

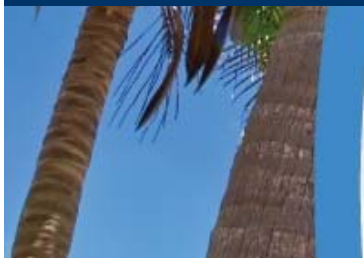


Enhancing Public Trust in Government

SIX MONTH STATUS REPORT

May 14, 2015

John A. Carey, Inspector General



OUTLINE



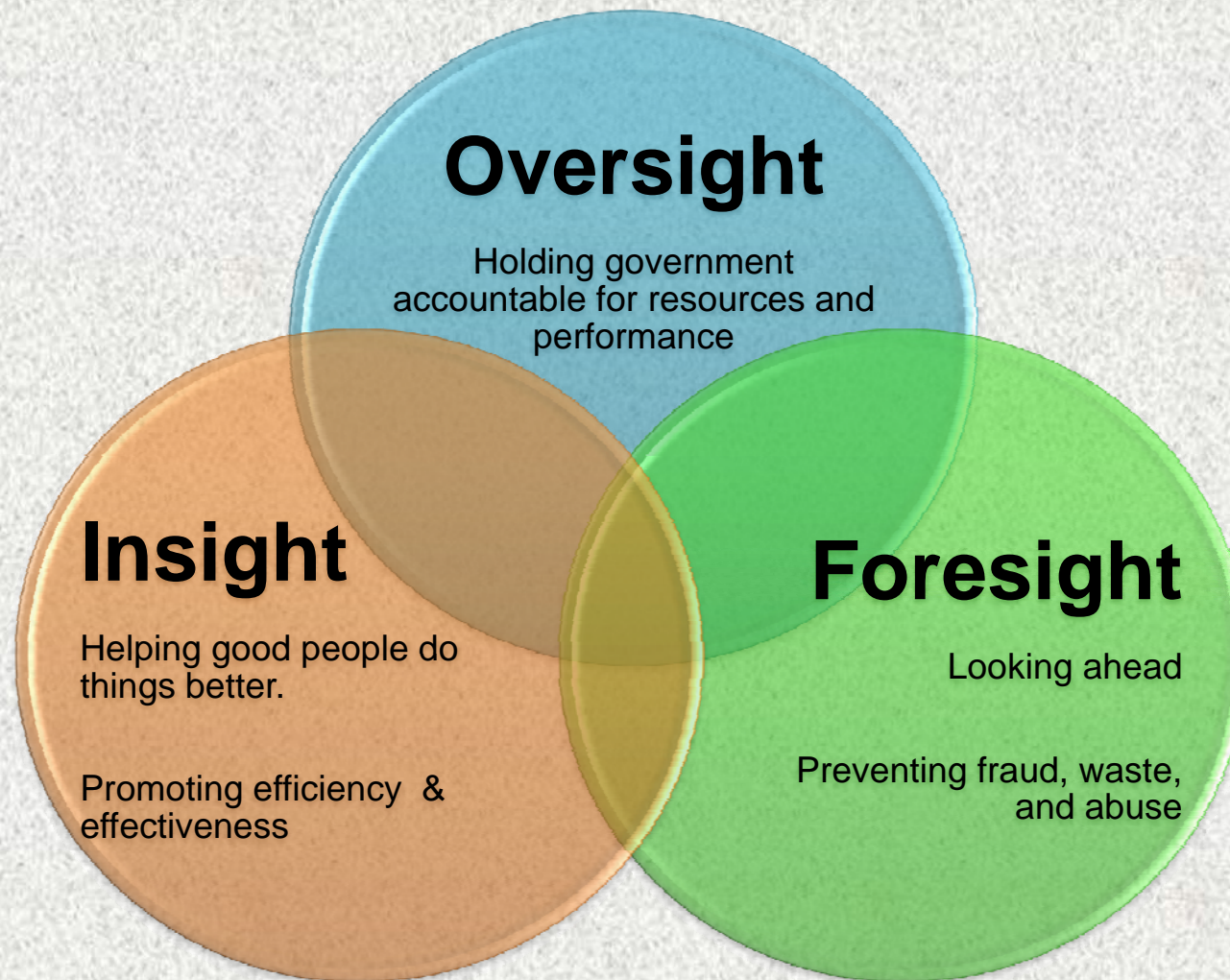
- **MISSION, FUNCTIONS, & RESPONSIBILITIES**
- **OIG ACTIVITIES** (October 1, 2014 – March 31, 2015)
- **FISCAL YEAR 2015 BUDGET & STAFFING**
- **LAWSUIT UPDATE**
- **PLANS, OBJECTIVES, & INITIATIVES**

MISSION AND FUNCTIONS



- ▶ **Our mission is to provide independent and objective insight, oversight, and foresight in promoting efficiency, effectiveness, and integrity in government.**
- ▶ **We accomplish this mission by conducting audits, investigations, and contract oversight activities.**
- ▶ **Ultimately, enhancing public trust in government.**

OUR OIG APPROACH



INSPECTOR GENERAL'S RESPONSIBILITIES



- **Publish Audit and Investigative Reports.**
- **Meet with Inspector General Committee every six months.**
- **Issue an Annual Report by December 31st.**



INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2014 – March 31, 2015

The Office of Inspector General consists of three Divisions:

- **Intake & Investigations**
- **Contract Oversight**
- **Audit**

INSPECTOR GENERAL SIX MONTH REPORT



October 1, 2014 – March 31, 2015

Intake & Investigations

Highlights

INSPECTOR GENERAL SIX MONTH ACTIVITIES



INTAKE ACTIVITIES

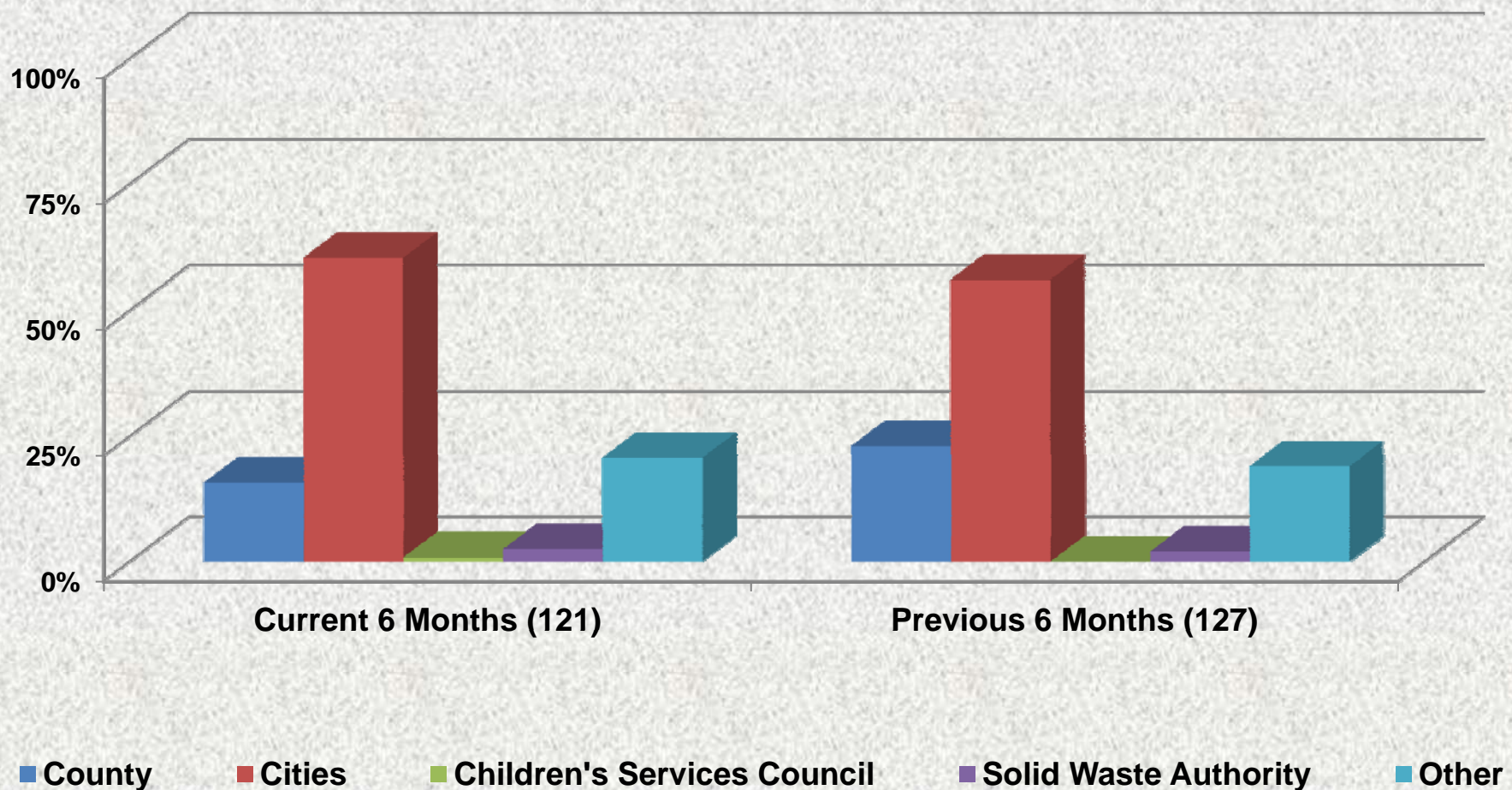
Current 6 Months	
424	Number of calls to the Office & Hotline
121	Written Correspondences received
	<ul style="list-style-type: none"> 86 (71%) Complaints consisting of 129 Allegations of wrongdoing
10	Correspondences led to the initiation of 4 Investigations; 1 referred to OIG Audit; and 5 referred to OIG Contract Oversight
14	Public Records Requests

Previous 6 Months	
536	Number of calls to the Office & Hotline
127	Written Correspondences received
	<ul style="list-style-type: none"> 102 (87%) Complaints consisting of 138 Allegations of wrongdoing
24	Correspondences led to the initiation of 5 Investigations; 3 referred to OIG Audit; and 16 referred to OIG Contract Oversight
16	Public Records Requests

