BROWARD OFFICE OF THE
INSPECTOR GENERAL

2013 - 2014
ANNUAL REPORT
A MESSAGE FROM THE INSPECTOR GENERAL

As always, it is my privilege to present you with the 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.

During this reporting period alone, the OIG has identified the misapplication of millions of dollars of taxpayer funds, fraud involving hundreds of thousands of dollars, mishandling of controlled substances by government employees, numerous violations of state statutes and county and municipal ordinances, and a variety of gross mismanagement affecting public resources. None of these findings—or those we’ve made in the review of hundreds of allegations over the past three years—would be possible without the dedication and commitment of our staff. It is a tribute to the professionalism of our Special Agents, Contract Oversight Specialists, Audit Manager, Ethics Counsel, and administrative staff that they achieved these results this year while undergoing an arduous state accreditation process and suffering the inevitable tribulations of the physical expansion of our office facilities. Their work is not easy, yet they continue to rise to the occasion.

I would also like to commend the county and municipal governments that we monitor for the increasingly cooperative relationship that has developed between us. Throughout our short tenure we have worked diligently to increase communication, collaborative approaches, outreach and other strategies that benefit the public. I appreciate the cooperation that elected officials and employees have repeatedly offered during the course of our activities. Rather than remain as bystanders, they have demonstrated a willingness to be participants in the process. They have responded promptly to the recommendations we have made for improvement and engaged our office in discussions to find practical solutions. As we move forward together, I encourage them to continue as our partners in bettering government in Broward County.

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 for over 1.7 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 $8.3 billion, more than 25,000 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 47,000 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.

STRUCTURE AND STAFFING

During the past three years, the OIG has continued to evolve as an organization in order to meet the needs of the community and its mission. The agency is led by the Inspector General John W. Scott. 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 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, Audit and Ethics, all of which work together to fulfill the broad and varied jurisdiction of the Inspector General.

The OIG is staffed with a diverse team of highly qualified individuals who bring to the organization a variety of specialties and skill sets. This team consists of an Ethics Counsel, Audit Manager, Special Agents, Contract Oversight Specialists, an Office Manager and an Investigative Support Specialist. The professional qualifications of our staff 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.

ACCRREDITATION

Accreditation programs have long been recognized as a means of maintaining the highest standards of professionalism. Accreditation is the certification by an independent reviewing authority that an agency has met specific requirements and prescribed standards.

Established in 1993 by Florida statute, the Commission for Florida Law Enforcement Accreditation (CFA) formulates standards and awards accreditation to compliant Florida law enforcement agencies. The CFA is nationally recognized for initiating the first state Inspectors General accreditation program in 2009.

From its inception the infrastructure of the Broward OIG was developed with the goal of achieving accreditation. We recognized that attaining this status would significantly enhance the quality of our investigations, as well as the credibility and professionalism of our agency. Attaining accreditation requires a commitment to developing and adhering to comprehensive written directives that comply with more than 40 CFA standards for offices of Inspectors General. In August 2014, an assessment team from the CFA conducted an on-site review of all aspects of our policies and procedures, management, and operations. On August 28, 2014, the CFA assessment team issued its assessment report, which appraised the OIG’s performance as “flawless.” In support of its findings, the assessment team stated that the “Broward OIG operates in a professional and well
trained manner, a model of efficiency and organization that is reflective of both its leadership and members…. The assessment team observed a unit that has dedicated itself to upholding the highest professional investigative standards and has demonstrated an extensive aptitude and attention to detail.” The assessment team recommended that the Broward OIG be favorably reviewed for accredited status by the CFA.

On October 8, 2014, the CFA Commission unanimously voted to grant the OIG accreditation status. The initial accreditation is valid for three years at which time the OIG will be reviewed for reaccreditation status.

Achieving this status required hard work and dedication by all members of the OIG staff. We are committed to maintaining compliance with the accreditation standards, so that we may better serve the residents of Broward County.

OUTREACH

The OIG continues to foster and maintain communication with 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. Members of the OIG have met with county and municipal officials including elected officials, managers, attorneys and clerks, as well as civic organizations, to proactively deal with various issues including ethics and procurement. We have also provided training opportunities to elected officials and clerks regarding ethics.

In March, for the first time, the OIG hosted an information session for municipal clerks. This was an opportunity to communicate the OIG’s authority and practices, the Ethics Code’s disclosure requirements, and provide resources. The OIG addressed frequently asked questions and provided a forum for sharing the ways and means that different clerks have employed to help elected officials meet their Ethics Code obligations. Forty (40) clerks were in attendance.

