



**BROWARD OFFICE OF THE
INSPECTOR GENERAL**

**2019 - 2020
ANNUAL REPORT**

A MESSAGE FROM THE INSPECTOR GENERAL

It is my privilege to present you with the 2019-2020 Annual Report for the Broward Office of the Inspector General.

2020 will no doubt be remembered as one of the most challenging years our nation has ever faced. At the OIG, we have strived to respond in the most resilient fashion possible to the constraints imposed on our investigative method by the COVID-19 pandemic. In mid-March we began to operate remotely. We arranged for each staff member to have an office laptop computer; ensured each had special software installed so that we could communicate with witnesses, implicated parties, and each other; and provided instructions on the use of such software.

As a result, our efforts have not diminished, as evidenced by the work described herein, including reporting our discovery of a fraud scheme which led the City of Pembroke Pines to pay over \$1.2 million in questionable expenditures to a security services company, whose two owners and operations manager were arrested and are awaiting trial; finding misconduct by the mayors of the City of Plantation and the Town of Pembroke Park; and finding gross mismanagement by the City of Sunrise in administering a contract for temporary employment services.

In addition, the OIG continued to ensure that county and municipal elected officials meet their obligations under the Broward and state ethics codes. After hosting two in-person training classes, we held five online classes, attended by a total of 126 elected officials.

Most important, we have done this without risking the health and safety of our residents, our staff, our families, or our friends.

No message from me would be complete without acknowledging the passing of Phil Shailer, formerly chair of the OIG Selection-Oversight Committee. Phil immediately understood and embraced the depth and scope of what we hoped to achieve as the OIG, and his support and stewardship facilitated our accomplishments. More important, I was honored that Phil considered me not just a colleague, but a friend. We shall miss him.

Sincerely,



John W. Scott
Inspector General

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In Memoriam



Philip S. Shailer

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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.

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 2 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 \$10 billion, more than 28,000 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.

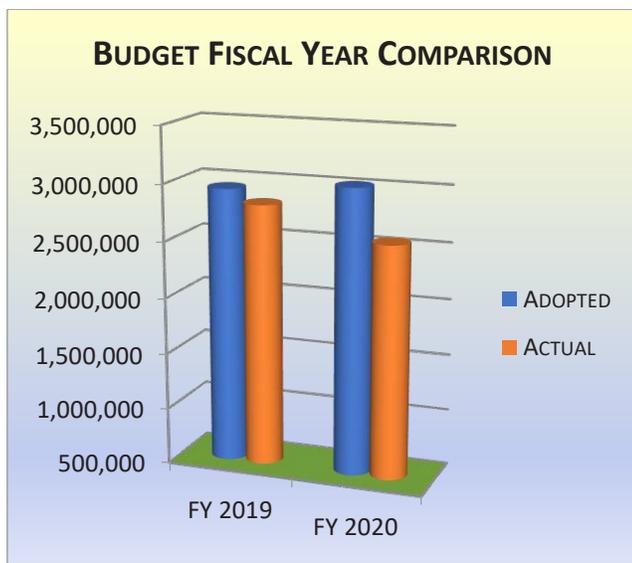
The Inspector General has the authority to investigate the material waste or significant mismanagement of public resources; violations of state and federal constitutions, statutes, and codes; county and municipal ordinances and codes; and conduct involving fraud, corruption, and abuse. In connection 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 (Section 1-19 of the Broward County Code of Ordinances) (Broward Ethics Code), which applies to the mayors and members of the governing bodies of the county and municipalities.

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. The Charter of Broward County requires that the Inspector General submit a proposed budget which “shall include a reasonable

estimate of operating and capital expenditures of the Office of Inspector General, funds to enable Hearing Officers to be retained, and funds to enable the Inspector General to retain outside counsel to represent the Inspector General in connection with complaints referred to a Hearing Officer.” Section 10.01 G.(3) 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) 2019 was \$2,943,520, with actual expenditures of \$2,823,652. The approved budget for FY 2020 was \$3,025,820 with an estimated actual expenditure of \$2,562,860.¹ The OIG’s FY 2020 budget represented 0.05% of the county’s total

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

budget. Given the uncertainty about the impact of a revenue shortfall upon the county’s ability to deliver critical services in the coming months, the OIG did not increase its budget for salaries and operations for FY 2021 beyond the county-imposed increase in mandated employer contributions. The adopted budget for FY 2021, which commenced on October 1, 2020, is \$3,082,350. Budgeted positions for the OIG remain at 20.

