



**BROWARD OFFICE OF THE  
INSPECTOR GENERAL**

**2018 - 2019  
ANNUAL REPORT**

## A MESSAGE FROM THE INSPECTOR GENERAL

It is my privilege to present you with the 2018-2019 Annual Report for the Broward Office of the Inspector General. This past year has seen our office institute internal changes, such as the implementation of a new computer-based investigative management system (IMS), as well as a major overhaul of our website. These changes were necessitated by various factors—in the case of the IMS, the sheer volume of data our investigations produce, and in the case of the website, evolving platform requirements. The changes were significant and substantive, and we did not undertake them lightly.

The IMS provides us with increased functionality, including powerful search capability, as well as more control over assignments and deadlines. We are hopeful that the new system will allow us to function more efficiently and save taxpayer dollars over time.

Revamping our website, an essential tool that promotes the transparency of the OIG mission and function, has allowed Broward stakeholders and residents to gain better access, especially on their mobile devices.

External change has also been prevalent. An increasing number of entities over whom we have jurisdiction have acknowledged and embraced our oversight efforts, rather than spurned them. Indeed, not only are they open to our involvement, they are now asking for our assistance.

I close by noting that one thing that won't change is the OIG's professionalism and work effort. From finding criminal misconduct by government officials, to making recommendations that changed the way a city conducts its procurements, we've had another busy and productive year.

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.

## 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 \$9.5 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

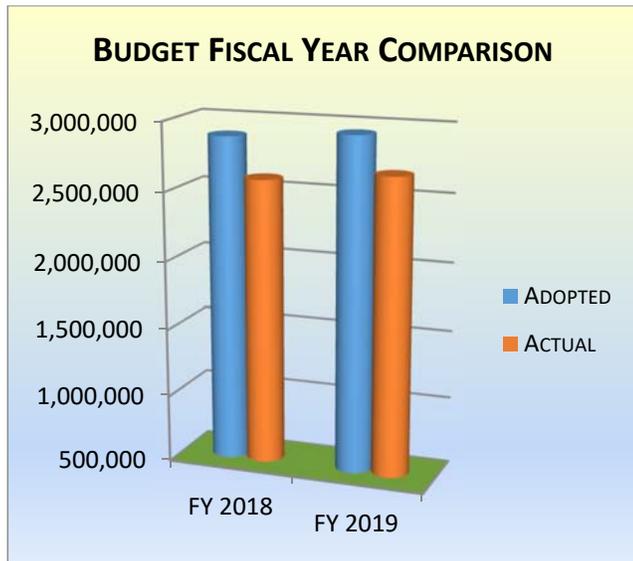
Although the OIG's budget is funded through the county general fund, the Charter requires that the OIG remain an independent organization to assure that no interference or external influence affects the objectivity of the office. Each year the Inspector General, pursuant to the Charter, submits a proposed 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 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. 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 more than 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 OIG remains committed to operating in a fiscally responsible manner. The approved budget for fiscal year (FY) 2018 was \$2,885,750, with actual expenditures of \$2,592,595. The approved budget for FY 2019 was \$2,943,520 with an estimated actual expenditure of \$2,674,897.<sup>1</sup> The OIG’s FY 2019 budget represented 0.06% of the county’s total budget. The adopted budget for FY 2020, which commenced on October 1, 2019, is \$3,025,820. Budgeted positions for the OIG remain at 20.

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

<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 2019 as of the preparation of this report.

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 3,850 hours of continuing professional education, 470 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 on ethics for elected officials

and agency-specific legal issues. In addition, OIG staff received training on our new investigative management system software described below.

Throughout the year, staff members have participated in training provided by the county, including email phishing awareness, cyber security awareness, and purchasing cards for cardholders and coordinators.

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

- Advanced Social Media Investigations;
- Association of Inspectors General (AIG) Conference and Training;
- AIG Certified IG Auditor Course;
- AIG Certified IG Investigator Course;
- American Society for Public Administration 13th Annual Best Practices Conference;
- Annual Local Government Law in Florida Conference and Training;
- Criminal Justice Information Systems(CJIS) Local Area Security Officer Certification Training;

- Council on Government Ethics Laws Annual Conference;
- CJIS Security Awareness;
- Cybercrime, Artificial Intelligence and Robots;
- Essential Communication and Leadership Skills for Auditors;
- Ethical Conduct for Florida CPAs;
- Ethics of Discovery;
- Hot Topics in Evidence; and
- Open Source Intelligence and Automation Tools for Social Media.