In July, the OIG participated in a presentation and discussion for four elected municipal officials and a journalist from Italy who were visiting under the U.S. Department of State’s International Visitor Program and hosted locally by the Miami Council for International Visitors. Ethics Counsel discussed the disclosure requirements of the Ethics Code, the uploading to and search functions of
municipal websites for those disclosures, the OIG’s efforts to ensure officials’ compliance with the transparency rules, and its efforts to inform citizens of the availability of the disclosures.

The OIG’s website, 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. 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.

**Professional Development**

The Inspector General recruits the highest quality professionals within their respective fields. We are committed to maintaining the highest level of professionalism not only by becoming an accredited agency, but also by investing in our most valuable assets, our staff. 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. 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 including Access and Excel fundamentals, contract central overview and web publishing.

Throughout the year, staff members have participated in training and conferences provided by various government entities and associations including:

- City, County and Local Government Law;
- Florida Accreditation Conference;
- Political Campaign Ethics Conference;
- Florida Ethics Conference and Attorney General’s Sunshine Summit;
- Contracting with Federal Funds/Grants;
• Construction Project Scheduling and Delay Claims;

• Criminal Justice information Systems (CJIS) Security and Awareness;

• Forensic Auditing;

• Interview Techniques; and

• Florida Institute of CPAs Annual Accounting Conference.

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. All Special Agents of the OIG have received the designation of Certified Inspector General Investigator after undergoing training and testing by the AIG. One of our Contract Oversight Specialists has also been designated as a Certified Public Procurement Officer.

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 Office of Budget and Management provide resources and support throughout the budget process.

The OIG remains committed to operating in a fiscally responsible manner. The OIG’s approved budget for fiscal year (FY) 2013 was $1,951,040, with actual expenditures of $1,761,118. The approved budget for FY 2014 was $2,311,860 with an estimated actual expenditure of $1,941,942.1 The OIG’s FY 2014 budget represented 0.05% of the county’s total budget. The number of positions authorized for FY 2014 was 18 and remains the same for FY 2015. The OIG’s adopted budget for FY 2015, which commenced on October 1, 2014, is $2,434,390.

1The OIG has provided an estimate of actual expenditures because the Broward County Office of Budget and Management had not yet finalized actual expenditures for FY 2014 as of the preparation of this report.
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, 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 672 tips, 198 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, 104 tips have resulted in the initiation of investigative matters and 154 tips have been referred to other governmental agencies. Of the tips received in the past year, 49 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 76 signed complaints, including 22 received during this reporting period.

Our review of those 22 complaints has led to the establishment of good cause to open nine investigations. The OIG has referred ten complaints to other government agencies for their appropriate action.

INVESTIGATIONS

The Deputy Inspector General is responsible for overseeing all investigative functions of the OIG. The Investigations unit assists in all OIG matters. The OIG’s work in the areas of ethics and procurement oversight are discussed in separate sections below.

The Investigations unit is primarily responsible for the investigation of general 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.”

OIG 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;
- carry out detailed ethics compliance reviews;
- engage in outreach; and
- monitor assigned municipalities in order to become familiar with their processes and issues.

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.

To date, as a result of investigations completed by the OIG, we have identified over $10.4 million in questionable expenditures, including over $2.9 million during this reporting period. The OIG is also assisting prosecutors in criminal matters resulting from OIG investigations. In light of the pending status of these investigations, the OIG will not elaborate on those matters at this time.

During this reporting period, an additional criminal matter referred by the OIG resulted in the filing of felony charges by the Broward State Attorney’s Office (SAO). As a part of final report OIG 11-020, Gross Mismanagement of Public Funds by the City of Hallandale Beach and the Hallandale Beach Community Redevelopment Agency, issued in April 2013, we found probable cause to believe that Dr. Deborah Brown engaged in criminal misconduct in connection with the use of CRA funds by the Palm Center for the Arts. On May 14, 2014, after the conclusion of a joint investigation by the SAO and the Broward Sheriff’s Office (BSO), Dr. Brown was charged with Grand Theft in the Third Degree (felony). That case has not yet been resolved.

As with the matters under consideration by prosecutors, not all OIG investigative matters result in a report. 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 general investigative findings made by the OIG during this reporting period.

**Misconduct by the Margate Community Redevelopment Agency in the Handling of Taxpayer Funds**

The OIG issued a final report finding that the Margate Community Redevelopment Agency (MCRA) engaged in misconduct in connection with the handling of tax increment financing (TIF) funds it received from Broward County and other taxing authorities.

