



**BROWARD OFFICE OF THE  
INSPECTOR GENERAL**

**2017 - 2018  
ANNUAL REPORT**

## A MESSAGE FROM THE INSPECTOR GENERAL

It is my privilege to present you with the 2017-2018 Annual Report for the Broward Office of the Inspector General. This year, I will use this space to address “the ripple effect,” a term often used to describe the phenomenon of multiple and ongoing consequences, sometimes unanticipated, that flow from a particular act or course of conduct. With regard to OIG performance, the ripple effect has become increasingly apparent.

For example, in February 2018, we issued a final report finding that Pembroke Park administrative officials flagrantly circumvented federal and state laws, as well as town policies and procedures, in connection with the procurement of engineering services. Although anticipated, it is gratifying that the town is now in the process of overhauling its operations. Less foreseeable was that the former town manager of almost 30 years’ standing announced his retirement after the OIG issued a preliminary report that identified him as having engaged in misconduct and gross mismanagement. And just recently we were pleasantly surprised when the town informed us that it was implementing a revised budget with projected savings over five years of approximately \$2.6 million.

More generally, many government officials—and particularly the various government attorneys—are exhibiting a growing interest in, and understanding of, the OIG mission and function. I have been informed by a city attorney that “all of us talk about what you are doing, every week.” These discussions, interaction with us during our investigations, our ethics training, and our recommendations on issues of common concern have spurred some under our jurisdiction to engage in the “OIG proofing” of their policies and procedures.

While deterrence is not always statistically measurable, it is no less valuable in its rippling effect.

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 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 nearly 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 over \$9.6 billion, more than 27,000 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 15,000 registered vendors that provide

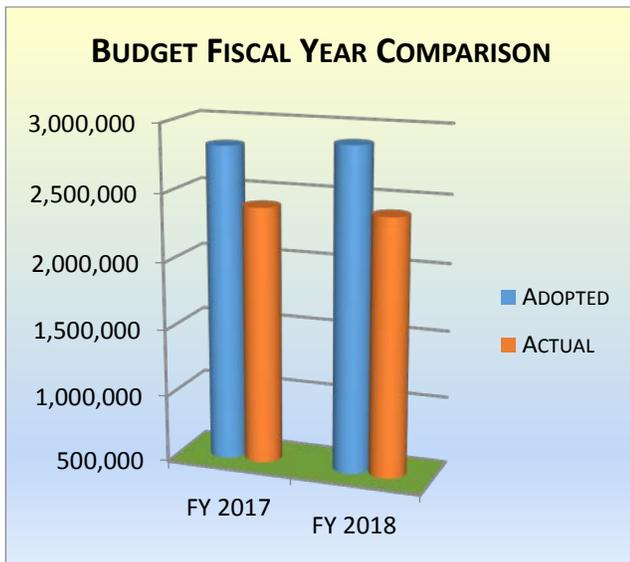
goods or services to the county and municipalities.

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) 2017 was \$2,829,420, with actual expenditures of \$2,404,933. The approved budget for FY 2018 was \$2,885,750 with an estimated actual expenditure of \$2,404,932.<sup>1</sup> The OIG's FY 2018 budget represented 0.06% of the county's total budget. For FY 2018, the OIG was budgeted for 20 positions. The adopted budget for FY 2019, which commenced on October 1, 2018, is \$2,943,520. The

budgeted positions for the OIG remain at 20.

## 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.

Since the OIG's inception nearly eight years ago, Mr. Scott has strived to carry out his mission of improving local government within Broward County. He and a cohesive team of respected professionals have fostered a spirit of cooperation with the individuals and entities under the OIG's scrutiny and have improved accountability to the public that they serve.

The Inspector General leads the organization aided by a management team comprised of our Deputy Inspector General, Assistant Inspector General, and General Counsel. The OIG team is 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

<sup>1</sup>The OIG has provided an estimate of actual expenditures because the Broward County Office of Management and Budget had not finalized actual expenditures for FY 2018 as of the preparation of this report.

state prosecutors; former federal, state, and local law enforcement officers; former state regulatory investigators; procurement specialists; and administrative specialists.

## 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 professional 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 credentials, as well as the state's accredited status, continuing education hours are required.

To date OIG staff members have received over 3,380 hours of continuing professional education, 518 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

training provided by the OIG legal staff, including ethics training for elected officials and agency-specific legal issues training.

Throughout the year staff members have participated in training provided by the county, including new employee training, employment issues refresher, Microsoft Office applications, cyber security awareness, business writing made easy, writing with reader respect, and introduction to records management.

