



Office of Inspector General Palm Beach County

2024 ANNUAL REPORT

October 1, 2023 to September 30, 2024

Insight

Promoting efficiency
and effectiveness

Oversight

Holding government
accountable

Foresight

Preventing fraud,
waste, and abuse

“Enhancing Public Trust in Government”

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Message from the Inspector General

Citizens of Palm Beach County:

I am proud to present our Office of Inspector General (OIG) Fiscal Year 2024 (FY2024) Annual Report, covering the activities of the OIG for the period of October 1, 2023 through September 30, 2024. This report summarizes our major efforts to promote integrity, efficiency, and effectiveness in government over the past year.




Some of our most significant accomplishments in our independent oversight of the County government, the 39 municipalities within Palm Beach County, the Solid Waste Authority, and the Children's Services Council include:

- **Guarding taxpayers' dollars:** We discovered **\$1,932,603** in questioned costs and **over \$86,670** in potential cost savings to taxpayers or in future avoidable costs.
- **Promoting integrity in government:** We referred **41 matters** to law enforcement, or to the State or County Commissions on Ethics.
- **Preventing fraud, waste, and abuse/Providing oversight:** We monitored contract activities involving **millions of taxpayers' dollars**.
- **Making government better:** We made **48 recommendations** to government management to facilitate compliance with regulations, or to be more efficient or effective.

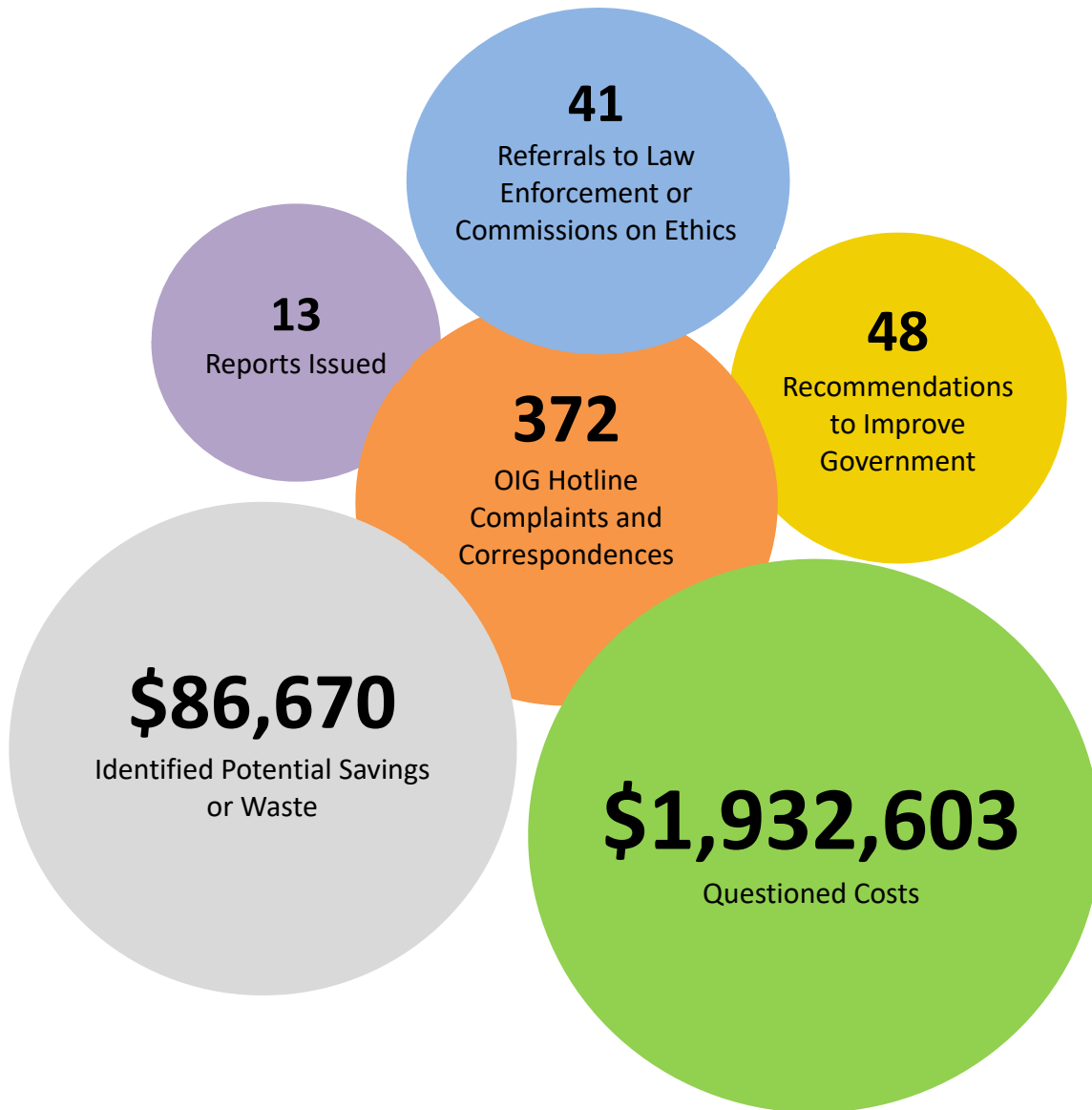
I want to thank the OIG staff for their commitment and professionalism in serving the citizens of Palm Beach County. This report reflects their great work. Additionally, I want to thank the Inspector General Committee for its continued encouragement and insights. Another factor in our success has been the support from leaders in the County and municipal governments, the Solid Waste Authority, and the Children's Services Council.