OIG COVID-19 RESPONSE

In February 2020, the OIG began preparations for the novel coronavirus COVID-19 to arrive in Broward County. Based on information from the Centers for Disease Control and Prevention, the Occupational Safety and Health Administration, and the Broward Department of Health, we began an in-office sanitization protocol and informed staff about virus symptoms and what to do in the case an employee fell ill at work or at home. By February 26, 2020, we anticipated having to work remotely. We arranged for each staff member to have an office laptop computer that was upgraded, configured, and tested on the county’s virtual private network; ensured each had teleconferencing and VOIP (voice over internet protocol) software installed; and provided instructions on the use of such software. We modified our sick leave policy to reflect the provisions of the Family and Medical Leave Act expansion. On March 10, 2020, we distributed written

Budget had not finalized actual expenditures for FY 2020 as of the preparation of this report.

procedures to staff on telework expectations, office hygiene, and sick leave.

On Friday, March 13, 2020, we began social distancing and postponed all field work. Later that evening, the public school districts in Broward, Miami-Dade, and Palm Beach Counties announced closures for the following week, at which point we gave employees with school-aged children at home the option to begin teleworking immediately. The following workday, Monday, March 16, 2020, Inspector General Scott issued the order to all staff to begin teleworking, and he provided instructions to all staff on how to continue their duties and provided instructions to supervisors on how to manage their subordinates while working remotely.

At the time this report went to press, nearly eight months later, the OIG remained working remotely. In the time we have been working from home, the virus in the community has peaked, ebbed, and peaked again. We have continued our work in substantially the same manner as before, with all possible diligence and fairness and in the public's interest. We monitored the governor's executive orders and the Florida Supreme Court's orders and informed staff of their effects on our functions. We crafted and communicated protocols for remote and in-person interviews, considering the need to maintain confidentiality, to show and view documents, to identify witnesses and their counsel, and to uphold public records requirements. We found and implemented

solutions for making and receiving calls from our work phone numbers, conducting remote interviews with multiple parties at multiple locations, signing our documents, having a backup system to access our shared drives, and providing "interactive" ethics training as required by the Broward Ethics Code.

As a result, we have not perceived any reduction in productivity, as reflected in the substance of our work as reported throughout this publication.

THE OIG TEAM

The OIG is led by Inspector General John W. Scott, who is serving his third term after being selected as the first Broward Inspector General in 2011.

Since the OIG's inception more than nine years ago, we have strived to carry out our mission of improving local government within Broward County. The OIG has developed a cohesive team of respected professionals who have fostered a spirit of cooperation with the individuals and entities under our scrutiny.

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

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. 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 4,153 hours of continuing professional education, 303 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; proper investigative techniques and protocols; and our investigative management system software. Staff members also completed training provided by the OIG legal staff,

including on ethics standards for elected officials and agency-specific legal issues.

Throughout the year, staff members participated in training provided by the county, including Microsoft Office 365 products; employee issues refresher; cyber security awareness; purchasing cards for cardholders and coordinators; and electronic financial processes including procurement, travel, and expenses.

In addition, staff members participated in training and conferences provided by various government entities and associations that focused on various legal, investigative, and auditing topics, including:

- Analytics - Driven Financial Crime Investigations;
- Animal Cruelty Crimes - The Prosecution and Defense;
- Association of Inspectors General training;
- Criminal Justice Information Services Security Awareness;
- Conducting In-House Investigations;
- Conducting Investigations Remotely;
- Criminal Antitrust Investigations;
- Ethical Investigation Interviews;
- FCIC/NCIC Limited Access Certification;

- Florida and Broward Ethics Codes;
- Florida Municipal Attorneys Association training;
- Florida Open Government for Elected Officials;
- Institute of Internal Auditors Fraud and Internal Controls;
- Fraud Detection and Incident Response;
- Money Laundering- Following the Money; and
- Public Emergencies and Lessons Learned from COVID-19.

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 and a Senior Auditor have received the designation of Certified Inspector General Auditor.

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 November 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.