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

## ASSOCIATION OF INSPECTORS GENERAL CONFERENCE PARTICIPATION

Several members of the OIG's management and staff attended and presented at the AIG's 2019 annual conference in West Palm Beach in September 2019.

OIG General Counsel Jodie Breece moderated a panel that featured Michael E. Horowitz, Inspector General for the U.S. Department of Justice; Natalie Monroe, First Assistant Inspector General for the Commonwealth of Massachusetts; and Kim Raines Chatelain, First Assistant Inspector General for Jefferson Parish in Louisiana.



The panel discussed trending and recurring legal issues for OIGs such as the management of executive privilege and other privilege claims, attorney conflicts in multiple witness representation, and confidentiality in investigation records.

OIG Senior Assistant Legal Counsel Katherine McIntire and former OIG Supervisory Special Agent Stuart Robinson (now the Director of Investigations for the Palm Beach OIG) were also featured at the conference.



They presented on our lengthy investigation of a former Hallandale Beach city commissioner for conflicts of interest and misuse of position, with an emphasis on the interviewing techniques we employed in more than 40 witness interviews as well as our subsequent prosecution and resolution of the local ethics violations that we prosecuted before an administrative hearing officer.

These were two of 15 plenary sessions and nine breakout sessions. The conference assembled 300 attendees from across the country, including federal, military, state,

and local inspectors general, managers, analysts, investigators, and auditors.

## COUNTY CHARTER AMENDMENTS

On November 6, 2018, Broward County voters passed a ballot measure that gave the OIG discretion whether to commence an investigation upon good cause. The OIG sought this change through the Broward County Charter Review Commission (CRC) to enable the office to decline to pursue matters where the allegation is for conduct that is *de minimis* compared to the resources needed to properly investigate it, where another agency is better equipped to properly investigate the conduct, or where the matter does not otherwise warrant an investigation.

The voters also passed a second measure that assigned the responsibility to appoint an individual to serve on the OIG Selection-Oversight Committee to the Broward County Bar Association, instead of the U.S. Attorney. Pursuant to this charter change, the appointee filling the U.S. Attorney seat stepped down, and the Broward County Bar Association appointed one of its members to occupy the seat.

## 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.

## INVESTIGATIVE MANAGEMENT SYSTEM

In August 2019, after several months of design and implementation efforts, the OIG began using its new investigative management system (IMS). The IMS is a software-based system for government investigative agencies designed to accurately track and manage all tips, complaints and matters through their duration.

We anticipate that the IMS will combine the high-level functionality our investigators require with ease-of-use and increased efficiencies throughout the OIG's investigative and administrative operations.

Now that the IMS is up and running, we hope it will enhance the performance of the OIG for years to come.

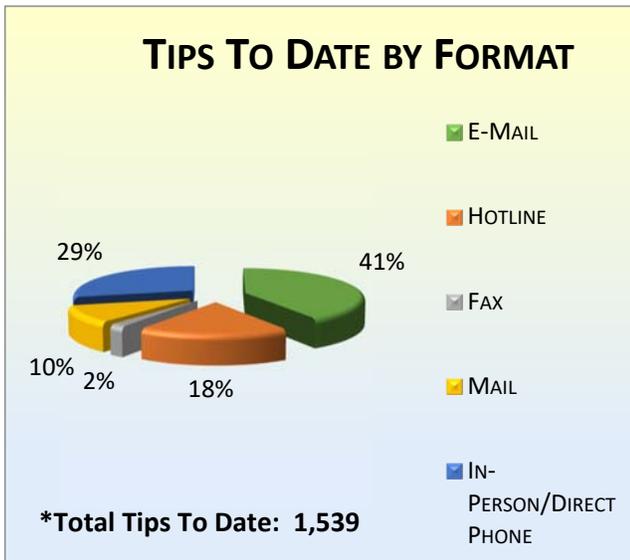
## COMPLAINTS, TIPS, AND INFORMATION

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.

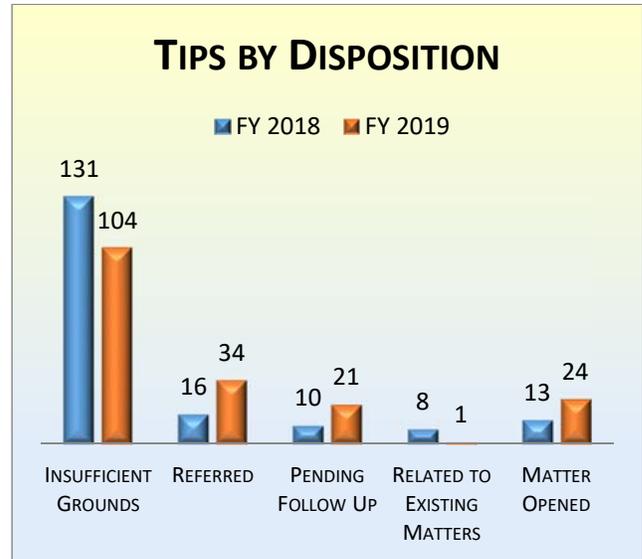
*Tips and Information*

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 1,539 tips, 184 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, 46 have resulted in investigative matters or are currently pending a final determination by the OIG.

