not flag the second as a duplicate and instead allowed the payment to be processed. Other duplicates occurred when finance staff overrode system warnings and processed payments.

The OIG recommended that the city establish a standard method of treating invoices without numbers, to include

researching the vendor's past billing history and whether and how such invoices will be entered into the system; reminding staff that system flags should not be overridden without proper review; and to periodically review invoice payment reports to determine if any invoices were paid twice.

### ***Duplicated Payments by the City of Tamarac***

During our review for duplicated invoice payments by the City of Tamarac, the OIG identified that one invoice was paid twice and not completely credited back to the city. The invoice amount totaled \$11,439.49, of which \$8,425.08 was credited on a subsequent invoice. Once made aware of the duplicated payment that was not properly credited, city finance staff contacted the vendor, which refunded the outstanding balance of \$3,014.41.

Finance staff apparently entered the invoice number incorrectly a second time into the accounting software. By doing this, the software was not able to identify that the invoice was duplicated because the invoice numbers did not match. The OIG recommended that in the future the city remind staff that invoice numbers should be entered exactly as indicated on the invoice; and to periodically review invoice payment reports to determine if any invoices were paid twice.

### ***Duplicated Payments by the City of Pembroke Pines***

Our review for duplicated invoice payments by the City of Pembroke Pines identified five occurrences, totaling \$3,099.55, where the city paid the same invoice twice and was not refunded or credited for the second payment.

Once made aware of the duplicated payments, city finance staff contacted the four vendors and requested refunds. The city has received refunds or credits for the full amount identified by the OIG.

The city's accounting software has the ability to flag duplicated invoices before they are processed. However, data entry errors in the invoice date field appeared to cause some duplicated payments. Other errors occurred because city accounting staff entered the vendor twice in the system, under different vendor numbers and names. This prevented the software from flagging the duplicate, as it appeared to be two different invoices paid to two different vendors.

The OIG recommended that the city review the vendor table and ensure that active vendors only exist in the table once and to periodically review invoice payment reports to determine if any invoices were paid twice.

As a result of our review, city staff have written and implemented a computer software system inquiry to identify which

vendors are receiving payments for the same amount more than once.

***Update: Misconduct and Gross Mismanagement in the Use and Administration of Procurement Cards in the Town of Davie***

In our 2015-2016 annual report, we reported that between October 2012 and July 2014, town employees engaged in misconduct and gross mismanagement in their use of procurement cards (p-cards) by ignoring policies and procedures and failing to engage in reasonable oversight of the p-card program. Despite our small sample size relative to the town's total p-card expenditures, we identified \$160,630.72 spent in violation of procurement policies, a startlingly high ratio of vulnerability one would not expect to see in a local government with proper policies and controls. At the conclusion of the report, the OIG acknowledged the initial remedial steps taken by the city, but recommended additional action.

In December 2016, the Town Administrator provided the OIG with a status report that detailed the results of the town's remedial actions. At the outset, the report noted that the procurement manager and the public works and capital projects director had resigned. The town also made disciplinary findings against two additional employees resulting in periods of suspension without pay.

The town implemented or began to implement all thirteen of the OIG's recommendations. Of particular significance, the town created and implemented a procurement coordinator position and has added three other procurement staff; approved \$100,000 for fiscal year 2017 to audit internal processes and workflow; revised its p-card program policies and procedures; and increased training regarding procurement and contracts.

The town also restructured its Budget & Finance Department, including hiring a new procurement manager and emphasizing the importance of procurement responsibilities by removing fleet management responsibilities from that position. The town created a new fleet manager position which will report to the deputy town administrator.

## ETHICS

The OIG's charter mandate requires the investigation, referral, and enforcement of ethics codes that apply to Broward's officials and employees, including the Broward Ethics Code and the State Ethics Code. In the reporting period, our ongoing ethics investigation efforts resulted in one review for compliance with a provision of the Broward Ethics Code; one memorandum concluding that the City of Sunrise rectified its process for distributing free city suite tickets to city officials and staff for events at the BB&T Center; and one report, referral, and

complaint regarding a Hallandale Beach commissioner's conflicts of interest under state and local ethics laws, as described below. Our continuing and significant outreach, education, and reform efforts are also described here.