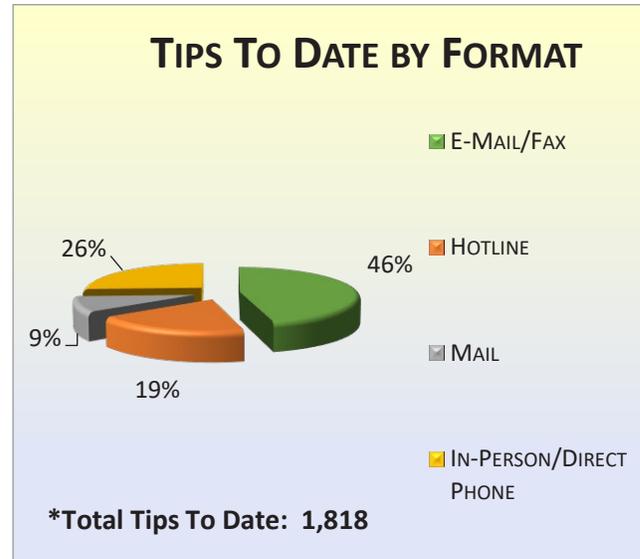
COMPLAINTS, TIPS, AND INFORMATION

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 misconduct and gross mismanagement by providing tips and information. There are several 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 1,818 tips, 279 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, 21 have resulted in investigative matters or are currently pending a determination by the OIG.

Since our inception, 227 tips have resulted in the initiation of investigative matters and 405 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 207 signed complaints, including 29 during this reporting period.

Of these 29 complaints, two are currently pending a determination, nine were referred to other government agencies for their appropriate action, and good cause was not established in 18 of the complaints.

PROGRAMS

The OIG is structured to support its primary mission of investigating gross mismanagement and misconduct, as well as enforcing 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 \$36.7 million in questionable expenditures to date, including approximately \$1.6 million this fiscal year. Moreover, our efforts have led to the detection of over \$4.4 million in recoverable funds, projected cost savings, and assessed penalties, including the detection of over \$869,000 this fiscal year. To date, local governments have recovered over \$771,000 in misspent taxpayer funds identified by the OIG, including over \$157,000 this fiscal year.

Our structure allows for the flexibility to assign resources when and where they are needed to most 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. The Broward County Charter defines misconduct 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. Special Agents 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 and other regulatory 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.

Plantation Mayor Violated Florida Sunshine and Campaign Finance Laws and Exceeded Her Mayoral Authority Under the City Charter and Code

The OIG issued a final report concluding that City of Plantation Mayor Lynn Stoner engaged in misconduct by violating Florida’s open government and campaign finance laws and by acting beyond her mayoral authority as defined by the city code and charter.

The OIG's investigation determined that, after her election as mayor in November 2018, Stoner improperly discussed with city council members her plans to reorganize city staff, including eliminating an ordinance-created position. She raised the issue during a meeting that was closed to the public and despite a city council member's voiced concern that the discussion might be violating Florida's Sunshine Law. The investigation revealed a different occasion when the mayor privately discussed her reorganization plans with a single council member.

The mayor also intentionally violated Florida's public records laws when she refused to provide records in response to a council member's requests for her written plans for reorganization—documents that the OIG proved existed at the time of those requests.

Furthermore, the mayor unilaterally created and staffed two new positions within the city. Despite the mayor's assertions that she was at liberty to create and staff these positions without the council's input because she was a "strong mayor," the city charter vested the authority to do so solely in the council.

Finally, Mayor Stoner engaged in multiple violations of campaign finance law during her campaign to be elected mayor in November 2018. The OIG's investigation found that, after the election, Mayor Stoner unlawfully overdrew the campaign account and then made an illegal, post-election loan to cover the overdraft. She then filed false campaign treasurer's

reports containing substantial omissions and false entries to conceal the overdraft and illegal contribution.

The OIG is referring this matter to the Florida Elections Commission and the Broward Office of the State Attorney for whatever action those agencies deem appropriate.

Electoral and Ethical Misconduct by the Mayor of Pembroke Park

The OIG issued a final report concluding that Town of Pembroke Park Mayor Ashira Mohammed engaged in ethical misconduct by misusing her public position to benefit herself and her law firm. We also found that the mayor engaged in electoral misconduct during her campaign for a seat in Florida House of Representatives, District 101.