Since our inception, 223 tips have resulted in the initiation of investigative matters and 344 tips have been referred to other governmental agencies.

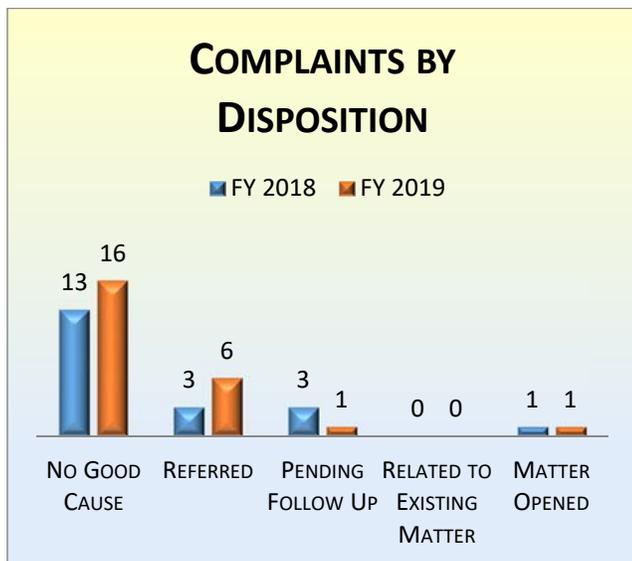
*Complaints*

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 178 signed complaints, including 24 during this reporting period.



Of these 24 complaints, two resulted in the initiation of investigative matters or are currently pending a determination, six were referred to other government agencies for their appropriate action, and good cause was not established in 16 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 \$35.1 million in questionable expenditures to date, including approximately \$6.4 million this fiscal year. Moreover, our efforts have led to the detection of over \$3.6 million in recoverable funds, projected cost savings, and assessed penalties. To date, local governments have recovered over \$614,000 in misspent taxpayer funds. This fiscal year, local governments recovered over \$90,000 in misspent funds, in addition to other non-financial settlements.

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. 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.

We were pleased to observe that the legislative staff analysis that preceded this year’s amendments to the Community Redevelopment Act, which increased accountability and transparency for community redevelopment agencies (CRAs), substantially referenced the OIG’s CRA investigations from prior reporting periods. The analysis for HB 9 detailed the OIG’s reports regarding its investigations into the Hallandale Beach CRA in 2013 and the Margate CRA in 2014, which described those cities’ failure to properly manage and spend CRA funds, how they did so, and to what extent. Statutory changes that went into effect on October 1, 2019, include requiring: ethics training for CRA board members, the same procurement processes as the associated political subdivision, expanded annual reporting to be posted on the CRA

website, that CRA funds may only be expended pursuant to specific purposes and an annual budget of the CRA board, that the CRA report its budget to the governing body of the associated political subdivision by a time certain, and that the associated political subdivisions include CRA data in their annual financial reports. Significantly, the new law phases out CRAs with certain exceptions, and it permits the state Department of Economic Opportunity to declare a CRA inactive after certain conditions have been met over six consecutive fiscal years. (Chapter No. 2019-163, Florida Laws.)

Following are summaries of significant investigative findings made by the OIG during this reporting period.

***Misconduct by a Fort Lauderdale Employee Who Lied to Qualify For and Keep His Position as City Treasurer***

The OIG issued a final report finding that Ash Benzo, a former City of Fort Lauderdale employee, made several materially false statements in city employment applications in his efforts to obtain the position of city treasurer. After obtaining the position, he continued his fraudulent behavior by holding himself out to be the qualified individual he purported to be on paper and, for one year ending in December 2017, the city paid him at least \$118,040 in salary as well as other employment-related payments and benefits.

