



# ***SIX MONTH STATUS REPORT***

***October 1, 2019 – March 31, 2020***

**John A. Carey, Inspector General**

# ***OUTLINE***



- **MISSION, TEAM, AND TERMINOLOGY**
- **OIG ACTIVITIES** (October 1, 2019 – March 31, 2020)
- **BUDGET AND STAFFING**
- **LEGAL UPDATE**
- **PLANS, OBJECTIVES, & INITIATIVES**
- **SUMMARY OF MAJOR ACCOMPLISHMENTS**



# OIG MISSION



**Integrity**

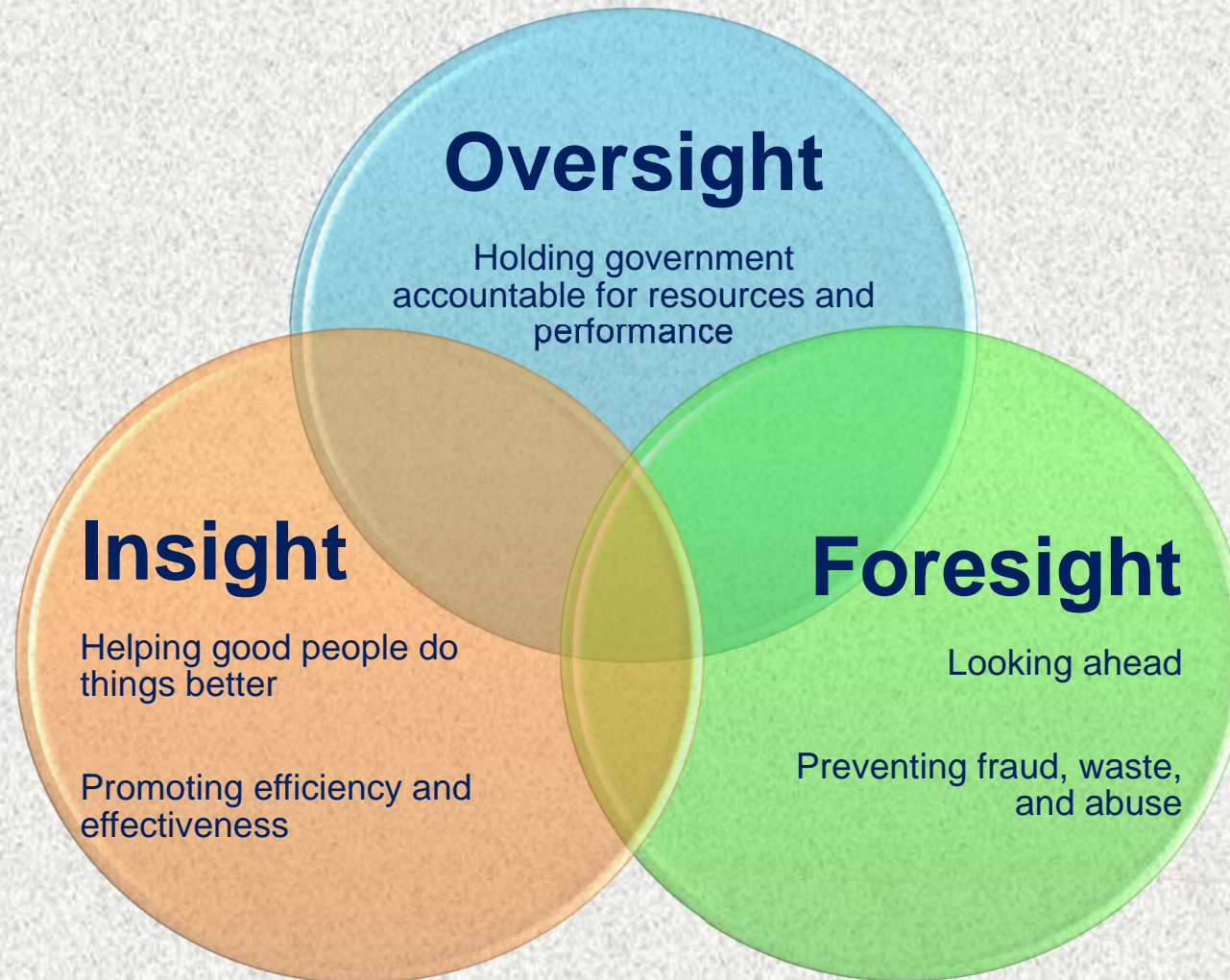
**Efficiency**

**Effectiveness**



**WATCHDOG**

# OUR OIG APPROACH





# THE OIG LEADERSHIP TEAM

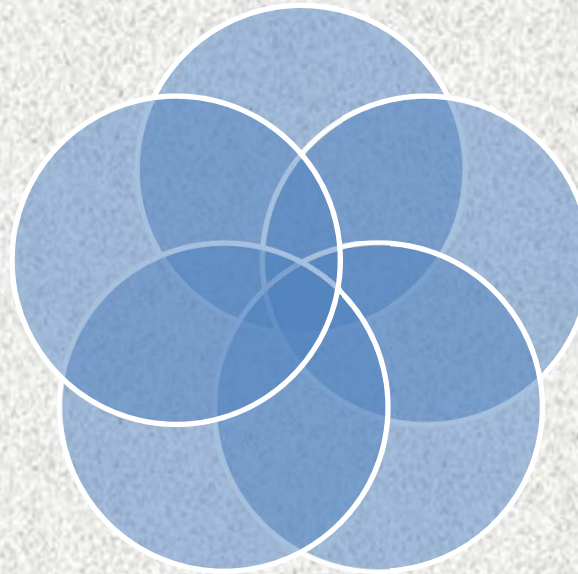


John  
Carey

IG

Stuart  
Robinson  
Investigations

Hillary  
Bojan  
Audits



Kalinthia  
Dillard  
Deputy IG/  
GC

Karen  
Mayer  
Contract  
Oversight/  
Evaluations

# ***NEW OIG TEAMMATES***



**Executive Assistant  
Barbara Bellafiore**

**Intake Specialist  
Tesia Morris**





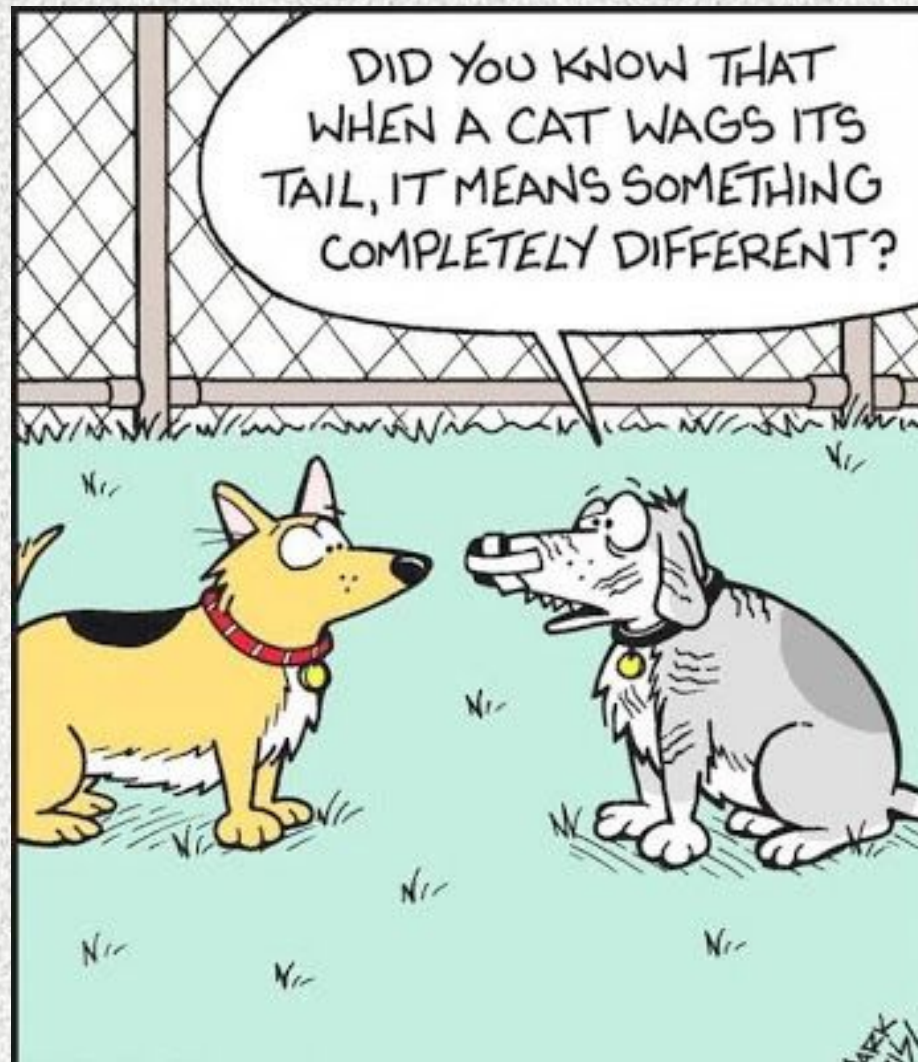
# STAFF ACCOMPLISHMENTS



- **Kalinthia Dillard**  
**Certified IG Auditor**  
**Certificate in Critical Thinking-**  
**Cornell University**
- **Anthony Bennett**  
**Certified IG Investigator**
- **Shaun Robinson**  
**Certified IG Auditor**
- **Linda Connor**  
**Certified IG Auditor**
- **Tiffany Thomas**  
**Certified IG Inspector/Evaluator**



# IMPORTANCE OF TERMINOLOGY





# QUESTIONED COSTS



Costs or financial obligations that are questioned because of a violation of a provision of a law, regulation, contract, grant, policy or procedure, or document governing the expenditure of funds; a finding that such cost or financial obligation is not supported by adequate documentation; or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of potential fraud or waste.