Our investigation determined that, during the run up to the August 18, 2020, primary election, Mayor Mohammed violated Florida's "Little Hatch Act" when she arranged for a paid member of her campaign to post as the mayor on the town's Facebook page to increase her online presence and thus influence votes and affect the outcome of the election. This not only amounted to electoral misconduct but also a misuse of position, where the mayor was able to secure this benefit for her campaign and herself by wrongfully using her official role as an administrator on the town's Facebook page in violation of Florida's ethics laws.

The mayor compounded her electoral misconduct by failing to timely and properly resign her seat on the town commission before qualifying for state office, in violation of Florida's resign to run law. She then filed a sworn oath certifying that she had, another instance of electoral misconduct.

The mayor also engaged in past ethical misconduct during her tenure in office when she misused her official position and town resources in her trust. We established several incidents in which the mayor wrongfully used the town's facilities, equipment, and personnel as well as corruptly misused her mayoral credentials to benefit her law firm and herself and for no public purpose.

The town acknowledged our findings and implemented a policy limiting the number of employees with access to the town's social media pages. It is also reviewing its employee code of conduct and is in the process of updating its Personnel Policies and Procedures Manual.

In accordance with our charter mandate, we are referring this matter to the Florida Elections Commission, the Florida Commission on Ethics, and the Broward State Attorney for whatever action those agencies deem appropriate.

Pompano Beach Mayor Admits to Campaign Finance Misconduct Again in Second OIG Referral to Florida Elections Commission

On June 25, 2020, City of Pompano Beach Mayor Rex Hardin settled a case with the Florida Elections Commission, in which he admitted to violating Florida's campaign finance laws in yet another election campaign. This was the second time that he has admitted to state campaign finance violations in just over two years.

Mayor Hardin admitted that, during his November 2018 election campaigns, he accepted contributions in excess of the legal limit; failed to timely dispose of funds in his campaign bank accounts; failed to file a termination report; and certified to the correctness of campaign reports when they were not true, correct, and complete.

The mayor paid a total civil penalty of \$2,250.

The current Florida Elections Commission case was based on the OIG's October 2019 report and referral, after finding probable cause to believe that Mayor Hardin engaged in campaign finance misconduct during his November 2018 campaign for commissioner, from which he ultimately withdrew, and his successful campaign for mayor in the same election cycle.

The OIG's findings included that, for the mayoral campaign, Mayor Hardin

improperly reported contributions of \$5,601.60 as in-kind contributions from himself—contributions stemming from services that his printing company rendered the campaign. As in-kind contributions from the company, they exceeded the \$1,000 maximum contribution limit.

In addition, after withdrawing from the commissioner’s race in May 2018, Mayor Hardin failed to report any commissioner campaign activity or termination until he filed a termination report in November 2018, three months after his final reporting deadline for the commissioner race. In February 2019, he falsely reported in the mayoral campaign’s termination report that he transferred \$5,737.70 in surplus campaign funds to his office account—but he did not make that transfer for another six months, which was six months past the disposal and reporting deadline for that race.

The first time the Florida Elections Commission fined Mayor Hardin was following a September 2016 OIG report and referral about an investigation into his campaign finance practices in his 2014 commissioner re-election campaign. In that Florida Elections Commission case, he admitted that he wrongly certified to the correctness of his termination report, failed to include information about expenditures, and made or authorized prohibited expenditures. He and the Florida Elections Commission settled in May 2018, and the mayor paid a \$1,300 fine as a part of that agreement.

OIG Closing Memorandum Re: Propriety of the Governance of the Village of Lazy Lake

The OIG released a closing memorandum concluding that it found good cause to believe that individuals were governing the Village of Lazy Lake, Florida, in violation of the state constitution, state statutes, and the village charter. We also concluded that, if the village held a proper election in March 2020, it would then be governed in accordance with the law.

The memorandum reported the village’s progress in complying with Sunshine and public records requirements about which the OIG had been concerned, reported the OIG’s good cause to believe that the village failed to hold an election in March 2018 and thereafter improperly seated its “officials,” and reported that the village intended to “minimally operate” until the next general municipal election in March 2020.