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

- Fighting Fraud in Government;
- Financial Crimes and Fraud Investigations;
- Reid Technique of Interviewing;
- Managing Construction and Pitfalls of Projects;
- Open Source Intelligence and Social Media Research/Investigation Training;
- Preparing Financial Statements;
- Criminal Law Update;
- City, County, and Local Government Law Certification Review;

- Sunshine Law, Public Records and Ethics;
- 41st Annual Local Government Law Conference;
- Supreme Court Review;
- Florida Municipal Attorneys Association 37th Annual Seminar;
- Florida Accreditation Conference;
- FCIC-NCIC Access Certification;
- CJIS Security and Awareness Training; and
- Introduction to National Incident Management System.

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.

After undergoing screening, training, and testing by the AIG, 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.

## COUNTY CHARTER REVIEW COMMISSION PROCEEDINGS

In FY 2017-2018 the Broward County Charter Review Commission (CRC) continued its review for changes to the Inspector General's authority and function. On January 10, 2018, three members of the OIG Selection-Oversight Committee (Committee) attended a CRC meeting that took up the issue of changing the makeup of the Committee. Following remarks by the Chair of the Committee and the Inspector General, the CRC voted not to substantially alter the Committee's structure.

The CRC's work to propose changes to the charter drew to a close on April 2, 2018. In doing so, it ratified and adopted two proposed amendments to the charter that would directly affect the OIG.

If passed by Broward County's voters, CRC Resolution 2018-002 would give the OIG discretion whether to commence an investigation upon good cause. Presently, the charter *requires* an investigation upon good cause. The OIG sought this measure to enable the office to decline to pursue

matters where the allegation is for misconduct that is *de minimis* compared to the resources needed to properly investigate, another law enforcement or administrative agency is better equipped to conduct the investigation, or the matter does not otherwise warrant investigation.

CRC Resolution 2018-012 would have the Broward County Bar Association designate an individual to serve on the OIG Selection-Oversight Committee, instead of the U.S. Attorney or his or her designee, in the case of a vacancy in that seat.

These resolutions appeared as ballot questions in the November 6, 2018, election, after this publication went to press.

## ACCREDITED AGENCY

The Commission for Florida Law Enforcement Accreditation (CFA) reviews and accredits law enforcement agencies and OIGs that meet or exceed the principles and standards established for offices of inspectors general.

The OIG received its initial accreditation from the CFA in October 2014, when it appraised the OIG's performance as "flawless." The CFA unanimously reaccredited the OIG in November 2017, writing that the OIG's performance was "flawless and outstanding" and that its staff "are the epitome of a professional and enthusiastic unit . . . The BOIG's

team is truly what has made it a successful organization."

As an accredited agency, the OIG continues to demonstrate that it is committed to maintaining the highest standards of professionalism, which results in enhanced quality of investigations, accountability and transparency. To ensure consistent and continued compliance with these standards, the CFA reviews agencies every three years for reaccreditation. The CFA will review the OIG for reaccreditation again in 2020.

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

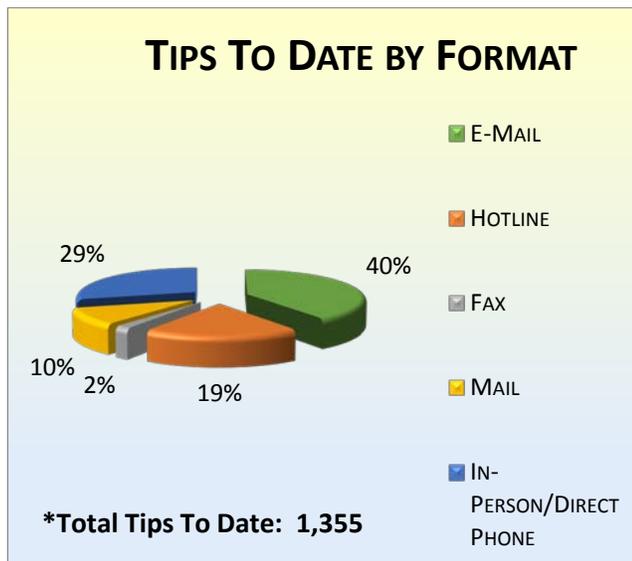
## COMPLAINTS, TIPS, AND INFORMATION

The OIG initiates investigations on complaints, tips, and other information that it thoroughly evaluates. 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.