# ***POTENTIAL COSTS SAVINGS***



Costs identified for return to offset the taxpayers' burden, or future savings.

Potential Costs Savings are "Identified" and/or "Avoidable" costs.



# ***IDENTIFIED COSTS***



Costs that have been identified as dollars that have the potential of being returned to the entity to offset the taxpayers' burden.

# ***AVOIDABLE COSTS***



Costs an entity will not have to incur, lost funds, and/or an anticipated increase in revenue following the issuance of an OIG report and implementation of the OIG recommendations.

Typically will be three years from the issuance of the OIG report, except in instances where it involves a contract with a specified contract period. In those cases, the Avoidable Costs will be calculated based on the time remaining on the contract.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2019 – March 31, 2020**

## **Office of Inspector General Activities Related to:**

- **Intake and Investigations**
- **Contract Oversight *and Evaluations***
- **Audit**
- **Training and Outreach**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2019 – March 31, 2020**

## **Intake and Investigations Highlights**



# INSPECTOR GENERAL'S SIX MONTH REPORT



## Intake Activities

Current 6 Months		Previous 6 Months	
77	Complaints of wrongdoing	82	Complaints of wrongdoing
23	<p><b>Intake Activities led to:</b></p> <ul style="list-style-type: none"> <li>- 1 Investigations</li> <li>- 4 Referrals to OIG Contract Oversight and Evaluations Division</li> <li>- 0 Referrals to OIG Audit Division</li> <li>- 6 Referrals to LEAs or COEs</li> <li>- 1 Management Inquiries</li> <li>- 11 Management Referrals</li> </ul>	28	<p><b>Intake Activities led to:</b></p> <ul style="list-style-type: none"> <li>- 3 Investigations</li> <li>- 4 Referrals to OIG Contract Oversight and Evaluations Division</li> <li>- 0 Referrals to OIG Audit Division</li> <li>- 4 Referrals to LEAs or COEs</li> <li>- 2 Management Inquiries</li> <li>- 15 Management Referrals</li> </ul>
14	Public Records Requests	16	Public Records Requests

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2019 – March 31, 2020**

## **Investigative Activities**

**Current 6  
Months**

**Previous 6  
Months**

<b>On-going Investigations or Investigative Reviews</b>	<b>8</b>	<b>14</b>
<b>Referrals to Law Enforcement or to County or State Commissions on Ethics</b>	<b>9</b>	<b>6</b>
<b>Issued Reports</b>	<b>2</b>	<b>4</b>
<b>Recommendations Made/Accepted</b>	<b>2/2</b>	<b>5/5</b>



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Investigative Report 2019-0003 : Palm Beach County Parks & Recreation Department FEMA Reimbursement**

**ALLEGATION:** PBC Parks and Recreation Department submitted a fraudulent claim to FEMA for reimbursement after 2017 Hurricane Irma.