INSPECTOR GENERAL SIX MONTH ACTIVITIES



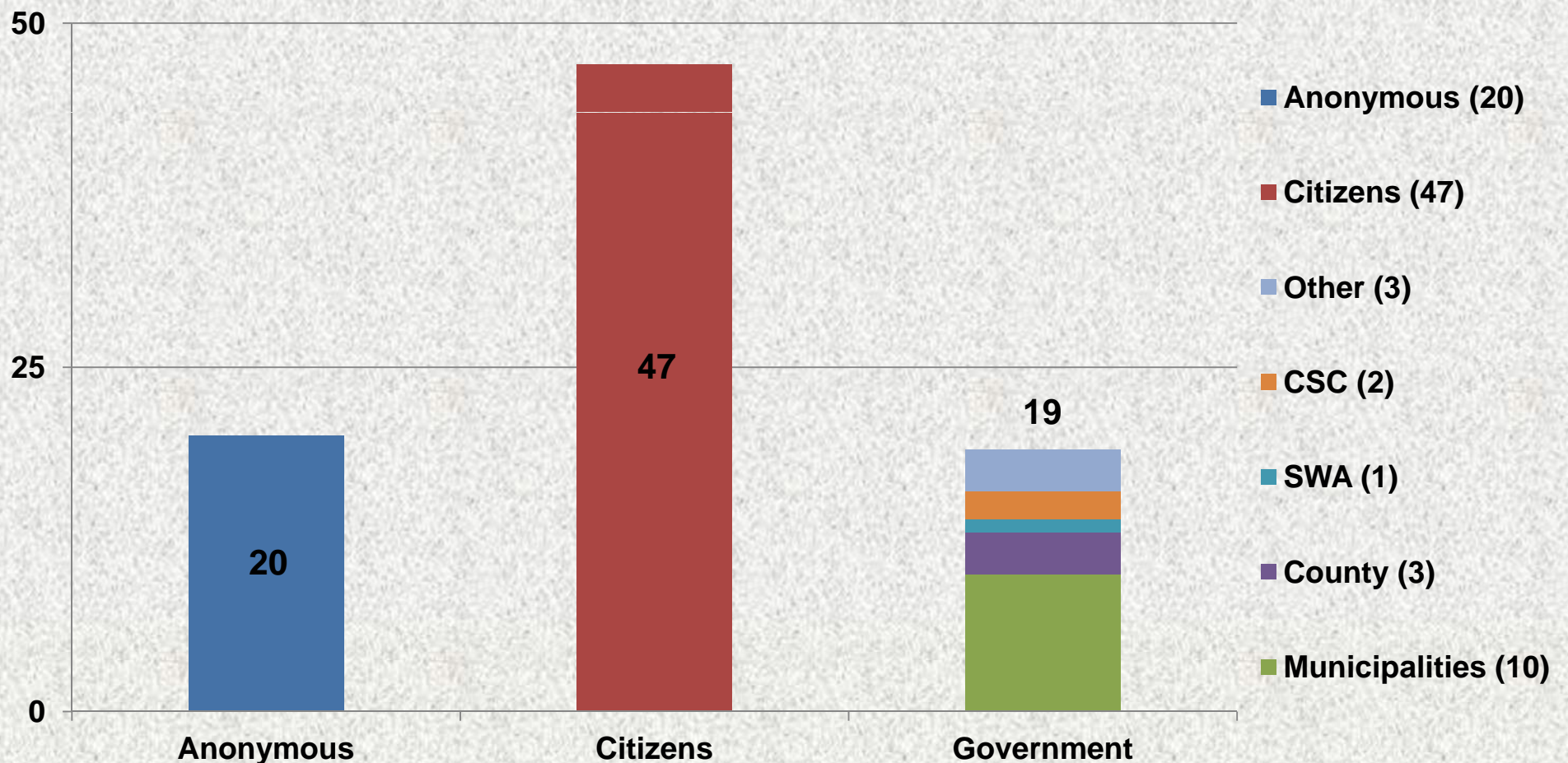
Total Correspondences



INSPECTOR GENERAL SIX MONTH ACTIVITIES



Complaint Reporting Sources – 86 of the 121 Correspondences

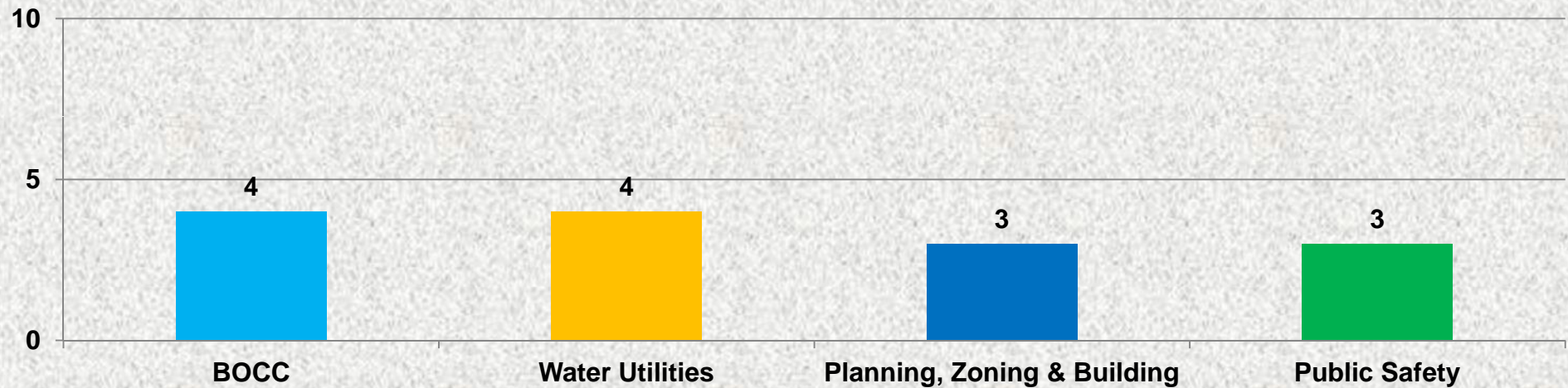


INSPECTOR GENERAL SIX MONTH ACTIVITIES

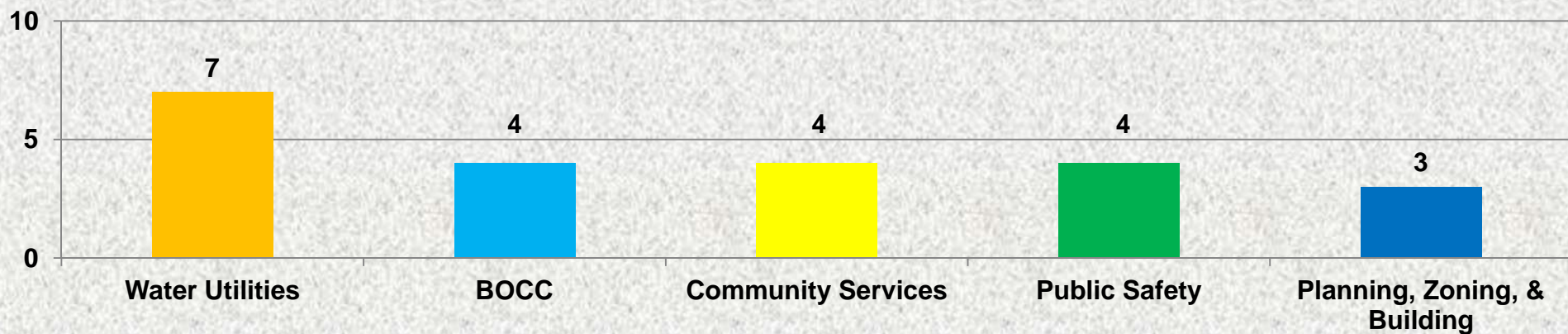


Top Correspondences Per County Department

Current 6 Months - Top County Departments



Previous 6 Months – Top County Departments



INSPECTOR GENERAL SIX MONTH ACTIVITIES



Top Correspondences Per Municipality

Top Cities	
Current 6 Months	Previous 6 Months
Delray Beach (24)	Delray Beach (9)
Lake Worth (8)	West Palm Beach (8)
West Palm Beach (7)	Loxahatchee Groves (6)
Loxahatchee Groves (5)	Boynton Beach (4)
Riviera Beach (5)	Lake Worth (4)
	Riviera Beach (4)

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Top Allegations Made

Current 6 Months

Current 6 Months	
Employee Misconduct	33
Contract Improprieties	6
Financial Improprieties	4
Theft	4

Previous 6 Months

Previous 6 Months	
Employee Misconduct	42
Contract Improprieties	10
Theft	7
Falsification, Omission, or Misrepresentation	3
Misuse of Property and Personnel	3

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Investigative Activities

**Current 6
Months**

**Previous 6
Months**

Issued Reports	1	2
Cases Initiated by OIG (Audit & Investigations) – Referred to PCU for Criminal Prosecution	6	6