Among the several falsehoods the OIG uncovered was that Mr. Benzo listed on an application “John Berhan – Founder” as his supervisor at the firms he created, “ASNF Financial” and “ASNF Financial-Government/Municipal Finance.” City management considered this work history to provide Mr. Benzo with some of the necessary government finance experience required for the city treasurer position. The OIG investigation determined that archived “bio” web pages at that company’s website included “Jonathan Berhan” as “Co-Founder of ASNF Financial” and contained a photo of him. The OIG’s investigation identified the man in Jonathan Berhan’s photo as someone else. That individual is actually a senior vice president of construction at a residential management company in the greater Chicago, Illinois, area who knows no Jonathan Berhan, Ash Benzo, or ASNF Financial. He was wholly unaware and shocked to learn that ASNF Financial used his image on its website. Between at least April 2013 and October 2016, the website also used the photograph of another man, identified as the Director of Client Services. The OIG determined that the man in this photograph had a different name and died on July 26, 2013.

Mr. Benzo is no longer with the city, as he resigned in lieu of termination. The OIG did not determine that Mr. Benzo profited from his scheme other than to collect salary and benefits to which he was not entitled.

The OIG also found that city management conducted a substandard assessment of Mr. Benzo's employment history, achievements, and references. Despite the candidate's significant assertions—such as being involved in the \$350 billion merger of AOL and Time Warner, being instrumental in UPS's decision to purchase Mail Boxes Etc., and auditing Detroit and other major cities during their bankruptcies—the then Deputy Finance Director did not independently vet Mr. Benzo's claimed experience and achievements. She made no attempt to verify his employment and consulting work with his purported partner or any third parties. Instead, she relied on Mr. Benzo's word and the internet website he created to determine that his work history was as he portrayed it.

After our investigation became known, the city began addressing the concerns detailed in our report, and it continued to adopt additional changes even after our investigation concluded. It hired a new human resources director, deputy director, and employment manager. Among other changes, the city has also charged human resources with conducting the necessary reference, background, qualification and education verifications for prospective city employees. Furthermore, the city was looking into the possibility of limiting applicants to one electronic profile in its NEOGOV human resources system.

### *Concerns of Fairness and Financial Prudence in Fort Lauderdale's Building Code Enforcement and Assessment of After-the-Fact Permit Fees*

The OIG concluded its investigation into a complaint that the City of Fort Lauderdale's Building Services Division (BSD) failed to address certain building code violations and assisted a resident in avoiding paying after-the-fact permit fees.

The OIG's investigation did not establish misconduct or gross mismanagement, but it did uncover that the city did not follow its own procedures in processing permits for work that the resident had commenced or completed. After the complainants filed a lawsuit against the resident and code complaints with the city, BSD officials should have known that the resident's renovations were completed without permits. Yet, when the resident sought permits for the completed work, the city issued him twelve permits and charged him standard permit fees totaling \$2,538.62, without charging any after-the-fact fees. Had it done so in accordance with the applicable city ordinance, it would have charged him \$10,154.48 before technical fees and taxes.

Concerned about whether the resident's situation was isolated or part of a broader pattern, the OIG reviewed how the BSD handled its after-the-fact permitting process and found that the city generally did not consistently assess and collect after-the-fact permit fees. Despite a city

ordinance that required the assessment of quadruple fees if the current homeowner was responsible for the unpermitted work and double fees if the current homeowner was not responsible, we determined that most BSD officials and staff understood that the practice was not to charge after-the-fact fees at all unless the offender was a contractor or a repeat violator homeowner and that they lacked criteria or guidelines for determining when after-the-fact fees could be waived or by whom.

Our investigation also reviewed a representative sample of permits flagged as after-the-fact between 2014 and 2017 to determine whether the BSD assessed permit fees accurately, uniformly, and properly. The OIG found that, in approximately 60 percent of the cases, the BSD charged the permit applicant twice the regular permit fee. In approximately 38 percent of cases, the BSD charged the standard fee. In approximately two percent of cases, the BSD charged four times the regular fee. We estimated that, in our sample, the range of uncharged after-the-fact fees, per the city code, was between \$62,763.99 and \$335,108.59.

The OIG made several recommendations to strengthen consistency, transparency, the appearance of fairness, and financial prudence in the City's code enforcement process.

Thereafter, the city responded by agreeing to the substantive recommendations and reporting its progress on them. The

reported efforts included: amending the city code's after-the-fact fee provision to conform with the Florida Building Code; ensuring that the city's new land management software captures the criteria needed to calculate after-the-fact fees and conform with the city code; amending, formalizing, and making accessible to staff and the public the after-the-fact permitting policy; incorporating into the updated policy a prohibition against avoiding processing a permit as an after-the-fact permit if the record indicates a pending code violation; and including in the policy waiver criteria the specific discretion vested in the building official to waive after-the-fact fees.