Florida law requires that at the end of each fiscal year CRAs allocate or dispose of their remaining TIF funds in one of four ways. The OIG reviewed MCRA financial records and public documents spanning the past ten years. We found that the MCRA had a pattern of intentionally retaining excess funds for later use in whatever unspecified matter it desired. The MCRA’s failure to appropriate the money in accordance with any legally prescribed alternatives has resulted in a potential debt to
Broward County of approximately $2.7 million for the TIF monies it contributed in fiscal years 2008-2012. The OIG recommended that the MCRA promptly develop procedures that will ensure legal compliance for the handling of the taxpayer funds it receives.

As a result of the OIG’s investigation the MCRA has implemented changes within its budgeting process designed to create more transparency, accountability, and compliance with Florida statutes governing community redevelopment agencies.

The MCRA matter was also referred to the Broward Board of County Commissioners and the Broward County Administrator for any action they deemed appropriate.

It remains apparent that the mishandling of CRA funds by a Broward County municipality is not a unique occurrence. Previously, the OIG determined that officials of the City of Lauderdale Lakes misspent over $2.5 million in CRA funds, and that the City of Hallandale Beach CRA made over $2.1 million in questionable expenditures. In addition, the Florida Auditor General has identified several significant expenditures made by the City of Hollywood CRA that were not in accordance with Florida law. The OIG will continue to examine the expenditure of CRA funds.

**Misconduct and Gross Mismanagement by the Broward County Animal Care and Adoption Division**

The OIG issued a final report finding misconduct and gross mismanagement by the Broward County Animal Care and Adoption Division (ACAD). The OIG investigation found that ACAD engaged in repeated instances of misconduct and gross mismanagement including:

- Mishandling controlled substances, intended for euthanizing animals but also known to be abused by humans as “date rape” drugs, by failing to secure them properly;

- Failing to take reasonable precautions against the misuse, theft, loss, or diversion of the drugs;

- Failing to administer rabies vaccinations to animals prior to their return to owners, including multiple instances where the animals had a known history of biting people, despite the fact that county law unequivocally requires that the vaccinations be made;

- Permitting unauthorized personnel to administer rabies vaccine in violation of Florida law;

- Allowing its state and federally mandated permit and registration to lapse;
• Repeatedly, and again in violation of county law, waiving impound and boarding fees and deciding not to issue citations at the shelter for unregistered, unvaccinated or “at-large” animals returned to their owners; and

• Failing to track waivers and establish standardized criteria for them, resulting in the inability to assess the fiscal impact on animal care funding.

ACAD recklessly created a public health and safety risk for all Broward residents and visitors, and caused an incalculable financial loss to animal care funding. At the conclusion of the report, the OIG made a series of recommendations designed to rectify ACAD’s management deficiencies and ensure compliance with local, state and federal controlled substance standards.

In response to the OIG’s recommendations, ACAD has implemented new protocols and procedures including resuming vaccinating for rabies, by only licensed veterinarians; exercising stringent operating procedures addressing the handling and storage of controlled substances; and establishing new data entry protocols to properly track drug usage. In addition, shortly after it received the OIG report, ACAD hired a new animal care services administrator.

**Misconduct by a City of Margate Commissioner and His Campaign Treasurer in the Handling of Campaign Funds**

The OIG issued a report finding that former City of Margate Vice Mayor and Commissioner David McLean permitted his campaign treasurer, Michael Natale, to improperly receive campaign funds after the 2012 election. We also identified additional violations of Florida campaign finance law by Commissioner McLean and Mr. Natale. These violations included failing to timely comply with reporting requirements; filing Campaign Treasurer’s Reports (CTRs) that contained false, incorrect, and incomplete information; making and accepting a $400 cash contribution to the campaign in the name of Mr. Natale’s sister without her knowledge and permission; writing campaign account checks on at least three occasions when there were insufficient funds to cover them; and making unrecorded cash payments for various campaign expenses.

With regard to Mr. Natale’s personal receipt of money, the investigation determined that he withdrew $905.82 in surplus campaign funds. Although Mr. Natale claimed that during 2012 he personally made loans to the campaign and took the funds as repayment, Commissioner McLean and he were unable to produce any documents evidencing the existence of the loans, or otherwise corroborate Mr. Natale’s
version of events. In addition, Mr. Natale admitted that he failed to report the loans on amended CTRs until April 2013, well after he had already withdrawn the funds.