**FINDINGS:** NOT SUPPORTED

- Although Parks and Recreation Department submitted an inaccurate claim to FEMA, there was insufficient evidence that the inaccurate claim was submitted with intent to defraud FEMA.
- Department officials took appropriate, timely steps to notify FEMA of the inaccurate claim.
- FEMA did not reimburse the County for expenditures and costs unrelated to Hurricane Irma.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Investigative Report 2019-0006 : Safeguard Document Destruction**

**ALLEGATION:** County provider Safeguard Document Destruction invoiced the County for shredding/destruction services without weighing the documents in compliance with contract requirements.

**FINDINGS: SUPPORTED**

- Safeguard Document Destruction violated County Shredding/Destruction services contract.



**CORRECTIVE ACTIONS:**

- The County and Safeguard Document Destruction will ensure that County Departments are properly billed for shredding/destruction services.
- Improved internal controls in the County and for Safeguard Document Destruction.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2019 – March 31, 2020**

## **Contract Oversight and Evaluations Highlights**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2019 – March 31, 2020**

## **Contract Oversight and Evaluations**

**Current 6  
Months**

**Previous 6  
Months**

	<b>Current 6 Months</b>	<b>Previous 6 Months</b>
<b>Issued Reports</b>	<b>2</b>	<b>2</b>
<b>Recommendations Made</b>	<b>10</b>	<b>0</b>
<b>Recommendations Accepted</b>	<b>10</b>	<b>0</b>
<b>Issued Tips and Trends</b>	<b>2</b>	<b>3</b>