### ***Campaign Finance Misconduct by Pompano Beach Mayor Rex Hardin During His November 2018 Election Campaigns for Mayor and Commissioner***

The OIG issued a final report finding that City of Pompano Beach Mayor Rex Hardin engaged in campaign finance misconduct during his November 2018 campaign for commissioner, which he ultimately withdrew from, and his campaign for mayor in the same election cycle. The investigation was predicated on an allegation that Mayor Hardin failed to report campaign expenditures during his mayoral campaign. It was the second time in three years that the OIG found that Mayor Hardin violated campaign finance law.

The OIG determined that, after withdrawing from the commissioner's race in May 2018, Mayor Hardin improperly disposed of the contributions donated to that campaign by transferring them to his mayoral campaign account, an option that was not legally available to him. Furthermore, he did not report any commissioner campaign activity or termination after April 2018 until he filed the termination report for his commissioner campaign in November 2018, three months after his final reporting deadline.

The OIG further determined that, for the mayoral campaign, Mayor Hardin used the services of his own company, Cypress Printing Center, Inc., of which he was the sole employee. Cypress Printing invoiced the campaign a total of \$17,751.45, of which the campaign paid only \$12,149.85. Mayor Hardin improperly claimed the \$5,601.60 difference as in-kind contributions from himself despite the fact that he, personally, did not provide the campaign with anything of value other than his services to influence the results of the election. By law, any volunteered services from the candidate could not constitute an in-kind contribution. If they were in-kind contributions, they came from the company and exceeded the \$1,000 maximum contribution allowed by law.

The OIG also determined that Mayor Hardin originally reported eleven of his

"in-kind contributions" as loans when he did not, in fact, make such loans.

In addition, we found that, in February 2019, Mayor Hardin falsely reported in the mayor campaign's termination report that he had transferred \$5,737.70 in surplus campaign funds to his office account; however, he did not make that transfer for another six months, which was six months past the disposal and reporting deadline. We identified other campaign finance violations, including numerous errors that Mayor Hardin addressed in amended reports he filed on the eve of his interview with our office.

The OIG referred its findings to the Florida Election Commission (FEC) and the Broward State Attorney's Office. The OIG's earlier investigation of Mayor Hardin involved his 2014 commissioner re-election campaign and resulted in an FEC fine.

### ***North Lauderdale Commissioner Samson Borgelin Enters into Consent Final Order with FEC***

Based on an OIG referral, City of North Lauderdale Commissioner Samson Borgelin entered into a consent final order with the FEC, settling several allegations of campaign finance violations prior to a probable cause hearing.

The FEC found that Mr. Borgelin certified campaign treasurer reports for his November 2016 election campaign as true,

correct, and complete when they were not correct or complete, and it imposed a \$600 fine.

The OIG made the referral in November 2018, following its investigation into a tip that included an allegation that Mr. Borgelin had filed incorrect and incomplete campaign treasury reports. The investigation substantiated the allegation, finding that Mr. Borgelin failed to conduct all campaign treasury transactions through the treasurer; that the treasurer did not maintain detailed accounts and failed to preserve treasury records; that the campaign failed to report approximately \$715 in contributions; that it failed to report approximately \$485 in expenditures; and that it reported a post-election expenditure to the candidate's wife of \$350 as a payment for campaign work, when the evidence established that it was to pay back a loan.

Mr. Borgelin did not admit or deny any law violation.

## 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 \$3.6 million.

To accomplish its 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.

### ***Misconduct in Dania Beach's Procurement of Various Engineering Services***

The OIG issued a final report finding that the City of Dania Beach and its CRA failed to follow a state law meant to ensure that local governments procure certain engineering services fairly and transparently.

The OIG determined that the city spent \$2,726,952.18 on engineering and other professional services in the five years immediately preceding the procurement at issue and another \$798,995.65 through March 5, 2019, without adhering to the Consultants' Competitive Negotiation Act (CCNA), procurement best practices, or the city's own procurement policies.

In 2016, on Dania Beach's first stated attempt to follow the CCNA, the city gave some lower-ranked firms contracts over higher-ranked ones and gave contracts to firms for work they did not even apply for. A most disturbing aspect of this procurement was that the city's evaluation committee members, after scoring and ranking firms responding to the Request for Qualifications (RFQ), discussed and decided which firms should receive contracts based on whether they were a better fit for the city. This rendered the process subjective and vulnerable to favoritism and abuse.

As the evaluation meetings were public by law, city staff also violated Florida's open

meetings (Sunshine) law requirements to properly notice procurement evaluation meetings and to take and produce minutes of those meetings.