Corrective Actions/Recommendations Made	3	8
Corrective Actions/Recommendations Implemented	0	8
Questioned and Identified Costs	\$19,537	\$662,368

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Investigation #2014-0011 Riviera Beach – Vehicle Leases

- A City Department Director misused his Purchase Card to lease vehicles even though his City Vehicle had been returned to him in operating condition.
- The City Department Director further falsified monthly expense reports in order to obtain the City Manager's continued approval.



2013 Chevy Camaro



2013 GMC Yukon



2013 Buick Enclave



2012 Chrysler 200

[Stock Photos of Vehicles Leased by Mr. Williams]

The City is currently in the process of reviewing the Corrective Action Recommendations.

The OIG released Tips and Trends 2015-0001.



City Vehicle RP825 parked in front of the Parks and Recreation Department
[photo taken on August 29, 2014]

Identified Costs

\$15,852

Questioned Costs

\$3,685

INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2014 – March 31, 2015

Contract Oversight

Highlights

INSPECTOR GENERAL'S SIX MONTH HIGHLIGHTS



Contract Oversight

PREVENTION: To reduce the appearance of and opportunity for vendor favoritism and inspire public confidence that contracts are being awarded equitably and economically, Contract Oversight staff routinely attend selection committee meetings and perform contract oversight activities.