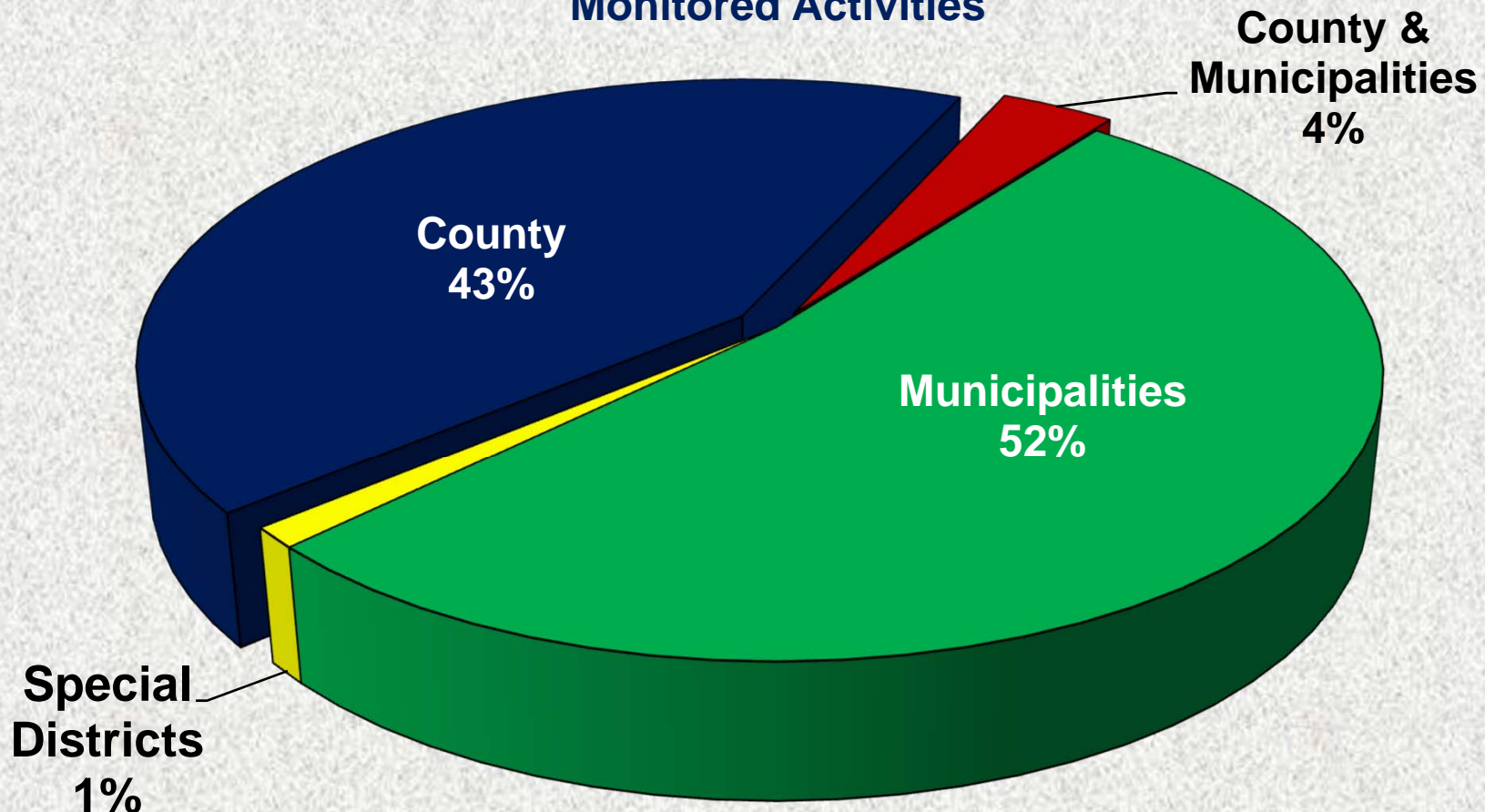


# INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2019 – March 31, 2020

## Contract Oversight and Evaluations Division Monitored Activities



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**Contract Oversight Report CA-2019-0065  
City of Riviera Beach  
Follow Up Review to OIG Audit 2019-A-0003**

**THIS WAS A FOLLOW UP REVIEW REGARDING  
MISSING CITY PROPERTY FROM A PREVIOUS AUDIT.**

## **FINDINGS:**

- **13 of the 17 missing items remain unaccounted for.**



## **OBSERVATIONS:**

- **Item purchase prices were below the inventory threshold value of \$1,000.**
- **Purchase receipt descriptions were insufficient for tracking purposes.**
- **Staff turnover and a lack of documentation hampered location of the items.**
- **The City is developing relevant policies and purchased a small equipment inventory program to track purchases.**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Contract Oversight Report CA-2019-0074 City of Pahokee – Review of Technomarine Construction, Inc. Contracts**

### **FINDINGS:**

- **City Manager improperly authorized the payment of \$150,000 to Technomarine in violation of the Florida Department of Economic Opportunity (FDEO) Grant Agreement.**
- **The City failed to comply with Florida Statutes, by not requiring Technomarine to secure a payment and performance surety bond before beginning any work and by paying Technomarine before receiving a certified copy of the recorded bond.**
- **The City violated City Ordinances and the FDEO Agreement by not issuing a competitive solicitation for services.**
- **Technomarine submitted a false Pay App for \$150,000 to the City certifying completed work not completed.**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**Contract Oversight Report CA-2019-0074 (Continued)  
City of Pahokee – Review of Technomarine Construction, Inc. Contracts**

## **OUTCOMES:**

- Offered ten (10) recommendations that will assist the City strengthening internal controls and enhancing compliance with the City's agreements and applicable laws and ordinances.
- Referred City violations of Florida Statutes to FDEO Office of Inspector General.
- Referred Technomarine to State of Florida, Department of Legal Affairs for review of potential violation of Florida Statutes (false claim).

**Questioned Costs  
\$150,000**





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**Contract Oversight Activities**  
Much of our impact happens “below the water line.”



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2019 – March 31, 2020**

## **Audit Highlights**



# INSPECTOR GENERAL'S SIX MONTH REPORT



October 1, 2019 – March 31, 2020

## Audit Activities

Current 6  
Months

Previous 6  
Months

Issued Reports	2	6
Recommendations Made	38	97
Recommendations Accepted	38	84*
Questioned Costs and Potential Cost Savings	\$37,333	\$1,119,049
Referrals	1	6
Issued Tips and Trends	0	3

# INSPECTOR GENERAL'S SIX MONTH REPORT



## Audit Report 2020-A-0001 –Town of Palm Beach Internal Controls and Data Security

### FINDINGS:

- Generally adequate controls for:
  - Segregation of duties,
  - Physical security of computers and IT equipment,
  - Security breaches and incidents,
  - Records retention,
  - Malware and virus protection, and
  - Detecting misuse of information and monitoring information use.
- Some weaknesses in internal controls and data security.