The OIG forwarded the memorandum to the current resident email list maintained by the village to inform the village’s residents of the critical need to hold a proper election in March 2020.

In April 2020, the Village of Lazy Lake provided the OIG with a status update reporting that its mayor and council members met the legal requirements for the March 17, 2020, election and that they then governed the village in accordance with the law.

Specifically, the status update, which included documentary support, reported that the village:

- executed agreements with the Supervisor of Elections to conduct the village election;
- retained the services of an experienced, certified municipal clerk to serve as the “Village Qualifying and Election Agent”;
- issued and published a proclamation calling for an election;
- published a legal advertisement in the Sun-Sentinel newspaper and posted on its website a notice of the election and how electors could qualify to run;
- timely received qualifying documents from Evangelos Anthony (for the mayor seat) and from John Boisseau, Sally Boisseau, Carlton Kirby, Patrick Kaufman, and Raymond Nyhuis (for the five council member seats) and from no one else; and
- qualified these persons.

As all were elected without opposition, there was no need for an election, and these persons took their oaths of office on or by February 25, 2020.

The OIG next anticipates the newly elected officials to establish protocols and an accountability process to ensure their compliance with the election code and other legal requirements for elections going forward.

Update Re: Ethics, Sunshine, and Procurement Misconduct and Gross Mismanagement in the Greater Fort Lauderdale and Visitors Bureau

In September 2018, the OIG issued a report including a finding that the county improperly used the marketing firm Starmark International, Inc., to collect money on behalf of the Greater Fort Lauderdale Convention and Visitors Bureau (CVB) from area businesses to promote the county and its businesses to tourists and other visitors. The OIG had determined that, as a result of the CVB’s failure to abide by the county’s procurement procedures, which included the improper use of Starmark to collect and disburse CVB funds, a former CVB official was able to corruptly misuse her position to orchestrate the repeated selection of her boyfriend’s event production company for a total of approximately \$255,570 in county business.

On April 6, 2020, Broward County provided an update on its response to the OIG’s investigation and reported to the OIG that, between May 6, 2019, and July 2, 2019, Starmark handed over a total of \$152,073.77 in undisbursed cooperative marketing funds to the county. The county also reported that, in March 2020, Starmark refunded a total of \$16,200 to two hotels, as those businesses should have paid that money directly to the county for CVB efforts.

The county further reported to the OIG that it hired a CVB staff member to act as Starmark's contract administrator and instructed employees as well as Starmark that the county was to receive all money due to the CVB. The CVB counseled all its employees on the proper procurement of goods within county policies and procurement authority, including new procurement code amendments that established approved methods for the CVB to procure specialized goods and services and to secure agreements to sponsor local events. And the CVB was in the process of a developing a comprehensive policy and procedure manual that the county said it will ultimately provide to all CVB employees.

Finally, on April 1, 2020, the first day of the successor advertising firm's contract with the county, the CVB issued a memo to the new contractor, explaining that it was not authorized to collect revenue on behalf of the CVB or the county.

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. It 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 \$4.4 million.

To accomplish the program's objectives, OIG staff analyzes payments expended by Broward's local governments and detects instances of fraud, contract violations, and overbillings. In addition to detecting misspent taxpayer dollars, we also identify vulnerabilities in the procurement and contract management process that make government entities susceptible to the waste of public resources. We then recommend controls to prevent those vulnerabilities from being exploited.

Occasionally, our reviews identify potential gross mismanagement or misconduct. In those instances, the OIG proceeds with a full investigation and utilizes the expertise of investigative and legal staff, as necessary.

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

Fraudulent Security Guard Providers' Alleged Scheme to Defraud and Pembroke Pines Gross Mismanagement and Misconduct Led City to Pay \$1.2 Mil. in Questionable Expenditures

The OIG issued a final report finding probable cause to believe that Bayus Security Services and then Bayus Security Protection, companies with which the City of Pembroke Pines contracted to provide security services at several city-owned properties, defrauded the city out of at least \$711,553.60 between October 1, 2012, and June 1, 2017. The city paid the security companies a total of \$1,229,601.01 in questionable expenditures, including the alleged fraud.

The investigation led to the arrests of Olalekan Shokunbi, owner of Bayus Security Services; Ololade Shokunbi, owner of Bayus Security Protection and Olalekan's wife; and Oluwatoyin Laditan, both companies' operations manager, for organized scheme to defraud, a first-degree felony under state law.