### ***Ethics Enforcement***

During the reporting period, the OIG reviewed 52 tips and complaints and concluded 4 investigations involving potential misconduct as defined by state and local ethics law.

### ***Compliance Review***

The OIG issued a memorandum on February 17, 2017, reporting the completion of its third review into whether Broward's county and municipal elected officials posted copies of their financial disclosure forms on a searchable internet database as required by the Broward Code of Ethics for Elected Officials.

The OIG's initial review of 2015 Forms 1 and Forms 6 determined that, as of August 2016, one month after the deadline for filing, 87 (approximately 62%) of the officials then in office had complied with the requirement. As it has done in the past, the OIG then contacted officials, government attorneys, and staff in an attempt to bring all of the 53 remaining officials into compliance. By the end of our review, we found that one municipality's elected official had still failed to comply with this requirement and

also did not file an original 2015 Form 1 with the Broward Supervisor of Elections.

After the OIG opened a separate matter to investigate this possible misconduct, the official in question filed his 2015 Form 1 for public inspection in March 2017, and that second matter was closed without further action. With that filing, the OIG effected 100% compliance with this provision of the Broward Ethics Code.

### ***City of Sunrise BB&T Center Suite Tickets***

The OIG issued a memorandum on March 2, 2017, closing its investigation into City of Sunrise officials and employees' acceptance of and failure to report tickets to the city's executive suite at the BB&T Center sports and entertainment arena.

Issues with the acceptance and reporting of the use of the city's suite at the BB&T Center were raised with state authorities as early as two years after the Center's 1998 opening but, until the OIG investigation that commenced in 2015, the city did not have a formalized policy on how to document the ticket transactions, calculate the value of the suite's use, or communicate the value and reporting requirements to those officials and employees who were legally required to report them as gifts to the Florida Commission on Ethics. Thus, there was little comprehension among the affected officials or staff about when or how they

were required by state law to disclose suite use.

As a result of the OIG investigation, the city instituted a comprehensive suite use policy, which now includes a reasonable method for valuation, enabling affected officials and employees to report suite use valued at over \$100 as a gift from the city. Also, during the pendency of the investigation, the Broward County Commission passed an exception to the Broward Ethics Code permitting city commissioners to accept gifts valued at over \$50 given in their official capacity by their own governmental entities.

The OIG reviewed city and Florida Commission on Ethics records generated since the implementation of the new policy and determined that the city and its affected officials and employees were then substantially in compliance with state and county ethics laws.

### ***Ethical Misconduct by a Hallandale Beach Commissioner***

On August 9, 2017, the OIG issued a final report concluding that City of Hallandale Beach Commissioner Anthony Sanders engaged in a pattern of misconduct from January 2013 to December 2015 that violated state, county, and city ethics laws. We found that Commissioner Sanders repeatedly voted to benefit a non-profit community benefit organization by approximately \$898,320 during the same time period that the non-profit paid his

wife, his two sons, and his employer a total of about \$38,688 for various services.

The non-profit, Palms Community Action Coalition, Inc. (PCAC) also paid the commissioner's employer, the Higher Vision Ministries church, a \$2,000 donation on the same day the commissioner voted to benefit the organization.

We found that Commissioner Sanders concurrently continued taking a salary from his employer, continued accepting significant payments from PCAC on behalf of his employer, failed to disclose his voting conflicts to the city commission verbally or in writing, failed to abstain from voting, directly and indirectly solicited developers to give contributions to his employer, and accepted those contributions on behalf of his employer.

Consistent with the OIG's charter mandate, we referred the matter to the State of Florida Commission on Ethics and the Hallandale Beach City Commission for whatever action those entities deem appropriate, and we are filing against Mr. Sanders a Broward County ethics complaint to be tried by an administrative hearing officer.