- **Current Number of Contracts Monitored: 24**
- **Current Contract Value: \$1.06 Billion**
- **Number of Procurement Meetings Attended: 56**

INSPECTOR GENERAL SIX MONTH REPORT



October 1, 2014 – March 31, 2015

Contract Oversight

**Current 6
Months**

**Previous 6
Months**

Issued Reports	2	5
Recommendations Made	3	10
Recommendations Implemented	3	9
Questioned and Identified Costs	\$198,674	\$917,477
Avoidable Costs	\$0	\$0

INSPECTOR GENERAL'S SIX MONTH ACTIVITIES



Contract Oversight Notification 2014-N-0133 City of Riviera Beach Survey Projects

Finding:

The City **complied** with the requirements of section 287.055 Florida Statutes – The Consultants' Competitive Negotiation Act (CCNA) when entering into contracts with engineering /architectural firms. However, it **did not comply** with this state law when entering into contracts with surveyor firms.

Recommendation/Corrective Action:

The City should comply with the requirements of the CCNA, which requires competitive procurement of surveyor firms when the basic construction cost of the project exceeds \$325,000; or when the professional services related to a planning or study activity exceed \$35,000.



Questioned Costs = \$9,674

INSPECTOR GENERAL'S SIX MONTH ACTIVITIES



Contract Oversight Notification 2014-N-0086

City of Riviera Beach

Professional Service Agreements – Marina Grants Project Manager

Findings:

The City repeatedly allowed the vendor to continue working after the contract expired, which resulted in the City Council passing retroactive resolutions.

The City did not ensure that the monthly invoice/progress reports were submitted as required by the Professional Service Agreements.

Recommendation/Corrective Action:

The City should implement contract administration activities to ensure that vendors do not provide services after appropriated funds have been expended.

The City should ensure that the current Professional Service Agreement for the Marina Grants Project Manager is performed in accordance with its established terms and conditions.

The City has begun implementing corrective actions.



Questioned Costs = \$189,000

INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2014 – March 31, 2015

Audit

Highlights

INSPECTOR GENERAL'S SIX MONTH ACTIVITIES



October 1, 2014 – March 31, 2015

Audit Activities

**Current 6
Months**

**Previous 6
Months**

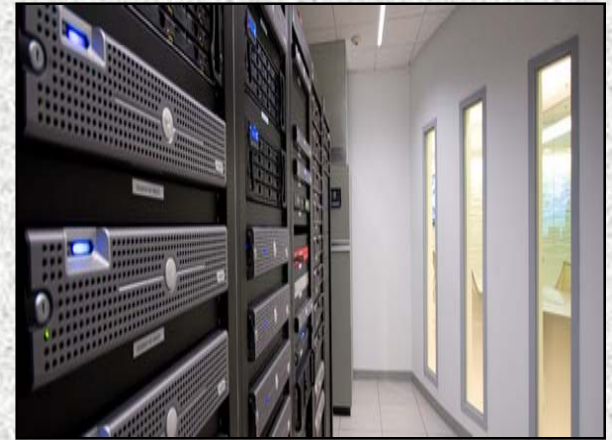
Issued Reports	2	1
Recommendations Made	42	14
Recommendations Implemented	17	5
Questioned and Identified Costs	\$880,504	\$1,044,625
Avoidable Costs	\$1,040,084	\$128,676

INSPECTOR GENERAL'S SIX MONTH ACTIVITIES



Audit Report 2015-A-0001 Children's Services Council – Information Systems Management

- **Positive Results** - Information management security is well managed and controlled.
- **Recommendations for further improvement:**
 - CSC should contract for a third party penetration test.
 - Formally document the change control process.
 - Perform and document a full disaster recovery test; and
 - Include third party support in its Emergency Management Guidelines.



Corrective Actions Taken:

- CSC has completed penetration testing with a third party specialist.
- A full system disaster recovery test was performed and test results have been documented.
- Policy and procedure review was completed in March 2015.

INSPECTOR GENERAL'S SIX MONTH ACTIVITIES



Audit Report 2015-A-0002-City of Riviera Beach Audit of Cash Disbursements

FINDINGS: Overall internal controls need improvement.

We had findings in the following areas:

- Contracting
- Purchase Orders/Requisition Processing
- Segregation of duties
- Purchase Card and Other Credit Card Programs
- Utility Payments
- Fuel Program

Questioned Costs
\$880,504

**Potential Avoidable
Costs**
\$1,040,084

Corrective Actions: 34 of 38 recommendations accepted, 13 implemented.

- > New Contract Administrator > Internal Auditor
- > New Fuel System > Segregation of Duties Fixed
- > Contract Payment Processing Improved



OIG RETURN ON INVESTMENT



	October – March 2015	June 2010 – Present
Questioned Cost A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable and/or lacks adequate documentation.	\$1,082,863	\$13,113,301
Identified Cost Those dollars that have the potential of being returned to offset the taxpayers' burden.	\$15,853	\$1,783,230
Cost Avoidance Dollar value that will not be spent over three years if OIG's recommendations are implemented.	\$1,040,084	\$9,194,436
Recommendations/Corrective Actions	48	431
Calls and Correspondences	336	7,840

At the End of the Day, the OIG Provides Trust in Government.

INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2014 – March 31, 2015

Significant Recent Reports Published After the Reporting Period

RECENT OIG CASE RELEASES



Investigation #2014-0009 WB Palm Beach County – Engineering Department – CCNA Selection

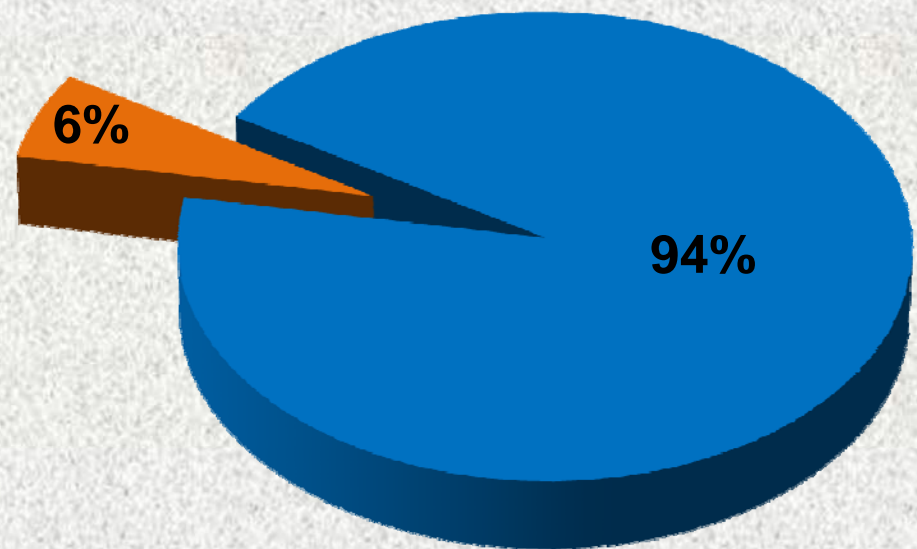
- The Deputy County Engineer, as the Chair of a Committee, improperly voted for competitors with whom she maintained close personal relationships.

Inconclusive

- The Deputy County Engineer also improperly influenced votes of subordinate Committee members.

Inconclusive

- The County Engineering Department's policies and practices are not in line with the CCNA Act. **Not Supported**



Of the **18** Projects involving her
"friends," the Committee Chair
voted to move them forward **17 of**
the 18 times (94%)

RECENT OIG CASE RELEASES



Investigation #2014-0009 WB (Cont'd) Palm Beach County – Engineering Department – CCNA Selection

While none of the allegations were supported, significant issues were uncovered requiring the following recommended corrective actions:

- The County take appropriate personnel action.
- The County implement a policy requiring County employees, with procurement responsibilities, to recuse themselves in matters that involve those with whom they have personal or private relationships that could reasonably be a perceived or actual conflict.
- The County address the current makeup of the Committee, so that neither the Chair nor any other member is in a position to improperly influence the outcome of the Committee decision.
- The County Engineering Department eliminate the preliminary short list step and score and rank all proposers.

The County agreed with all of the OIG's Recommended Corrective Actions and is taking immediate actions to change their Policies and Procedures.

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Contract Oversight Notification Addendum 2015-N-0001 Delray Beach Solid Waste and Recyclable Materials

The City's previous commission rejected the OIG recommendation to competitively solicit waste collection services. The City incurred additional costs until a new commission competitively procured these services.

Questioned Costs
\$3 million



By implementing previous OIG recommendation (2012-N-0002) and entering into a contract resulting from a competitive procurement, the City and its residents will realize significantly reduced waste collection fees.

Avoidable Costs
\$9 million

INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2014 – March 31, 2015

Training and Outreach

MARCH: NATIONAL ETHICS AWARENESS MONTH



MARCH IS NATIONAL ETHICS AWARENESS MONTH



41% of U.S. workers surveyed said they observed unethical or illegal misconduct on the job.

It is up to all of us to do the right thing and stop fraud wherever it exists. It is not just about money. It's about our reputation. It's about our pride. It's about who we are and what we do speaking louder for us than the few that don't protect the assets of the citizens of Palm Beach County.

We are good stewards!

REPORT FRAUD, WASTE OR ABUSE

REPORT ETHICS VIOLATIONS



Office of Inspector General
HOTLINE:
(877) 283-7068
www.pbcgov.com/oig



Commission on Ethics
HOTLINE:
(877) 766-5920
palmbeachcountyethics.com

4th Annual High School ETHICS BOWL March 7, 2015

March is National Ethics Awareness Month

Unity
FAIRNESS
Love Freedom
Truth
Solidarity
Loyalty
Justice
RESPECT
HONESTY
Caring
Competence
RESPONSIBILITY
Citizenship
COMPASSION
SharedValues
INTEGRITY