The investigation substantiated that the Bayus companies defrauded the city using allegedly fraudulent billing tactics. These tactics included, for example, billing for security services when the companies' own logbooks reflected that no one was on post and billing for the same security guard's services at multiple locations at the same time. However, the city was neither able to detect nor stop the alleged fraud because of its own misconduct and gross mismanagement—misconduct and gross mismanagement that caused the city

to pay a total of \$1,229,601.01 in questionable expenditures during our nearly five-year period of review.

Our investigation determined that the over \$1.2 million in questionable expenditures to Bayus was a result of numerous failures on the city's part. For instance, we found that city staff failed to uphold internal controls designed to protect the city. Specifically, city staff failed to ensure that the city paid for properly rendered services, as the public services department and other user departments did not properly review Bayus's invoices before approving them for payment. This was despite red flags that signaled that Bayus was not performing all services as billed. In addition, no one ensured that Bayus provided properly licensed security officers, a task the city code assigned to the heads of procurement.

Multiple failures in the city's oversight of the contracts also contributed to the city's total questionable expenditures. These failures included, for example, the procurement division's improper extension of the Bayus Security Services contract and later its role in the agenda item that led to the city's improper contract with Bayus Security Protection. The OIG also identified failures within the accounts payable and risk management departments. Together, the city's failures resulted in its avoidable and unfortunate retention of the Bayus providers.

The OIG recognized that the city began to address these issues as the OIG's investigation progressed. These steps

included a reorganization of and a staff increase in the city's contracts division, a revision of the city's invoice review process, city-wide training on the new process, and the procurement of new contract management software to enhance compliance. The city has also instituted a process to record and track procurement violations by employees. It plans to follow up these improvements with regular training, operational audits, and internal contract reviews. Finally, the city reported that it is considering its legal options to recover losses that the alleged fraud caused.

The OIG also appreciated the efforts and cooperation of the Florida Department of Law Enforcement and the Florida Office of Statewide Prosecution in the investigation. The owners and manager of the companies are pending trial in the Circuit Court of the Seventeenth Judicial Circuit in and for Broward County, Florida. All parties are presumed innocent until proven guilty in a court of law.

City of Sunrise's Gross Mismanagement in Administering a Contract for Temporary Employment Services

The OIG issued a final report finding that City of Sunrise staff members engaged in gross mismanagement when they deliberately overrode the city's contract with Albion Staffing Solutions, Inc., and allowed the provider to charge more than the rates it bid to get the contract.

The OIG determined that the city paid, from July 2012 to September 2017,

approximately \$226,872.49 over the original amount agreed to in the Sunrise-Albion contract. This represented approximately 36% of the \$636,839.01 that the city paid to Albion in total. The investigation concluded that the city overrode the contract in several ways: (1) Albion charged and the city paid rates higher than the rates fixed by contract; (2) the city placed or shifted some temporary workers into higher-paying position titles, in some cases without increasing their duties or requirements; and (3) the city created some higher-paying positions outside the contract which did not exist in the budget, when existing, lower-paying positions in the contract applied.

The OIG determined that when it came time to renew the contract, staff did not properly inform the commission that the city had overpaid on the contract, that Albion requested a lower increase than staff requested for it, or that the provider did not properly justify or document the increase as the contract required. After the commission approved a 5% increase of the contracted rates, staff and Albion continued to go around them.

The city has discontinued its contract with Albion and has begun making meaningful changes by (1) selecting a new vendor to provide temporary personnel services; (2) appointing the deputy director of the human resources department as the administrator of the temporary personnel contract; (3) effecting a new process for requesting, approving, and on-boarding temporary personnel; and (4) implementing

training and improvements to its contract administration process.

Because the City of Fort Lauderdale found in 2015 that its staff engaged in similar methods to circumvent that city's agreed rates with Albion, and because Albion has ongoing contracts with the county and several other municipalities in Broward, we urged those local governments to carefully review their temporary staffing rates to ensure that the prices they agreed to pay were the prices they later paid.