We also determined that the failure by Commissioner McLean and Mr. Natale to generate and maintain required records was a hallmark of their handling of campaign funds. Despite the fact that Florida law required him to retain accounts for four years after Commissioner McLean’s election in November 2012, Mr. Natale admitted that he did not possess any campaign finance-related documents: no CTR copy or draft, bank statement, receipt for campaign expenses, note or working paper, copy of a contribution check, invoice, or even the check register for the treasury that was in his trust.

The evidence—including the lack of documentation, the contradictions in the reporting, and the timing of the claims that loans had been made—suggests that Commissioner McLean and Mr. Natale acted deliberately, with a blithe disregard for policies and processes designed to protect the public interest. The OIG referred this matter to the Florida Department of Elections and the SAO for their independent assessment of the application of Florida campaign finance statutes and criminal statutes.

**Allegations of Misconduct by Broward County Water and Wastewater Services, Fiscal Operations Division**

The OIG issued a revised closing memorandum on allegations of misconduct by Broward County Water and Wastewater Services (WWS) which alleged that poor internal controls over bond proceeds may have led to violations of the WWS bond agreement. The OIG investigation found that WWS Fiscal Operations Division (FOD) provided questionable fiscal oversight because it lacked qualified and accountable leadership or any official documentation of policies, procedures or descriptions of its internal control system.

A preliminary reconciliation conducted by FOD revealed potential disallowed use of bond proceeds for projects totaling approximately $3.1 million.

To address the issues listed above, the OIG made recommendations to WWS and County Administration, including further evaluating FOD’s organizational structure and staffing critical management positions, and developing, establishing and enforcing essential internal controls over bond proceeds.

* This section has been revised per memorandum revision dated December 23, 2014.
**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 three years, our CPOP staff has initiated 36 reviews, spanning 18 governmental entities and contracts valued over $113 million. This past year, 7 reviews and 2 investigations were finalized. In the cities of Fort Lauderdale and Coconut Creek, the CPOP reviews found that proper processes were in place and adhered to for the procurements under review.

However, the OIG found room for improvement in the cities of Lauderhill and Hillsboro Beach. In both cities the OIG was welcomed by responsive municipal staff that helped expedite the reviews. In Hillsboro Beach the CPOP review took into account the limited availability of city staff while notifying the city that it still had to ensure compliance with basic procurement requirements. The OIG issued a memo to the city recommending training options for the city’s only procurement-related employee.

In Lauderhill the CPOP review revealed a procurement process that had evolved some contradictions over the years, which could lead to unnecessary protests by vendors seeking an upper hand. CPOP staff met with city officials and discussed the city’s goals and potential solutions. Ultimately, the OIG issued a memo containing recommendations which reflected the input of city staff and would assist the city in eliminating vulnerabilities.

On the county level, the OIG finalized reviews or investigations of contracts pertaining to several departments. A review of a contract at the airport and an investigation of a contract at Port Everglades did not identify any material deficiencies in the procurement process.

CPOP staff also conducted a targeted review of the normalization process utilized in the County Enterprise Resource Planning Solution procurement. Normalization is the process by which a consultant attempts to quantify the differences in the proposals of various vendors. A government would
typically expect to use the normalization report to make an “apples-to-apples” comparison of differing proposals. After an in-depth review of the normalization report, the supporting documentation, and interviews of the parties involved, the OIG determined that there was no evidence to support allegations of steering or favoritism resulting from the normalization process employed.

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

Unfortunately, the vulnerabilities uncovered by the CPOP staff have sometimes already been exploited to the detriment of the taxpayers. What commenced as a CPOP review of procurement processes in the City of Weston soon escalated to a full investigation of misconduct and gross mismanagement. In 2014 the OIG concluded a year-long investigation of vendor and procurement misconduct in Weston. The OIG found that Andrew Gilmore, the former Director of Landscaping, maintained inappropriate relationships with two Weston contractors, GreenSource and Varney & Sons. While he supervised the work of Varney & Sons in Weston, he drove a Varney & Sons truck and mowed Mr. Varney’s lawn. While he supervised the work GreenSource did in Weston, he was living in a home owned by GreenSource’s owners pursuant to a sham rental agreement and was doing work for the company.