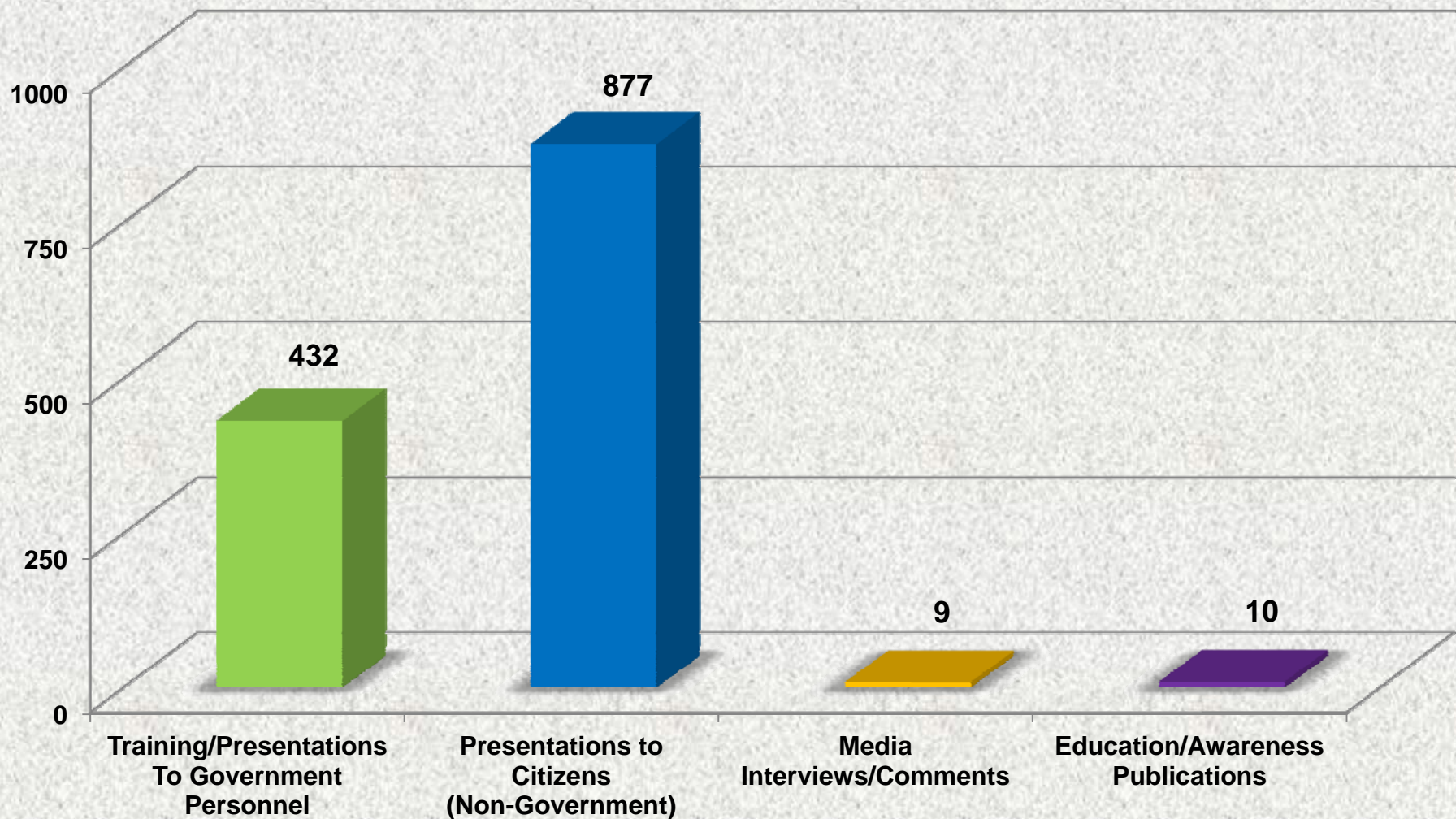
Ethics Is Everybody's Business!

The Center for Applied Ethics at Palm Beach State College invites all leaders and members of the community to join in learning more about ethics in Palm Beach County and to strive for ethical actions in all aspects of their daily life.

PALM BEACH STATE COLLEGE
CENTER FOR APPLIED ETHICS

Visit us to learn more at
www.palmbeachstate.edu/CAE

TRAINING AND OUTREACH



TRAINING AND OUTREACH

Education/Awareness Publications & Announcements



OFFICE OF INSPECTOR GENERAL NEWSLETTER

"A Quarterly Publication of the Office of Inspector General, Palm Beach County"



2014 ANNUAL REPORT



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

OIG TIPS AND TRENDS #2015-0002
FEBRUARY 2015



Inspector General
Accredited

Ensuring That Spending Has A Clear Public Purpose



Count-e-Line

e-newsletter for Palm Beach County employees



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

OIG Tips and Trends #2015-0001
January 2015



Inspector General
Accredited

***Vehicle Leases – Unnecessary Additional Insurance
Coverage Options Can Cost Taxpayers Thousands***



INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2014 – March 31, 2015

Budget and Staffing

INSPECTOR GENERAL FY 2015 BUDGET & STAFFING



OIG Budget & Staffing

- Annual Budget: **\$2.8 M**
- Total Structure: **40**
- Current Funded Positions: **23**
- Current On-Hand Personnel: **20**

\$1.71

That's what the
average person
spends on 1 cup of
coffee



Compare with OIG Oversight Responsibilities

- County, Cities, SWA, and CSC
Employees: **13,000**
- County, Cities, SWA, and CSC
- Combined Budgets: **\$7.5 Billion**
- Current Contract Value Monitored:
\$1.06 Billion
- “Auditable Units” identified: **788**

INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2014 – March 31, 2015

Lawsuit Update

LAWSUIT STATUS UPDATE



- The 2011 municipal lawsuit challenging the requirement to pay a share of OIG funding was finally brought to trial in August, 2014.
- On March 12, 2015 the Court ruled that requirement for the municipalities to contribute to the OIG's funding is a voter supported fee and is not unlawful.
- On March 26, the municipalities filed a motion for a rehearing. On April 10, the trial Court denied a rehearing.
- The municipalities have now filed an appeal.



INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2014 – March 31, 2015

Plans, Objectives, and Initiatives

PLANS, OBJECTIVES, AND INITIATIVES



Refocusing OIG limited resources:

- Audit: Continue Risk Assessment
- Investigations: Analyze anomalies/red flags
- Contract Oversight: Outcomes over output

Continuing IG awareness/info sharing initiatives:

- Internal (Government) Awareness Initiatives
- Business/City Manager Stakeholders Meetings
- Citizens Outreach

WHO INSPECTS THE INSPECTORS?



Commission for Florida Law Enforcement Accreditation (CFA)

- Re-Accreditation confirmed on February 25, 2015
- Assessment report *“The OIG is a professional, well trained and engaged unit. This office has embraced their responsibilities as a steward of public trust for the citizens....The assessment was flawless....”*



PEER REVIEW

- Association of Inspectors General (AIG)
 - Planned for August 2015

WEBSITE



Home Report Waste, Fraud, or Abuse Be Informed Tips, Trends, & Training About The OIG Contact Us

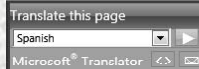
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OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

"ENHANCING PUBLIC TRUST IN GOVERNMENT"

John A. Carey
Inspector General



IG Hotline: 877-283-7068
(Toll Free)



Re-Accredited February 25,
2015, CFA IG-012

site search by findit

Welcome from the Inspector General

Thank you for visiting the website of the Office of Inspector General (OIG). **Our purpose** (why we exist) is to provide independent and objective insight, oversight, and foresight in promoting efficiency, effectiveness, and integrity in government. **Our promise** (what we do) is to accomplish this through conducting audits, investigations, and contract oversight activities. **Our values** (how we behave) of Professionalism, Respect, Integrity, Dedication, and Excellence reflect our **PRIDE** in serving the citizens of Palm Beach County.

By vote of the citizens, our jurisdiction includes the County Government and each of the 38 municipalities. Other public entities that have voluntarily entered into contracts for our oversight include the Children's Services Council and the Solid Waste Authority.

It is an honor to serve as the IG of Palm Beach County. I am committed to championing openness, integrity, and continuous improvement in government.

Sincerely,
John A. Carey
Inspector General

[Inspector General John A. Carey - Open Letter to the Citizens of Palm Beach County](#)

What Have We Done / What Are We Doing?

6/28/2010 - 3/31/2015

We Listen

6,424 Hotline / Office Calls

1,416 Correspondences

We Guard and Save Taxpayers' Dollars

\$13,113,301 Found in [Questioned](#) Costs

\$1,783,230 Found in [Identified](#) Costs

\$9,104,436 Discovered in [Avoidable](#) Costs

We Make Government Better

431 [Recommendations / Corrective Actions](#)

354 Implemented

27 Not Implemented

50 Pending Implementation

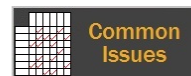


Updated 4/17/2015

30 Seconds About the Office of Inspector General



The OIG needs your help. To report allegations or see illustrations of suspected waste, fraud, misconduct, mismanagement or other abuses, click the icon above.



A listing of common issues found by our staff while performing Audit, Investigative and contract oversight activities. The list contains reports where each issue was found.

OIG Six Month Status Report

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What's New

[IG Committee Meeting - Thursday, May 14, 2015 - 9:00am](#)

[NOW HIRING! - General Counsel](#)

[OIG Newsletter - Spring Edition 2015](#)

[IG Funding Lawsuit Final Judgment](#)

[NOW HIRING! - Auditor III](#)

[02-25-15 OIG Gets Re-Accreditation](#)

[NOW HIRING! - Director of Audit](#)

[2015-0002 - Public Purpose](#)

[2015-0001 - Vehicle Leases](#)

Recent Reports

For a list of all reports completed this fiscal year
[\(click here\)](#).

[04-16-15 PBC - Engineering Department - CCNA Selection - 2014-0009\(Whistleblower\)](#)
The report has been redacted pursuant to the requirements of 112.3187 and 112.3188 (1) F.S., the "Whistle-blower's Act."

[01-21-15 - Riviera Beach - Cash Disbursement Controls Audit - 2015-A-0002](#)

[01-13-15 - Riviera Beach - Professional Service Agreements - Marina Grants Project Manager 2014-N-0086](#)

[12-30-14 - Riviera Beach - Vehicle Leases - 2014-0011](#)

[12-23-14 - CSC - Information Management Security Program Audit](#)



THANK YOU!

visit us online at www.pbcgov.com/OIG