### CORRECTIVE ACTIONS:

- Revising the IT policy for increased controls.
- Limiting access to only authorized employees.
- Reviewing user access annually.
- Training staff on revised policy, and confidential nature of the driver license and motor vehicle information.



# INSPECTOR GENERAL'S SIX MONTH REPORT



## Audit Report 2020-A-0002 – Town of Haverhill – Revenue

### FINDINGS:

- Lost potential interest revenue.
- Lacked sufficient controls, review, and oversight for revenue, cash receipt, and financial reporting processes.
- Lacked adequate written policies and procedures for revenue and cash receipt activities.
- Potential Sales Tax owed for rental of pavilion and baseball field.
- Lacked adequate written guidance for IT processes.

**Questioned Costs  
\$284.34**

**Avoidable Costs  
\$37,049**



### Corrective Actions:

- Remitting the sales tax owed for rentals.
- Implementing and updating internal control processes and written guidance.
- Staff will be trained on new and updated policies.

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2020 – current**

**Recent Reports Published  
After the Reporting Period  
Noted by Media**



# INSPECTOR GENERAL'S SIX MONTH REPORT



## Audit Report 2020-A-0003 –City of Riviera Beach Employment Separation Process

### FINDINGS:

- Insurance benefits paid for separated employees.
- Tuition refunded to separated employees was not recouped as provided by labor agreements.
- Final payouts to former employees were not in compliance with policy, or labor agreements or lacked adequate documentation.
- Computer access of some separated employees was not timely removed.

**Questioned Costs**  
**\$1,261,950.48**

**Avoidable Costs**  
**\$4,968.08**



### Corrective Actions:

- Implement a review and oversight process to ensure insurance benefits are not paid for separated employees.
- Implement written policies and procedures for the employment separation process.