In response to the OIG's report, the city accepted responsibility for the errors and omissions of city staff in the failure to adhere to the city's purchasing and procurement policies. City management agreed that the CCNA violations would likely not have occurred had the city followed its policies. Management also committed to correcting the deficiencies identified in the investigation, implementing recommendations made by the OIG, and holding staff accountable for full compliance with policies and procedures. This included a commitment to issue a new RFQ for services under the CCNA by April 2020 and to enter into resulting contracts by July 2020.

### ***Billing Errors Under Southwest Ranches Franchise Agreements for Waste Collection and Disposal***

The OIG issued a final report following its investigation into the administration of franchise agreements between the Town of Southwest Ranches and Southern Waste Systems, LLC, and its successor LGL Recycling, LLC (together, LGL), and Sun-Bergeron, JV, for the collection and disposal of residential and commercial waste within the town.

Although the OIG did not report a misconduct or gross mismanagement

finding, its investigation directly resulted in the recovery of \$82,100.87 out of the \$91,994.51 that it found LGL and Sun-Bergeron overbilled and under-credited the town and its businesses.

LGL was the town's contracted franchisee for the collection and disposal of solid waste, bulk waste, and recyclables from October 2012 to September 2017. The most significant error the OIG identified occurred in LGL's billing the town for solid waste disposal during the first year of the contract. The review also led the OIG to inspect the town's contract with LGL's affiliated company, Sun-Bergeron, the town's designated solid waste disposal vendor from July 2012 to March 2018. This revealed that Sun-Bergeron never credited the town for a contract preparation and administration expense as required in their agreement.

Near the conclusion of the investigation, LGL credited \$40,509.60 in charges to the town and committed to return \$11,591.27 to its commercial customers within the town, and Sun-Bergeron paid the town \$30,000.

The OIG received a status update from the town in which the town reported it appeared that LGL had made all necessary refunds to commercial customers, but it was unclear because LGL had not provided confirmation of payments and was no longer responsive to the town. The town was withholding \$5,927.04 in payments to LGL and committed to

releasing the payments only if LGL provided cancelled checks to verify settlements paid to commercial customers.

The town also reported that it would prepare a letter to all its commercial accounts to advise them of the pass-through nature of their payments and that the town is always available to verify the legitimacy of commercial rates that solid waste providers charge them.

Finally, the town reported that it is revising the town's policies and procedures to include specific handling guidelines for complex solid waste contracts. Multiple staff members and departments have been involved in drafting the new policies and procedures to help ensure that cross-departmental coordination and cross-checks are in place. Future contracts over \$500,000 will include a debrief including legal staff, the responsible department, and finance staff. In addition, the town has conducted staff meetings at which they discussed OIG-identified deficiencies to ensure the scenario is not repeated.

### ***Billing Errors Under Southwest Ranches Franchise Agreements for the Collection and Disposal of Bulk Waste after Hurricane Irma***

The OIG also issued a closing memorandum to Southwest Ranches to report that, for the four months following Hurricane Irma's landfall in South Florida, the town fully paid its former and current

solid waste vendors, even though they collected little if any residential bulk waste during that time. Specifically, we found that the former vendor billed the town \$22,788.06 for the collection and disposal of bulk waste that it did not actually perform and that the current vendor fully billed the town \$184,510.80 for the collection and disposal of bulk waste that it only partially performed.

After we informed the parties of our findings, the town retained \$5,927.04 that it had withheld from the former vendor to close this and other outstanding billing issues described above. Also based on our findings, the town negotiated a non-financial settlement with the current vendor to settle its billing.

In its status update, the town also reported that it had addressed the OIG-identified deficiencies in the town's current contract with its solid waste provider. A summary of the modifications included that commercial rates will adjust annually and will be limited to the actual disposal cost; the "true up" adjustment on residential bulk has been eliminated, creating a savings for residential customers in years two through five of this contract; and in the event of a future declared emergency, the town has the right to halt collection and disposal operations, absolving the town of financial liability until regular service is reinstated.

Although the town fully cooperated with the OIG and made efforts to improve

internal controls over its contracts, the OIG remained concerned with the town's management of its solid waste contracts. In its closing memorandum and during discussions with town staff, the OIG reminded town employees that they should not pay for services that were not rendered or pay in full for services that were only partially rendered.

### ***Deficiencies in the City of Miramar's Contractor Selection and Payments for the Miramar Parkway Streetscape Project***

The OIG concluded an investigation into the City of Miramar's selection of and payments to the successful bidder on the \$2.2 million Miramar Parkway Streetscape Project. The OIG found that the city improperly selected the contractor because the contractor's bid did not meet the U.S. Code of Federal Regulations, award specifications, and contract requirements that it perform 30% of the work with its own forces. Instead, the contractor's bid stated that the contractor would perform 3% of the work for "supervision" and "general conditions" and would subcontract 97% of the work.