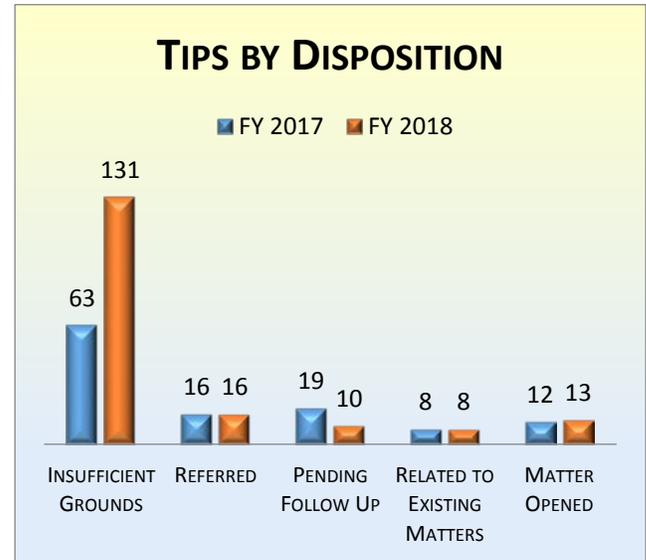
### Tips and Information

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 1,355 tips, 178 of which were received during this reporting period.



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



Of all tips received in the past year, the OIG is holding 4 tips until after the November 6, 2018, election in accordance with our Charter directive at Section 10.01 B.(5), and 27 have resulted in investigative matters or are currently pending a final determination by the OIG.

Since our inception, 193 tips have resulted in the initiation of investigative matters and 310 tips have been referred to other governmental agencies.

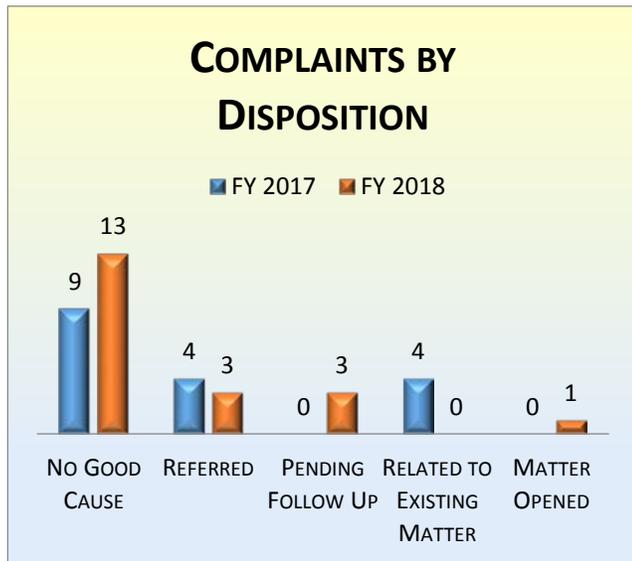
### Complaints

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 154 signed complaints, including 20 during this reporting period.



Of these 20 complaints, four resulted in the initiation of investigative matters or are currently pending a determination, three were referred to other government agencies for their appropriate action, and good cause was not established in 13 of the complaints.

## PROGRAMS

The OIG is structured to support its primary mission of investigating gross mismanagement and misconduct, as well as the enforcement of the 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 \$28.7 million in questionable expenditures to date, including approximately \$4.1 million this fiscal year.

Moreover, our efforts have detected over \$1.2 million in recoverable funds, contract cost savings, and assessed penalties. Local governments have recovered over \$523,000 in misspent taxpayer funds including approximately \$181,000 this fiscal year. Also, our efforts in FY 2017-18 enabled the identification of at least another \$677,000 in cost savings, with projected savings over five years of approximately \$2.6 million.

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.”

We 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.

OIG staff 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.

### ***Ethics, Sunshine, and Procurement Misconduct and Gross Mismanagement in the Greater Fort Lauderdale Convention and Visitors Bureau***

The OIG issued a final report finding that a Greater Fort Lauderdale Convention and

Visitors Bureau (CVB) former vice president steered CVB contracts worth a total of approximately \$255,570 to her boyfriend's company over a three-year period and referred its findings to the State Attorney's Office.

The OIG's investigation concluded that, between July 2012 and June 2015, Christine Roberts committed ethics and procurement misconduct and gross mismanagement, capitalizing on her position as Vice President of the CVB's Convention Sales division to unilaterally select or orchestrate the selection of her boyfriend's event production company for seven of eight CVB events under her control that exceeded the normal purchasing card threshold. She also engaged in a prohibited conflicting relationship with him when she gave him a \$13,000 loan, secured by property he owned, at the same time the CVB did business with him.

The OIG determined that Ms. Roberts was able to funnel work to her boyfriend because the CVB failed to follow county procurement protocols designed to disburse public money equitably and economically. Instead, the CVB used its own, unauthorized procedures. Consequently, the OIG found that two other members of CVB's management team, former President/CEO Nicki Grossman and former Vice President of Tourism Sales Fernando Harb, engaged in county procurement code misconduct in the improper procurements detailed in the

report. In addition, Ms. Roberts and Ms. Grossman engaged in gross mismanagement for their failure to properly administer at least \$255,570 in public funds.