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2019 – March 31, 2020**

## **Training and Outreach**

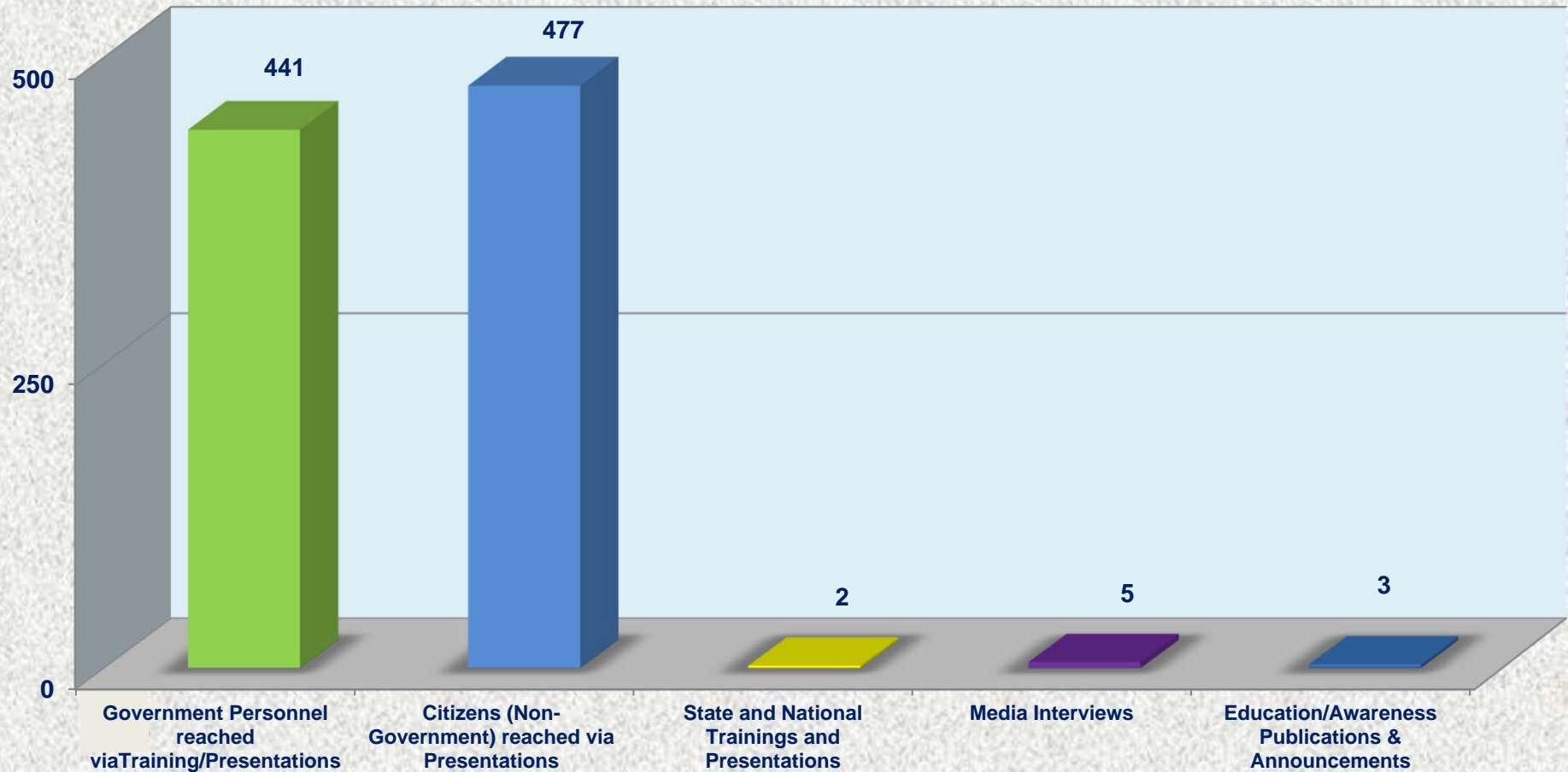


# TRAINING AND OUTREACH



October 1, 2019 – March 31, 2020

*An ounce of outreach is worth a pound of enforcement.*



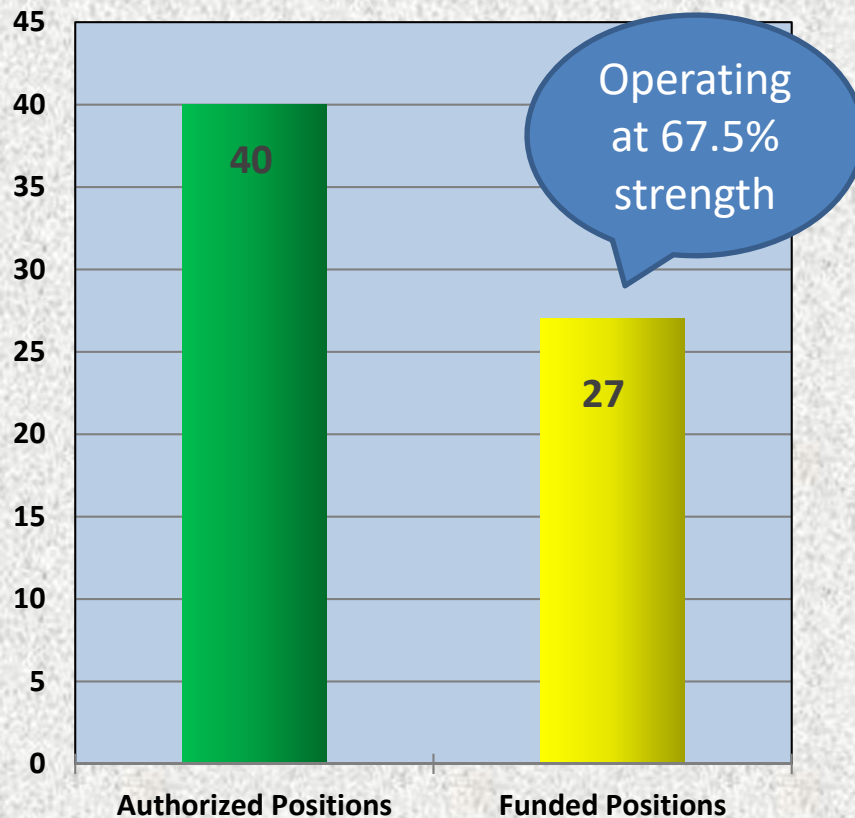
# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Budget and Staffing**



# INSPECTOR GENERAL BUDGET & STAFFING



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Legal Update**



# ***COURT RULING ON COMPLAINTS TO OIG***



***ISSUE:*** On March 13, 2018, a citizen filed a Petition asking the Court to order the OIG to provide a copy of a complaint relating to an open investigation and award him costs and attorney’s fees under the Florida Public Records Act.