CPOP staff undertook an arduous process of reviewing hundreds of invoices and investigating the city’s procurement controls and resources. Ultimately, the OIG established that Varney & Sons engaged in a scheme to fraudulently overbill Weston for perhaps hundreds of thousands of dollars over the course of several years. In one year alone, the City may have been overbilled by as much as $260,000. On 41 invoices alone, the OIG was able to verify over $114,000 in overbillings. Varney & Sons oversized trees, billed for more trees than were present and billed for work that was simply not done.

We also found that Weston officials engaged in gross mismanagement that enabled the scheme to continue unhindered over the course of several years. The city’s procurement and payment structure lacked any controls and relied solely on the integrity of a single employee to authorize the payment of millions of dollars. The city also failed to use an existing resource, a tree catalogue, which may have enabled them to detect the fraud years ahead of the OIG investigation.

The OIG’s final report included multiple recommendations that would assist Weston in developing common sense controls that would reduce its vulnerability to fraud, waste and abuse. Indeed, upon release of the OIG’s preliminary report, Weston immediately undertook several improvements to their existing procedures and has communicated to the OIG that it is looking into other improvements. The city also terminated its contract with Varney &
Sons and filed a lawsuit to recoup payments it made on the contract.

By way of the final report, the OIG also referred its findings to law enforcement for further investigation.

**ETHICS**

The OIG’s authority extends to the enforcement of ethics codes, including Broward Code of Ordinances Section 1-19, Code of Ethics for Elected Officials (Code of Ethics), which was made applicable to all county and municipal elected officials in January 2012. In the past year the OIG continued to balance its emphasis on education and compliance as the primary goal of the office’s ethics efforts, while still diligently executing its responsibilities to investigate potential ethics violations.

**Investigations and Enforcement**

In the past year the OIG reviewed 97 tips and 8 complaints and concluded 12 investigations with ethics implications. The OIG also continued its practice of proactively ascertaining ethics compliance and conducted two county-wide compliance reviews to determine compliance with specific aspects of the Code of Ethics.

The OIG concluded that all current elected officials were in substantial compliance with the obligation that lobbyist contact logs be made available on a searchable internet database. The review did not extend to the substance of the logs but focused on whether logs were online and searchable. In its initial review of internet postings, the OIG confirmed that lobbying contacts were properly posted on line on the county website and on those of 22 out of 31 municipalities. It then communicated and worked with local officials, including municipal clerks, attorneys, and office holders, during which time it received word or observed that the remaining 9 municipalities’ officials appeared to be in compliance with the posting requirement.

An improvement over last year’s results, this year’s ethics training review resulted in 100% substantial compliance—after the OIG’s inquiry was made known to those who had not yet fulfilled their requirements. By reviewing disclosures that were posted online, the office found that there was full compliance with the ethics training and certification requirements by 18 out of Broward’s 31 municipalities. Clerks in another 7 municipalities provided copies of certifications for all their elected officials, who were apparently in full compliance. After working with the clerks and officials of the remaining 7 municipalities over a ten week period, the OIG obtained certifications for all elected officials who were in office in 2013, including 24 whose certifications were dated after the inquiry began.

In a matter resulting from a past compliance review, the OIG issued a closing memorandum to the officials of the Village of Lazy Lake in which it reported that, while investigating whether elected officials were taking and certifying ethics
training as required by the Ethics Code, it found that the village clerk, mayors, and council engaged in other misconduct. The OIG identified violations of Florida’s open meetings (Sunshine) law and the constitutional, statutory, and charter requirements that the village be governed by elected officials. The memorandum also substantiated that several officials had violated the ethics training requirement, but further found that all current elected officials came into substantial compliance at the request of the OIG during the course of the investigation. The OIG referred the Sunshine and election issues to the SAO and the Florida Elections Commission for whatever action those agencies deem appropriate.

In the City of Plantation, the OIG investigated potential violations of the Code of Ethics’ requirement that certain meetings be publicly logged. Conversations with the City Attorney revealed an honest disagreement regarding the language in the Code. In the spirit of transparency, notice and cooperation, the OIG elected to issue a public closing memorandum detailing the facts and the OIG’s interpretation of the Code of Ethics. Because of the novelty of the issues presented, we declined to commence enforcement efforts. Instead, the closing memorandum gave notice to all of Broward’s elected officials of our reading of this subsection of the Code of Ethics. To further facilitate public input and transparency, the OIG has sought feedback from county and municipal legal counsel regarding the interpretation of the requirement at issue. The OIG will review all comments received from counsel and independently determine if any changes are warranted.