The OIG determined that the conditions and conduct detailed in its report have discontinued. A new President/CEO, who replaced Ms. Grossman in mid-2016, has effected several changes within the CVB, including Ms. Roberts's resignation and the agency's overhaul of its financial administrative practices, including how it procures vendor services. And, on September 7, 2018, after the OIG issued its preliminary report to the county and implicated parties, Mr. Harb tendered his resignation effective October 1, 2018.

The revision of the CVB's procurement processes were not yet completed by the time we issued our report. As such, the OIG requested the county to provide us with a status report on the nature and status of those revisions, including but not limited to the process of establishing qualified vendor lists, the involvement of the Purchasing division in CVB procurement, and how the CVB's procurement process is different from the rest of the county's, if at all, on or by January 25, 2019.

### ***City of Hallandale Beach Officials Committed Misconduct by Violating Florida's Open Government Laws***

The OIG issued a final report finding that Hallandale Beach's mayor Joy Cooper and commissioners Bill Julian and Anthony Sanders, then sitting elected officials, made at least \$239,693 in expenditures outside the public's view and reach in violation of Florida's Sunshine and public records laws.

These violations were made in the administration of The Future Foundation, Inc., a non-profit charitable organization created, led, and administered by city officials and city staff on city property, and flouted the government transparency, government accountability, and public participation principles behind Florida's open government laws.

Even though the Future Foundation's relationship with the city subjected it to the state's Sunshine law, the three officials participated in foundation board meetings that were never noticed to the public. During their most recent period of uninterrupted service, Mayor Cooper, who served as the foundation's president for 14 meetings where minutes were not recorded, attended at least 26 of these unnoticed meetings in total. Former commissioners Julian and Sanders attended at least two each.

The OIG also found that Mayor Cooper obstructed access to foundation documents

requested by a member of the public, violating state public records law. The OIG referred this matter to the Broward State Attorney's Office for whatever action it deems appropriate.

### ***Airport Security Employee's False Employment Documents***

The OIG concluded its investigation into whether a county employee in the position of Airport Operations Supervisor within the Fort Lauderdale-Hollywood International Airport made false statements to gain employment and secured access at the airport since 2006 and, if so, whether the county was at fault for hiring or retaining him.

In December 2017, Dwayne Rodrick Adderley pleaded guilty in federal court to one count of False Statements on a U.S. Passport Application. At that time, he admitted that he was born in the Bahamas and had falsely stated in a passport application that he was born in New York City. The OIG's subsequent investigation determined that, to obtain and keep his position and security clearances at the airport, he also falsely stated and documented to the county and to the federal government, through the county, that he was born in New York City and thus was a U.S. citizen, violating federal, state, and local law.

After obtaining the former employee's applications for employment and security clearances and interviewing

numerous employees and officials involved in the airport credentialing process, the OIG also determined that the county was not at fault for hiring or retaining the employee. Given his federal conviction and deportation order, absent a finding of misconduct by any other county employee or official, the OIG closed the matter and issued a closing memorandum.

### ***Plantation Council Member's Campaign Finance Violations***

During an investigation into Plantation Council Member Mark Hyatt's publicly available campaign finance records for his November 2016 election, the OIG observed that, as the candidate and treasurer for his campaign, he violated several Florida campaign finance laws in June and July 2016, including that he filed or caused to be filed campaign reports in which he certified that certain expenditures and contributions were true, correct, and complete when they were not.

He reported a \$1,900 loan from himself to the campaign on June 25, 2016 (and no other contribution for the month of June), even though the campaign deposited or transferred only \$1,000 into the campaign bank account on one occasion that month. The campaign itemized June expenditures totaling \$1,442.80, that is, \$442.80 more than was actually deposited that month. We also found that the campaign deposited \$750 on July 1, 2016, but did

not report this in either the June or July reports.

Hyatt also reported 51 reimbursements in June and July 2016, totaling \$2,303.62, expenditures that he as treasurer did not make through the campaign account as required by law. The campaign also reported a \$120 cash contribution, \$70 over the \$50 statutory limit for cash contributions.

On July 9, 2018, the OIG referred the matter to the Florida Elections Commission and thereafter closed its investigation into these violations.

After making that referral, the OIG commenced another investigation into whether Mr. Hyatt continued violating Florida campaign finance law after July 2016. We determined that he did, finding that he continued to file or cause to be filed several campaign reports in which he certified that certain expenditures and contributions were true, correct, and complete when they were not.