Indeed, it ultimately subcontracted all the work to five subcontractors and only supervised the project. No one within the city or the auditing firm hired to ensure compliance with relevant mandates said they were aware of the requirement.

We also uncovered deficiencies in the city's billing verification processes that made it difficult for us to determine the accuracy of any of the contractor's bills with any certainty. Specifically, we had difficulties vetting at least \$27,414.53 of the billing, as city staff neither engaged in a proper verification process nor kept detailed daily reports for all line items of the project.

Notwithstanding this fact, the OIG enabled the city to recover \$2,420.57 for change order charges that the contractor definitely overbilled. Throughout the course of the investigation, the OIG recommended to city staff necessary changes in the procurement and management of similar projects, including ensuring proper verification of payment applications. The city immediately implemented those recommendations in a current streetscape project.

## ETHICS

The Broward County Charter mandates the OIG to investigate and refer state and local ethics code violations that apply to Broward's officials and employees and to enforce the Broward Ethics Code against elected officials. In the reporting period, our ongoing ethics investigation efforts included two conflict-of-interest matters, an ethics compliance review for the internet posting of financial disclosure forms, and an ethics training investigation. We also report an update on the State Ethics Commission's 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 23 were ethics related, 2 of which related to existing matters. We opened five matters involving potential misconduct as defined by state and local ethics laws.

### *Deficiencies in Deerfield Beach Charter Language, Procurement Code, and Employee Training*

Two of the ethics investigations that the OIG closed this fiscal year stemmed from a review of several municipalities' purchases from vendors that appeared to be city employees or related to city employees. One involved the City of Deerfield Beach, and another involved the City of Miramar.

While the OIG did not substantiate misconduct in the Deerfield Beach investigation, we issued a closing memorandum that identified numerous deficiencies in the city's ethics and procurement processes, deficiencies that led to some questionable procurements. We reported on several vulnerabilities that were exposed during the review and investigation, including that the city had no process for affected parties to comply with charter mandates to disclose

potentially conflicting relationships, that the city did not provide training to its employees to allow staff to identify potentially conflicting relationships, that the city's purchasing thresholds were ambiguous, and that the city had no controls to protect against abuse on lower threshold purchases.

The OIG made specific recommendations to the city to undertake several process and city code changes to correct or mitigate these deficiencies.

### ***City of Miramar Employee Engaged in Misconduct by Doing Business with His Own Agency***

Within the city of Miramar, we focused our review on four vendors that appeared to be related to city employees and conducted more than 30 transactions totaling over \$57,000 between January 2013 and April 2017.

The OIG issued a final report finding that a Miramar city employee who conducted business as an embroidered shirt vendor violated the State Ethics Code when, on nine occasions between June 23, 2015, and November 30, 2016, he sold his company's products to the building services division—the very agency for which he worked.

After paying the employee-vendor \$2,329.28 on these purchases and a purchase for a different department, the city stopped buying from him due to the OIG investigation. The sales violated the

state ethics code prohibitions against public employees having conflicting employment or contractual relationships and against them selling goods or services to their own agencies.

The OIG also uncovered related issues, including that either the employee-vendor, his department director, and human resources failed to follow the city's December 2017 policy requiring annual disclosure and approval of secondary employment or the city's records custodian(s) failed to retain or produce records that would establish that they did follow the policy. Also, for almost seven years, the city operated outside its purchasing card policy by foregoing a layer of review. After the investigation began, the city removed that additional layer of review from its policy, eliminating a step that could have helped to identify the issues the OIG articulated in its report. Finally, although a city ordinance required local businesses to pay business taxes prior to conducting business, it had no process to ensure that local vendors to the city, such as the employee-vendor here, were paying the taxes.

### ***Ethics Compliance Review of Internet Posting of Financial Disclosure Forms***

The OIG issued a memorandum reporting its finding that it has completed its fourth review on whether Broward County's elected officials posted copies of their financial disclosure forms on a searchable

internet database as required by the Broward Ethics Code.

The OIG's initial review of 2017 Forms 1 and Forms 6 determined that 116 of the officials in office during 2017 (approximately 71%) had complied with the requirement.

As it has done for three prior compliance reviews, the OIG then contacted officials, government attorneys, and staff in an attempt to help bring the remaining 48 officials into compliance. By the end of our review, we found good cause to believe that two individuals who acted as Village of Lazy Lake officials had still failed to comply with this requirement.

After the OIG commenced an investigation into these failures, the village created a new website and posted the missing forms there. Thus, all current elected officials who were in office during 2017 are in full compliance with the requirement to post their 2017 Forms 1 and Forms 6 for public inspection on their respective entities' websites.