Citizen relied on several Attorney General Opinions to argue that an initial complaint is not exempted from disclosure under the Public Records Act.

On August 28, 2018, the trial court ruled that the complaint was exempt from disclosure until the investigation was complete.



# ***COURT RULING ON COMPLAINTS TO OIG***



**On October 8, 2019, the Citizen and PBC OIG argued the case before the Fourth District Court of Appeal.**

**Seven Offices of Inspectors General filed Amicus Briefs in support of the PBC OIG's position.**

**On December 18, 2019, the 4<sup>th</sup> DCA relied upon s. 112.3188 to issue an opinion affirming the trial court's decision. The opinion effectively invalidated several AGO opinions.**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Plans, Objectives, and Initiatives**

# ***PLANS, OBJECTIVES, AND INITIATIVES***



## **OIG Vision Statement:**

To **promote positive change** throughout local governments and public organizations in Palm Beach County with an **inspired and skilled team** that strives for **continuous improvement**.

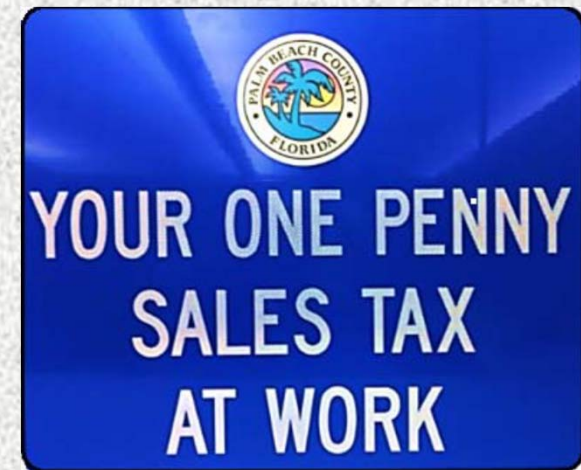




# PLANS, OBJECTIVES, AND INITIATIVES



- Continuing partnerships with Law Enforcement
- Continued expanding Contract Oversight and Evaluations
- June 28, 2020 =



# PLANS, OBJECTIVES, AND INITIATIVES



## The Palm Beach Post REAL NEWS STARTS HERE

### Coronavirus Florida: County deciding how to spend \$261 million federal infusion

- **CARES Act established a special inspector general and special committee to oversee pandemic recovery, loans, and other uses of taxpayer dollars.**
- **Association of IGs, John Jay College of Criminal Justice, and CIGIE coordination.**





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**June 28, 2010 – March 31, 2020**

## **SUMMARY OF MAJOR ACCOMPLISHMENTS TO DATE**

# ACCOMPLISHMENTS TO DATE



June 28, 2010 – March 31, 2020

## We Listen.

- **11,700 (+)** Hotline/Office Calls and Correspondences



We offer an *independent* office for citizens in and out of government to bring concerns, questions, and complaints.

**OUTPUT: At the End of the Day, “Enhancing Public Trust in Government.”**



# ACCOMPLISHMENTS TO DATE



June 28, 2010 – March 31, 2020

We Guard and Save  
Taxpayers' Dollars.



- **\$47.4 M** Found in Questioned Costs
- **\$24 M** Found in Potential Cost Savings

**OUTPUT: At the End of the Day, “Enhancing Public Trust in Government.”**

# ACCOMPLISHMENTS TO DATE



June 28, 2010 – March 31, 2020

## We Make Government Better.

- **1,072** Recommendations/  
Corrective Actions  
**95%** Management Acceptance Rate
- Share best practices
- Prevent bad practices



**OUTPUT: At the End of the Day, “Enhancing Public Trust in Government.”**



# ACCOMPLISHMENTS TO DATE



June 28, 2010 – March 31, 2020

## Promoting Integrity/Fighting Fraud, Waste, and Abuse

**170**

Referrals to Law  
Enforcement,  
County, or State  
Commissions on  
Ethics



**19**

Arrests or  
Prosecutions as a  
result of OIG  
investigations/audits

**OUTPUT: At the End of the Day, “Enhancing Public Trust in Government.”**



***THANK YOU!***

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