Our additional findings included that he failed to report certain loans, contributions and expenditures, including a \$927.05 election night watch party. In an interview with the OIG, Mr. Hyatt described the election night event as a family reunion, paid for by his sister, at which supporters arrived and joined. We also determined that he accepted \$2,000 in contributions from a single contributor, exceeding the \$1,000 limit, and in doing

so reported a \$1,000 contribution from this donor as having come from another individual. He told the OIG that the second check should have been deposited into his personal account because it was not a contribution.

The OIG referred these additional findings to the Florida Elections Commission and closed this second matter.

***Update: 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.

The OIG referred the matter to the Florida Elections Commission on January 17, 2017, which has not taken any reportable action to date.

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

As previously reported, on August 16, 2016, the OIG referred Fort Lauderdale

Commissioner Robert McKinzie's matter to the Florida Elections Commission after finding 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 Florida Elections Commission has taken no public action on this referral 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 in October 2016.

On May 15, 2018, based on the OIG's referral, the Florida Elections Commission approved a Consent Final Order finding that Pompano Beach Commissioner Rex Hardin violated state law when (1) he certified to the correctness of his campaign's Termination Report covering the period of October 31, 2014 through February 2, 2015, when it was incorrect or incomplete, (2) he deliberately failed to include information relative to two

expenditures on his campaign's Termination Report that is required by Chapter 106 of the Florida Statutes, and (3) he made or authorized expenditures on two occasions that are prohibited by Chapter 106 of the Florida Statutes. Commissioner Hardin paid a \$1,300 fine as part of the agreement.

Also on May 15, 2018, the Florida Elections Commission approved three additional Consent Final Orders based on the OIG's referrals. The commission found that Pompano Beach Commissioner Barry Moss violated state law when he certified to the correctness of his campaign's Termination Report covering the period of October 31, 2014 through February 2, 2015, when it was incorrect or incomplete. Commissioner Moss paid a \$200 fine as part of his agreement to settle. Similarly, the Florida Elections Commission found that Ira Blue, the campaign treasurer for 2014 Pompano Beach City Commission candidate Edward Phillips, violated state law when he certified to the correctness of two campaign treasurer reports when they were incorrect or incomplete and when he made one or more expenditures from campaign funds by means other than a bank check drawn upon the candidate's campaign account. Mr. Blue paid a \$125 fine as part of the agreement. Finally, the Florida Elections Commission found that Edward Phillips violated state law when he certified to the correctness of

two campaign treasurer reports when they were incorrect or incomplete. Mr. Phillips paid a \$125 fine as part of the agreement.

## AUDIT AND CONTRACT/ PROCUREMENT OVERSIGHT

The Audit and Contract/Procurement Oversight Program (ACPOP) is a specialized investigative program under the supervision of our Director, Audit and Contract/Procurement Oversight that focuses on public procurement, contract execution, contract administration, and contract oversight. This unit, consisting of Senior Auditors and Special Agents, conducts reviews, audits, and investigations of contracts and procurements within the OIG's jurisdiction.

The OIG designed ACPPOP around the principles of detection and prevention. Since its inception, the unit has conducted an ongoing effort to help local governments identify and recover misspent taxpayer funds. To date, our efforts have led to the identification of recoverable funds and estimated cost savings totaling approximately \$1.2 million.

To accomplish its objectives, OIG staff analyzes payments expended by Broward's local governments and detects instances of fraud, contract violations and overbillings. For example, we reviewed

expenditures related to bus transportation in three cities and found that the vendor overbilled them by over \$73,000, which the cities recovered these funds in full.

In addition to detecting misspent taxpayer dollars, we also identify vulnerabilities in the procurement process that make government entities susceptible to the waste of public resources and then recommend controls to prevent those vulnerabilities from being exploited. For instance, this year we discovered that the City of Parkland violated its own procurement policies, leading to more than \$33,000 in wasteful spending and over \$102,000 in questionable expenditures. The OIG recommended necessary changes, which the city immediately began implementing.

Occasionally, our 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. This year, one such investigation revealed that the Town of Pembroke Park repeatedly disregarded laws that required that the town procure engineering services through a fair, open, and competitive process that was free of conflicts of interest. The town made various changes, including one that led to salary savings in fiscal year 2019 of approximately \$586,000.

Following are summaries of Audit and Contract/Procurement Oversight's activities this reporting period.