**Training and Outreach**

The OIG conducted four free ethics training classes for county and municipal elected officials during the reporting period. In doing so, we instructed 59 attendees on public service ethics, helped them meet their training requirements under the Ethics Code, and informed them about the OIG’s reading of the ethics laws. The training classes focused on the topics of the county and state standards of conduct, disclosure requirements, and state public records laws. Training on the state open meetings laws was provided with the assistance of a Deputy Broward County Attorney. Since late 2012, when the OIG brought our Ethics Counsel aboard, we have provided ethics training for 224 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, OIG Special Agents, Contract Oversight Specialists, and its Audit Manager underwent in-house ethics training in June.

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

**Review of the Existing Ethics Structure**

As part of its effort to review and report on the condition of Broward’s existing ethics
enforcement structure, the OIG engaged in one-on-one outreach with members of the Board of County Commissioners in October 2013, and numerous local government attorneys between October 2013 and January 2014. We also met with several municipal elected officials and attorneys at a presentation to the Broward League of Cities ethics task force.

In January, the OIG issued a report detailing our review of the existing ethics structure for Broward County and its municipalities. As a result of the review, we found that certain deficiencies exist in the current operation of Broward’s ethics system, particularly a lack of uniformity in legal opinions that interpret the ethics code. Accordingly, the report recommended changes to the existing ethics structure, including the addition of an Ethics Officer and an Ethics Review Panel.

The proposed Ethics Officer would have the authority to issue binding advisory opinions and adjudicate ethics misconduct complaints. The proposed volunteer Ethics Review Panel would review the Ethics Officer’s opinion and complaint decisions and conduct regular reviews of the county’s ethics laws.

The report addressed the vagueness and imprecision in some of the Code of Ethics’ key terms and the lack of a mechanism to arrive at a single, uniform resolution that appears to subordinate elected officials’ interests to the public’s interests. The OIG found that centralizing the function of formal ethics guidance—now in the hands of the thirty-two local government attorneys—would achieve increased clarity, uniformity, objectivity, and public confidence in an ethical local government. The report did not address the Code’s substantive provisions, such as specific dollar limitations on gifts or restrictions on outside employment, suggesting instead that an independent Ethics Review Panel should be commissioned to address such matters.

On April 16, 2014, the OIG Selection-Oversight Committee considered and endorsed the report’s recommendations.

INTERGOVERNMENTAL COOPERATION

The OIG has developed and continues to maintain relationships with law enforcement, regulatory, and governmental agencies throughout the county and region. The OIG is a member of the Broward County Public Corruption Task Force, the South Florida Inspectors General Council, and the Financial Institution Security Association. In addition, we have participated 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.

The OIG continues to cultivate working relationships with the FBI and other federal authorities, the Florida Department of Law Enforcement, the BSO, municipal police departments, the United States Attorney for the Southern District of Florida, the SAO, and the Florida inspector general.
community. We interact 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. We also continue to work with civic organizations and governmental agencies regarding our ethics efforts.

**MOVING FORWARD**

As a relatively new governmental organization, the OIG continues to progress in order to meet the needs of the community it serves and the demands of its mission. During this past year we have added an additional Contract Oversight Specialist to enhance our CPOP performance. We successfully attained accreditation status and completed a physical expansion of our facility significantly improving our security and infrastructure including records storage, interview rooms and staff work space.

The OIG continues to examine ways to improve its processes in order to maximize our effectiveness and efficiency. We have added an Audit Manager to our professional staff to develop an audit program that bolsters investigations with independent and objective forensic and data driven audits. As with CPOP, we aspire to work proactively with municipal management and make our audit staff available to conduct internal control reviews, a cornerstone for identifying risks and vulnerabilities of mismanagement, misconduct and fraud. The goal is to prevent these activities from occurring and therefore provide a greater benefit to the taxpayer.

We continue to build upon the foundation of ethics education and enforcement that we have constructed over the past two years. Our staff’s internal training and increasingly seasoned experience has resulted in better recognition of ethics issues and more effective and efficient handling of such matters, both in investigations and education. As a result, local officials and attorneys increasingly look to the OIG for ethics guidance.

Going to print shortly is a new pamphlet on the Code of Ethics’ restrictions on fundraising for charitable organizations and election candidates, in response to a request by an elected official. We are also developing a class, to be held in early 2015, that is designed to meet the new State standards for the annual four-hour ethics training mandated for municipal elected officials effective January 1, 2015, while at the same time helping to meet the eight-hour training requirement of the Code.

In the coming year the OIG will start the process of enhancing its information management system. Our objective is 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.
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