All Broward elected officials' 2018 financial disclosures were due on July 1, 2019. The OIG announced that it would begin reviewing this issue again in September 2019 to determine whether elected officials complied with this provision of the Broward Ethics Code for the year 2018. The OIG will open investigations into any apparent repeat violators as of our initial review, as well

as any other officials who fail to conform with this legal duty after attempts to help bring them into compliance.

### ***All Current Elected Officials Now in Compliance with the Training Certification Requirement for 2017***

The OIG commenced a compliance review in 2018 to determine whether each elected official had complied with the requirement of the Broward Ethics Code to take and certify completion of four hours of ethics training during the 2017 calendar year. At the conclusion of that review, the OIG determined there was good cause to believe that 14 municipal elected officials had failed to meet the certification requirement, and we opened an investigation on that basis.

As of the close of the investigation in September 2019, five of these officials had left office. Due to the efforts of the OIG in working with officials, their clerks, and their entities' attorneys during the review and the investigation, each of the remaining nine individuals had then filed the correct forms for public inspection, certifying that they took four hours of ethics training, at least two of which were "interactive" as the Broward Ethics Code requires, for calendar year 2017.

### ***Update: State Ethics Commission Finds Probable Cause on Former Commissioner Sanders***

Based on a November 2017 OIG referral, in September 2019, the Florida Commission on Ethics entered an order finding probable cause to believe that then-City of Hallandale Beach Commissioner Anthony Sanders committed eight violations of the state ethics code.

Mr. Sanders now faces trial by an administrative law judge.

The basis for the violations include that the specific circumstances of Sanders's employment as pastor of Higher Vision Ministries created a recurring conflict with or impeded the proper discharge of his duties as commissioner, that he voted on matters that he knew would financially benefit his relatives, that he solicited or accepted a thing of value with the understanding that his vote or judgment would be influenced, that he accepted a thing of value he should have known was given to influence him in his commissioner capacity, and that he used his public position to benefit himself or another.

The OIG made the referral after its investigation determined that Mr. Sanders repeatedly violated the state ethics laws while he was a commissioner. The OIG's findings included that Mr. Sanders voted to benefit Palms Community Action

Coalition (PCAC), a non-profit organization, by approximately \$898,320 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, a total of about \$38,688 for various services. PCAC also paid Higher Vision Ministries a \$2,000 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.

Mr. Sanders resigned his 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, Mr. Sanders admitted that he failed to file required forms disclosing outside or concurrent employment. He paid a \$5,000 fine to resolve the local charges.

### ***Ethics Education***

The OIG's ethics education program continued strongly this reporting period, with the OIG providing five free ethics training sessions for 90 attendees, primarily elected officials.

In November 2018, the OIG held a four-hour session on Ethics Laws for Newly Elected Officials. Seventeen elected officials, one city attorney, and two OIG Special Agents attended.

In April 2019, we conducted another four-hour session for newly elected officials, at which five participated.

In June 2019, we held a two-hour evening session on Florida and Broward Ethics Laws for Elected Officials. Ten officials, one assistant city attorney, and our Assistant Inspector General attended.

Finally, in September 2019, we held two two-hour classes, one on Florida and Broward Ethics Laws for Elected Officials, at which 22 officials and one Special Agent attended, and one on Florida Open Government Laws for Elected Officials, at which 29 elected officials and one city clerk participated. Since late 2012, we have provided ethics training on 36 occasions for over 688 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 and the Florida Elections Commission, for their action in matters detailed in the related program sections above.

During the fiscal year, the OIG hosted attorney visitors from Central and South America interested in the operation of the rule of law and the interaction between enforcement agencies and the courts within the U.S. We arranged for and facilitated the observation of proceedings, courthouse tours, and personal meetings between the eleven guest judges, prosecutors, legal analysts, and law enforcement agents and Third District Court of Appeal Chief Judge Ivan F. Fernandez and U.S. District Court for the Southern District of Florida Judge Beth Bloom. The visiting officials, from Argentina, Bolivia, Chile, Dominican Republic, Guatemala, Honduras, Paraguay, and Peru, visited the United States under the auspices of the U.S. Department of State's International Visitor Leadership Program and Global Ties Miami.

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 42nd Annual Local Government Law Conference, and the Florida Municipal Attorneys Association, and with agencies throughout the nation that are also charged with ethics investigations and prosecution as part of the Council on Government Ethics Laws annual conference.

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.

The public and press can stay up to date about our recent activity and access our new 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 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.

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](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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