Within two days of the report's release, Commissioner Sanders resigned from office.

***Update: City of Margate  
Commissioner's Misconduct in the  
Handling of Campaign Funds***

Pursuant to its charter mandate to file civil infraction complaints for matters over which no other agency has enforcement jurisdiction the Inspector General filed a complaint against former Margate Vice Mayor David McLean on September 9, 2013, charging him with four counts of accepting a prohibited gift and one count of failing to provide honest services, all in violation of the Broward Ethics Code. The presiding administrative hearing officer has stayed the case pending Mr. McLean's trial in a state criminal case involving the same acts charged here. The state criminal case remains unresolved.

***Update: Ethical Misconduct by  
Employees of the City of Lauderhill***

The OIG concluded an investigation into ethical misconduct by city of Lauderhill employees and referred two related matters to the Florida Commission on Ethics on October 26, 2015. As previously reported, we determined that Kennie Hobbs, Jr., who served as assistant city manager and finance director for the city and executive director of the Lauderhill Housing Authority (LHA), and Julie Saunders, the LHA Deputy Director who concurrently served as city operations manager, both borrowed from their own agency through a program administered by their subordinates and over which they had directional control. We found that

their loans were obtained, were administered, or were being monitored in violation of the Florida law that prohibits a public employee from entering into certain conflicting contractual relationships. The Florida Commission on Ethics has taken no public action to date.

***Update: Ethical Misconduct by Former  
Deerfield Beach Mayor***

On August 2, 2017, the Florida Commission on Ethics dismissed a pending OIG complaint against former Deerfield Beach Mayor Jean Robb after being informed on June 21, 2017, of her passing. The order attached and incorporated a stipulation signed by Ms. Robb two months earlier, wherein she admitted to five counts of corrupt misuse of elected position, accepting a prohibited gift, and receiving unauthorized compensation. She had also agreed to pay a civil penalty of \$1,000.

***Ethics Education***

The OIG continued providing ethics education to elected officials at day and evening classes. During the reporting period, the OIG held seven free ethics training sessions for 103 attendees, primarily elected officials.

In December 2016, the OIG gave three opportunities for officials to attend two-hour training sessions on the revised Broward Ethics Code; on public service ethics, public records, and Sunshine law;

and on the State Ethics Code. Forty officials, city attorneys, and OIG personnel attended these sessions. In April 2017, we repeated the public service ethics, public records, and Sunshine law session, when 32 elected officials attended. In July, we repeated the state ethics class twice and the Broward class once, and another 31 officials and staff went to those.

Since late 2012, we have provided ethics training on 26 occasions for over 500 attendees.

The OIG has also continued its practice of requiring its own staff members to obtain continuing education on ethics laws and rules applicable to them as well as those over whom the OIG has authority. To that end, the Inspector General, the Assistant Inspector General, the Senior Assistant Legal Counsel, and the Office Manager attended training sessions with elected officials during the reporting period.

During the reporting period, our General Counsel continued to provide ongoing guidance to the public, local officials, local government attorneys, and the press on the OIG's interpretation of applicable ethics laws.

## INTERGOVERNMENTAL COOPERATION AND OUTREACH

During this fiscal year, as stated above, we had significant interaction with the Broward County Charter Review Commission.

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 Commission on Ethics, the Florida Elections Commission, the U.S. Department of Housing and Urban Development's Office of the Inspector General, and the Broward Housing Finance and Community Redevelopment Division, for their action in matters 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.

Members of the OIG conducted outreach activities with local government agencies and community businesses as part of the 40th Annual Local Government Law Conference and the National Institute of Governmental Purchasing's 19th annual reverse trade show sponsored by the City of Coral Springs.

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 those we serve. It is designed to allow users to navigate the site easily 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. The OIG's website also provides a convenient portal for the public to gain access to all county and municipalities' ethics disclosure web pages, and it provides open access to ethics training opportunities, OIG ethics training materials, applicable ethics laws, and helpful OIG publications on state and county ethics provisions.

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.



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