Misconduct and Internal Control Issues in City of Wilton Manors Procurements from a Motor Vehicle Repair Vendor

The OIG issued a final report finding that city staff and management violated the city code in purchasing motor vehicle repair and maintenance and non-motor vehicle related goods and services from J & R Service Center, Inc. (J & R), whose owner had long-standing social relationships with multiple city employees.

From April 15, 2013, to September 5, 2017, the city paid J & R \$81,376.57 for 189 invoices. Of this amount, \$49,152.32 was related to motor vehicle work, which J & R was licensed to do, and \$32,224.45 was related to non-motor vehicle work.

The investigation found that city staff failed to (1) obtain competitive quotes for purchases valued over \$1,000.00 and up to \$3,000.00; (2) obtain competitive written quotes for purchases valued over \$3,000.00 and under \$20,000.00; and (3) initiate

purchase orders for at least one purchase in the amount of \$3,000.00 or more. A department director who had a social relationship with J & R's owner failed to detect or prevent obvious splitting of two purchases by staff and approved or participated in them.

The finance department did not keep a record of required quotes for the identified J & R purchases, which also violated the city code because the code required the finance director or his designee to maintain all records of such quotes. The finance director, as the final approver of all purchases, never questioned why there were no quotes for such purchases yet approved them anyway.

Our investigation found that the city lacked consistent controls to check vendor activity reports; the city did not ensure that employees used or referenced established city contracts or rates before seeking other non-vetted vendors to purchase goods or services; J & R was able to charge the city different labor rates, which increased by 47% over time, because there was no contract and no established citywide standard in place for employees to reference; and the city failed to provide adequate staff training in procurement.

The city has since issued a solicitation and secured a contract for citywide repair services for non-police vehicles and certain mechanical equipment with another vendor, awarding an hourly labor rate that was 56.25% less than J & R's labor rate at the time. Additionally, the

city provided procurement training and addressed issues that arose during the investigation.

ETHICS

Consistent with its Broward County Charter mandate, the OIG investigates, reports on, and refers state and local ethics code violations that apply to Broward's officials and employees, and it enforces the Broward Ethics Code. In this reporting period, our work on ethics matters included the investigation of Pembroke Park's mayor for using her official position and resources in her trust to benefit her campaign, herself, and her law firm as reported in the Investigations section above; the investigation of Wilton Manors procurements from an automobile repair vendor with personal relationships to city employees reported in the Audit/Contract Procurement Oversight section above; and an ethics compliance review for the internet posting of financial disclosure forms as reported below. We also report below an update on Florida Commission on Ethics proceedings against former Hallandale Beach city commissioner Anthony Sanders. Our continuing ethics education and outreach efforts are also described here.

Ethics Enforcement

The OIG reviewed the tips and complaints it received during the reporting period and determined that 19 were ethics related, 3 of which are pending further review. We opened one matter involving potential

misconduct as defined by state and local ethics laws.

OIG Finds 100% Compliance by Broward Elected Officials in Their Internet Posting of Required Financial Disclosure Forms

The OIG completed its fifth compliance review to determine whether Broward's elected officials complied with the Broward Ethics Code by posting copies of their required state financial disclosure forms on their governmental entity's searchable internet database at the same time that they filed their original forms with the Supervisor of Elections or the Florida Commission on Ethics. Due to the OIG's efforts, all current Broward elected officials ultimately complied with this county ordinance for 2018 disclosures. To expand transparency in government and encourage public participation in the oversight of public officials, the Broward Ethics Code obligates each mayor and member of the governing bodies of the county and its 31 municipalities to ensure that his or her *COE Form 1: Statement of Financial Interests* or *COE Form 6: Full and Public Disclosure of Financial Interest*, as applicable, is made available to the public on the internet.

In our initial review of internet postings, the OIG determined that 12 percent of the 2018 forms (involving 20 officials in ten municipalities) were missing. In the ensuing weeks, as it has done previously, the OIG contacted the municipal clerks' offices and

worked with officials, government attorneys, and staff to bring all remaining elected officials into compliance.

Update: Former Hallandale Beach Commissioner Anthony Sanders Admits to Violating State Laws in a Florida Commission on Ethics Matter Referred by the OIG

On March 6, 2020, former City of Hallandale Beach Commissioner Anthony Sanders admitted to violating Florida's Code of Ethics for Public Officers and Employees by having conflicting employment, accepting influential compensation, and accepting a gift from a prohibited donor in excess of \$100, and the Florida Commission on Ethics found that he violated those laws.

