



## BROWARD OFFICE OF THE INSPECTOR GENERAL

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### FOR IMMEDIATE RELEASE

December 5, 2017

#### *Billing Errors and Cost Savings in Coach Bus Transportation Services Contracts*

Broward Inspector General John W. Scott announced today that the Broward Office of the Inspector General (OIG) has issued a [final report](#) concluding the OIG's investigation regarding the above-referenced matter. Our investigation found that Academy Bus, LLC (Academy) overbilled the cities of Parkland, Sunrise and Coconut Creek for the provision of bus transportation services. Academy often billed Parkland and Sunrise for the estimated number of hours it expected to work, rather than "work actually performed and completed" as required by contract, resulting in inflated billings. We also found that Academy failed to provide all three cities with a contractually required fuel price adjustment, which caused the cities to pay more for bus transportation services than they should have. Our investigation resulted in the identification of Academy overbillings and estimated future cost savings to the three cities in the amount of \$123,422.67.

Our investigation established that Academy overbilled all three cities a total of at least \$55,298.52. We determined the overbillings stemmed from Academy violating a number of contractual provisions, including the two referred to above, all of which are addressed in this report. However, our investigation did not find that the overbillings amounted to misconduct. In addition, Academy has now reimbursed the entire amount of overbillings to Parkland and Sunrise, and Coconut Creek is withholding payments to Academy in the amount identified as due back to that city.

The OIG also found deficiencies in all three cities regarding contract administration, but those deficiencies did not rise to the level of gross mismanagement.

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

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

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John W. Scott, *Inspector General*

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