### ***Misconduct and Gross Mismanagement in the Town of Pembroke Park's Procurement of Professional Engineering Services***

In February 2018 the OIG issued a final report finding misconduct and gross mismanagement in the Town of Pembroke Park's procurement of engineering services between 1999 and 2015. The OIG concluded that administrative officials circumvented government procurement laws and exclusively used Craig A. Smith and Associates, Inc. (CAS) – its interim town engineer, consultant engineering firm, and (for twelve years of that time) its lobbyist or grant specialist – on 66 out of 67 procurements for professional engineering services.

Among those who engaged in misconduct and gross mismanagement was Town Manager Robert Levy, who retired on January 3, 2018, after the OIG issued its preliminary report in this matter.

We determined that the town did not issue any purchase orders prior to procurements, did not issue requests for qualifications (RFQs) or create a pool of qualified firms, did not issue requests for proposals (RFPs) from that pool for individual projects, and did not

competitively negotiate for engineering services. On at least 66 occasions, the responsible town officials disregarded the local code that mandated they issue prior purchase orders. On 22 occasions, they also flagrantly disregarded the federal and state laws that required that the town procure engineering services through a fair, open, and competitive solicitation; that terms be competitively negotiated; that the procurements be free of conflicts of interest; or some combination of these requirements.

The town paid CAS approximately \$3,323,245 in public funds for the 22 projects.

The town began to address these concerns after the OIG investigation became known to officials and staff. For example, it conducted a solicitation for consultant engineering services and hired a full-time town engineer who became unaffiliated with CAS. Finally, on January 10, 2018, the town adopted a revised procurement ordinance.

In its report, the OIG urged all local governments in Broward County to counsel those responsible for the procurement of architectural, engineering, landscape architectural, and surveying and mapping services on the benefits of following and the hazards of failing to follow the Consultants' Competitive Negotiation

Act (CCNA), the state law at the heart of the misconduct and gross mismanagement detailed in the OIG's report.

In May 2018, the town provided a status update, describing the actions it took or planned in order to implement all eleven of the OIG report's recommendations. These actions included revising the town's organizational structure, codifying the employee code of ethics, issuing position descriptions to staff members, training staff, drafting procedures for critical finance functions, and verifying that engineering work paid for was performed at then-prevailing rates.

In October 2018, the town continued to update the OIG on its progress and provided us with a copy of their fiscal year 2019 adopted annual budget. The adopted budget highlighted that the town completed its restructuring in July 2018 and expected overall salary savings in fiscal year 2019 of \$586,493 based on fully funding all authorized positions.

The adopted budget stated, "Fiscal Year 2019 marks the beginning of a new direction for the Town of Pembroke Park. The introduction of new administrative leadership, creation of a new organizational structure, job classification and compensation plan, purchasing manual, finance and accounting manual, personnel manual,

records management manual, Commission procedural manual, and expanded annual budget document, all of these efforts will lead to vastly improved transparency and financial accountability of the local government's full operations.”

### ***Billings Errors and Cost Savings in Coach Bus Transportation Services***

In December 2017, the OIG issued a final report concluding its investigation into billing errors in contracts for coach bus transportation. The OIG found that Academy Bus, LLC (Academy) overbilled the cities of Parkland, Sunrise and Coconut Creek for bus transportation services. Academy often billed Parkland and Sunrise for the estimated number of hours it expected to work, rather than “work actually performed and completed,” as required by the contract, which resulted in inflated billings.

We also found that Academy failed to provide all three cities with a contractually required fuel price adjustment. That caused the cities to pay more for bus transportation services than they should have. Our investigation identified Academy overbillings and estimated future cost savings to the three cities in the amount of \$123,422.67.

Our investigation established that Academy overbilled all three cities a total of at least \$55,298.52. We determined the overbillings stemmed from Academy

violating a number of contractual provisions, including the two referred to above. However, our investigation did not find that the overbillings amounted to misconduct. Academy reimbursed the entire amount of overbillings to Parkland and Sunrise, and Coconut Creek withheld payments to Academy in the amount identified as due back to the city. The OIG also found deficiencies in all three cities regarding contract administration, but those deficiencies did not rise to the level of gross mismanagement.

The OIG was encouraged by Academy's cooperation during the investigation, its acknowledgment and acceptance of our analysis of billing errors, and its reimbursement of overbillings to Parkland and Sunrise. The OIG was also encouraged that, during the investigation, the cities demonstrated the desire to improve controls and train staff on proper contract management.

Finally, the OIG recognized the cities' efforts to quickly remedy the overbillings with Academy, including heeding our recommendation for staff to analyze additional invoices that were overbilled. This proved especially fruitful for Coconut Creek, which identified an additional \$16,804.89 in overbillings that were beyond the scope of our investigation.