Mr. Sanders agreed to a public censure and reprimand as well as a total civil penalty of \$3,500.

The Commission's case was based on the OIG's November 2017 referral. Our findings included that the non-profit organization Palms Community Action Coalition (PCAC) (1) paid the church that employed Mr. Sanders and which he controlled a \$2,000 donation on the same day the city commission voted to benefit PCAC and that (2) Mr. Sanders continuously voted on matters involving PCAC without disclosing numerous conflicts of interest to the city commission. Mr. Sanders resigned his city commission seat on August 11, 2017, two days after the OIG released its report.

The OIG also charged Mr. Sanders with violating the Broward Ethics Code. In August 2018, he admitted that, despite being employed by his church, he failed to file required forms disclosing outside or concurrent employment. He paid a \$5,000 fine to resolve the local charges.

Ethics Education

Despite the onset of the COVID-19 pandemic that precluded group gatherings starting in March 2020, the OIG continued to offer ethics education to assist elected officials meet and understand their obligations under the Broward Ethics Code and the State Ethics Code. After hosting two in-person classes, the OIG held five online classes, for a total of seven ethics training sessions for 126 elected officials during the reporting period.

In November 2019, the OIG held training on Florida and Broward Ethics Laws for Elected Officials and on Florida Open Government Laws for Elected Officials. Twenty-four officials attended these two sessions.

To rehearse using a remote training platform, in May 2020, the OIG held two online ethics training sessions for all our own staff, two hours on ethics and two hours on open meetings and public records.

Then in June 2020, we hosted two, two-hour sessions of General Ethics Review for Broward's Elected Officials, at which a total of 38 elected officials participated.

We repeated this class in September 2020 for 18 officials.

Also, in June 2020, we held two hours as an Open Government Review for Broward's Elected Officials, and 33 elected officials attended. We repeated this class in September 2020 for 13 more officials.

Since late 2012, we have provided ethics training on 43 occasions for over 814 attendees.

During the reporting period, as in the past, our General Counsel provided 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 elected officials through our ethics education program.

The OIG continues to maintain relationships and work 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, and the Florida Office of Statewide Prosecution 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 participate as members of the National and Florida Chapter of the Association of Inspectors General and the Council on Government Ethics Laws.

We also work with local inspectors general on issues of mutual interest. In the last reporting period, at the request of the inspector general of Palm Beach County, the OIG joined six local inspectors general from around the state in filing an amicus curiae ("friend of the court") brief in a case before the state's Fourth District Court of Appeal. That case originated when the Palm Beach OIG denied a public records request for an initial complaint in an active investigation. After the Palm Beach OIG closed its investigation, it then provided a copy of the complaint to the requestor. He filed an action in circuit court to recover attorney's fees, claiming that the document's release had been wrongfully delayed because the complaint had not been generated during the course of the investigation and thus did not qualify for the asserted exemption under public records law. The trial court ruled against the requestor, and he then filed the appeal. Broward OIG's General Counsel assisted in the preparation of the amici brief and advanced arguments in support of the Palm Beach inspector

general and local inspectors general. The appellate court heard oral argument at the beginning of the reporting period, and in December 2019 it denied the appeal in *McLendon v. Palm Beach County Office of Inspector General*, 286 So. 3d 375 (Fla. 4th DCA 2019).

In October 2019, the OIG made a presentation to the Broward County Municipal Clerks Association on the OIG's authority and function, the Broward Ethics Code, special considerations for clerks in the process of making ethics disclosures available for public inspection, OIG requests for records, and the county's new charter requirement regarding meeting notices.

The OIG's website, www.browardig.org, is an essential resource both for providing and receiving information and for staying connected with those we serve.

The public and press can stay up to date about our recent activity and access our searchable reports and publications page for final reports, closing memoranda, status reports, press releases, annual reports, and other publications. Site visitors may also find out how to contact us and "Report Misconduct" with conveniently located buttons on every page of the site.

"Report Misconduct" encourages website visitors to assist the OIG in combating fraud, waste, misconduct, and gross mismanagement by providing information in several 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.

Dockets for open Broward Charter Section 10 Enforcement Hearings Forum cases are also 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.

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.

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