### ***Misconduct in the City of Parkland's Procurement of Sod, Sod Installation, and Ground Preparation***

The OIG issued a final report finding that City of Parkland employees violated the city's purchasing code when they piggybacked a contract to purchase, install, and remove sod for city grounds between 2013 and 2015.

Instead of using the lowest bidder and primary awardee on the piggybacked contract as required by code, city employees bought sod from another vendor that was not an awardee for much of the sod the city purchased during the review period. The OIG determined that the former superintendent of parks and special events who made the initial arrangement to use the piggyback became familiar with the other vendor when he made earlier sod purchases on behalf of another city. In seeking commission approval to give the work to the other vendor, he claimed that the primary awardee turned down the work and that the other vendor agreed to match the primary awardee's bidded prices. But the vendors denied these claims, and the OIG found no witness or record to corroborate them. Moreover, the other vendor consistently charged—and the city approved and paid—more than what the primary awardee had bid.

The OIG also found that, in violation of the clear purchasing code mandate to competitively solicit vendors, the city used

the other vendor to purchase ground preparation services that were never included in the piggybacked contract.

Successor employees continued to repeatedly and exclusively use the other vendor for the city's sod needs, paying it \$283,523 during the review period, and finance department employees failed to implement controls written into the city code intended to avoid such violations. Among its findings, the OIG identified \$84,571.83 in questionable city expenditures, including \$33,631.55 in wasteful spending and \$50,940.28 in direct violation of the city code. We also determined that Parkland taxpayers could have saved at least another \$18,162.84 had the city used the most economical options available for bulk sod.

The OIG commended the city's substantial efforts to tighten its procurement processes since our investigation began. In its response to the OIG, the city manager accepted all of the OIG's findings and recommendations and stated, "The City welcomes your findings and, as referenced above, is in the process of making the necessary changes. With your report as the catalyst, it is our intent to improve the City's service to our residents and enhance our standing as worthy stewards of public funds. Please pass along to your staff my personal thanks for their unwavering commitment to ensuring the integrity of the work of all municipalities."

### ***Southwest Ranches Current Waste Vendor Overbillings Corrected***

The OIG performed a limited review of the current contract for solid waste services and disposal with the Town of Southwest Ranches, which precipitated the discovery of at least \$8,140.81 in potential overbillings to the town's commercial users and, if the town and the vendor correct the identified errors as they have agreed to do, an estimated \$40,704.05 in savings over the remaining life of the contract.

The OIG obtained franchise fee remittance records that the vendor provided to the town for commercial customers with two certain kinds of containers. Once we computed the rates that the vendor used to compute the total disposal charge, we determined that the vendor did not use the rate specified in the contract for these containers.

We also determined that the vendor did not change the rate it charged commercial customers when the town's new disposal contract reduced that rate. Starting in April 2018, this led to the vendor charging commercial users slightly more than it should have.

After the OIG conveyed its review, the town and vendor came to a resolution and settled on the rate to use for commercial disposal through the end of the fiscal year, agreed that the vendor should inform the town of the disposal rate it was charging

to commercial users, and agreed to limit any annual increase in that rate to 4%. The vendor also committed to issue a credit to the commercial users for the overbillings, and the town agreed to issue a credit to the vendor for the corresponding overpayment of franchise fees.

## **ETHICS**

The Broward County Charter mandates the OIG to investigate, refer, and enforce state and local ethics codes that apply to Broward's officials and employees. In the reporting period, our ongoing ethics investigation efforts included a report on a former county official who steered over \$250,000 in county business to her boyfriend in violation of Florida's ethics laws against misuse of position and prohibited contractual relationships (see "*Ethics, Sunshine, and Procurement Misconduct and Gross Mismanagement in the Greater Fort Lauderdale Convention and Visitors Bureau*" in the Investigations section above, at pages 12-13); a review for compliance with the training certification requirement of the Broward Ethics Code that resulted in an investigation into several possible lapses by elected officials; and another successful prosecution of the Broward Ethics Code, this time against former Hallandale Beach City Commissioner Anthony Sanders. Our continuing ethics education and outreach efforts are also described here.

### ***Ethics Enforcement***

During the reporting period, the OIG reviewed 42 tips and complaints and opened 10 matters involving potential misconduct as defined by state and local ethics law.

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

The OIG issued an Ethics Compliance Review reporting that 92% of Broward's current elected officials who were in office in 2017 were in substantial compliance with their obligation under the Ethics Code to certify that they took four hours of ethics training in 2017.

At the beginning of the OIG's review, there were just 65% of current elected officials whose certifications were filed for public inspection, that is, made available on a searchable internet database. We then communicated and worked with municipal clerks and office holders, during which time we received evidence that an additional 27% came into compliance.

Ultimately, there was good cause to believe that 14 municipal elected officials failed to meet the certification requirement. Thus, we began an investigation into whether these officials violated the Ethics Code by failing to make the certification, failing to file the certification for public inspection, failing to take the training, or some combination. Following its investigation, if appropriate,

the agency will commence ethics enforcement proceedings by filing ethics complaints under Broward County Charter Section 10.01.

The Broward Ethics Code, which applies to the elected officials of the county and its 31 municipalities, can be found at Sec. 1-19 of the Broward County Code of Ordinances. It applies to all members of the Board of County Commissioners, the members of each municipality's governing board, and each municipal mayor within Broward County. It provides for several standards of conduct, including the requirement that each new elected official take and certify four hours of ethics training within 120 days of taking office and that each incumbent official take and certify four hours of training each calendar year.

### ***Former Hallandale Beach Commissioner Admits Liability for Broward Ethics Violations***

In August 2018, the Inspector General settled the pending Broward County Charter Section 10.01 ethics complaint in *John Scott v. Anthony Sanders*, the former City of Hallandale Beach Commissioner. In the agreement, Mr. Sanders admitted to failing to file four Broward Ethics Code Outside/Concurrent Employment Disclosure forms (OCE's), which required the public disclosure of his employment with and compensation from Higher Vision Ministries.

Mr. Sanders agreed to total fine of \$5,000 for four violations of §1-19(c)(2)b. of the Broward County Code, which he paid in September 2018.

The complaint stemmed from the OIG's investigation, reported in FY 2016-2017, in which the OIG determined that Mr. Sanders violated Florida ethics laws, the Hallandale Beach city charter, and the Ethics Code when he repeatedly voted to benefit Palms Community Action Coalition (PCAC), a non-profit organization during the same time period that PCAC paid his wife, his two sons, and Higher Vision Ministries, the church that employed Mr. Sanders and which he controlled. PCAC also paid Higher Vision Ministries a donation on the same day the commission voted to benefit the organization. Mr. Sanders voted on these matters without disclosing his conflicts to the city commission.

During the investigation, the OIG also observed that, although Higher Visions Ministries employed Mr. Sanders since before he became a city commissioner in 2008, he had not filed OCEs reporting that employment. Mr. Sanders did not file OCEs for 2012, 2013, 2015, and 2016 until the investigation was well under way and never did file a 2014 OCE.

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

In October 2018, despite its staff recommendation to find probable cause,

the Florida Commission on Ethics found no probable cause to believe that the former Executive Director of the Lauderhill Housing Authority (LHA) who concurrently served as Lauderhill's assistant city manager and finance director and the LHA Deputy Director who concurrently served as city operations manager, violated state ethics law.

The OIG made the referral in October 2015 after determining that the Lauderhill employees each borrowed funds from their own agency through a program administered by their subordinates and over which they had directional control.

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

As previously reported, 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.

***Ethics Education***

The OIG's ethics education program continued to be popular this reporting

period, with the OIG providing five free ethics training sessions for 98 attendees, primarily elected officials.

In December 2017, the OIG held a four-hour session on Ethics Laws for Newly Elected Officials. Twenty-four officials, city administrators, and OIG personnel attended.

On separate dates in April 2018, we conducted two four-hour trainings on 2018 Public Service Ethics and Open Government Laws for Broward's Elected Officials, at which 56 elected officials participated.

And in August 2018, we held two two-hour classes, one afternoon session on Florida and Broward Ethics Laws for Elected Officials and one evening session on Florida Open Government Laws for Elected Officials. Eighteen elected officials and city attorneys attended.

Since late 2012, we have provided ethics training on 31 occasions for over 598 attendees.

During the reporting period, our General Counsel continued to provide ongoing guidance to the public, local government attorneys, local officials, 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 and with elected officials through our ethics education program.

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 prosecutive and regulatory agencies including the Broward State Attorney's Office, 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 are involved with 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 and participate as

members of the National and Florida Chapter of the Association of Inspectors General and the Council on Government Ethics Laws.

Members of the OIG conducted outreach activities with local government agencies as part of the 41st Annual Local Government Law Conference and the Florida Municipal Attorneys Association 37<sup>th</sup> Annual Seminar.

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.

As of July 2018, dockets for open Broward Charter Section 10 Enforcement Hearings Forum cases are now available online. These dockets give the public open access to the text of all documents filed with the OIG Agency Clerk and provide for public notice of upcoming hearings in ongoing cases. You can find the dockets under the "Public Records" tab at our website, [www.browardig.org](http://www.browardig.org).

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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