Finally, you, the citizens of Palm Beach County, continue to be the bedrock supporters of our office and mission. Public support and input is critical to our mission success. Please feel free to contact us any time. The OIG is here to serve as your independent watchdog to promote the good government that you deserve.

Sincerely,


John A. Carey
Inspector General

FY2024 ACCOMPLISHMENTS BY THE NUMBERS

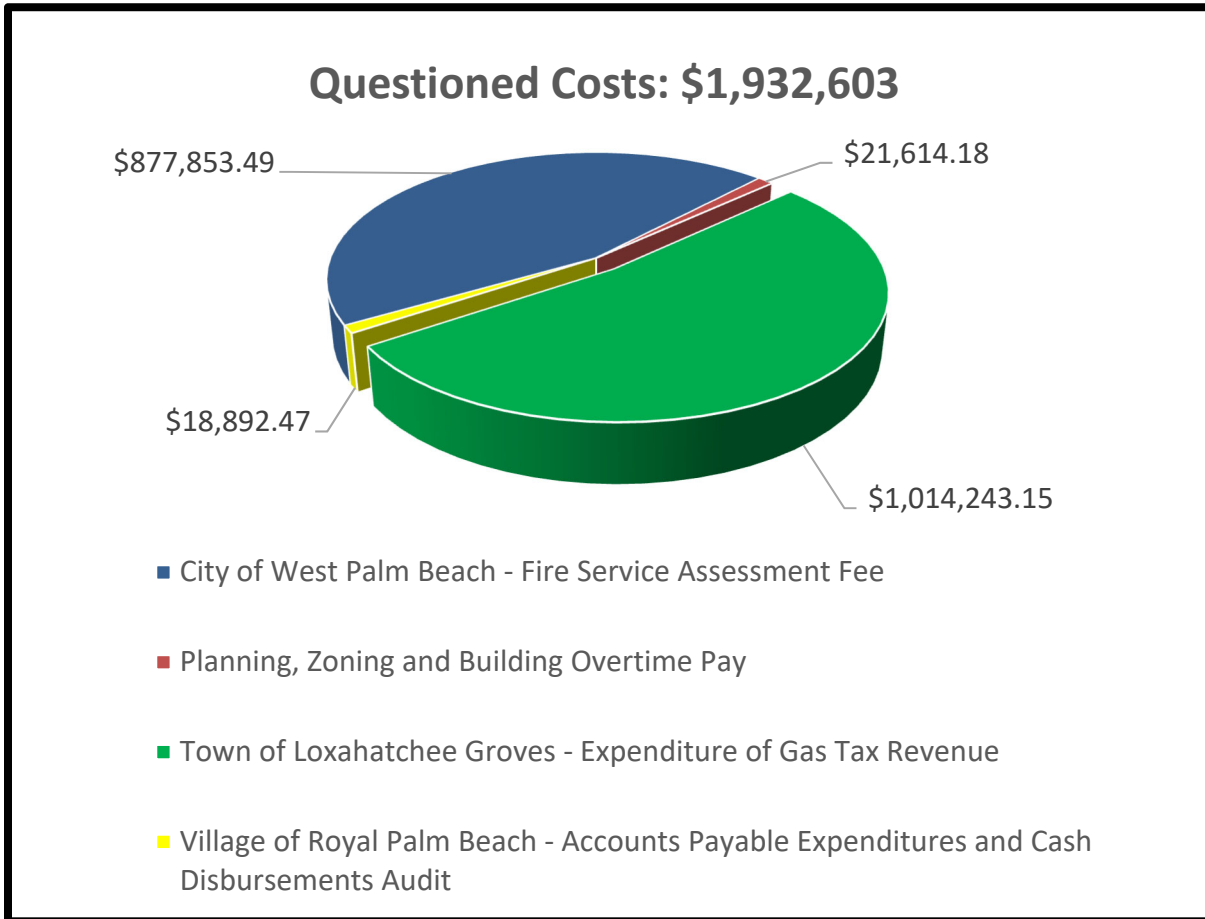


At the end of the day, the OIG provides
“Enhanced Trust in Government.”

FY2024 FINANCIAL DISCOVERY BREAKDOWN

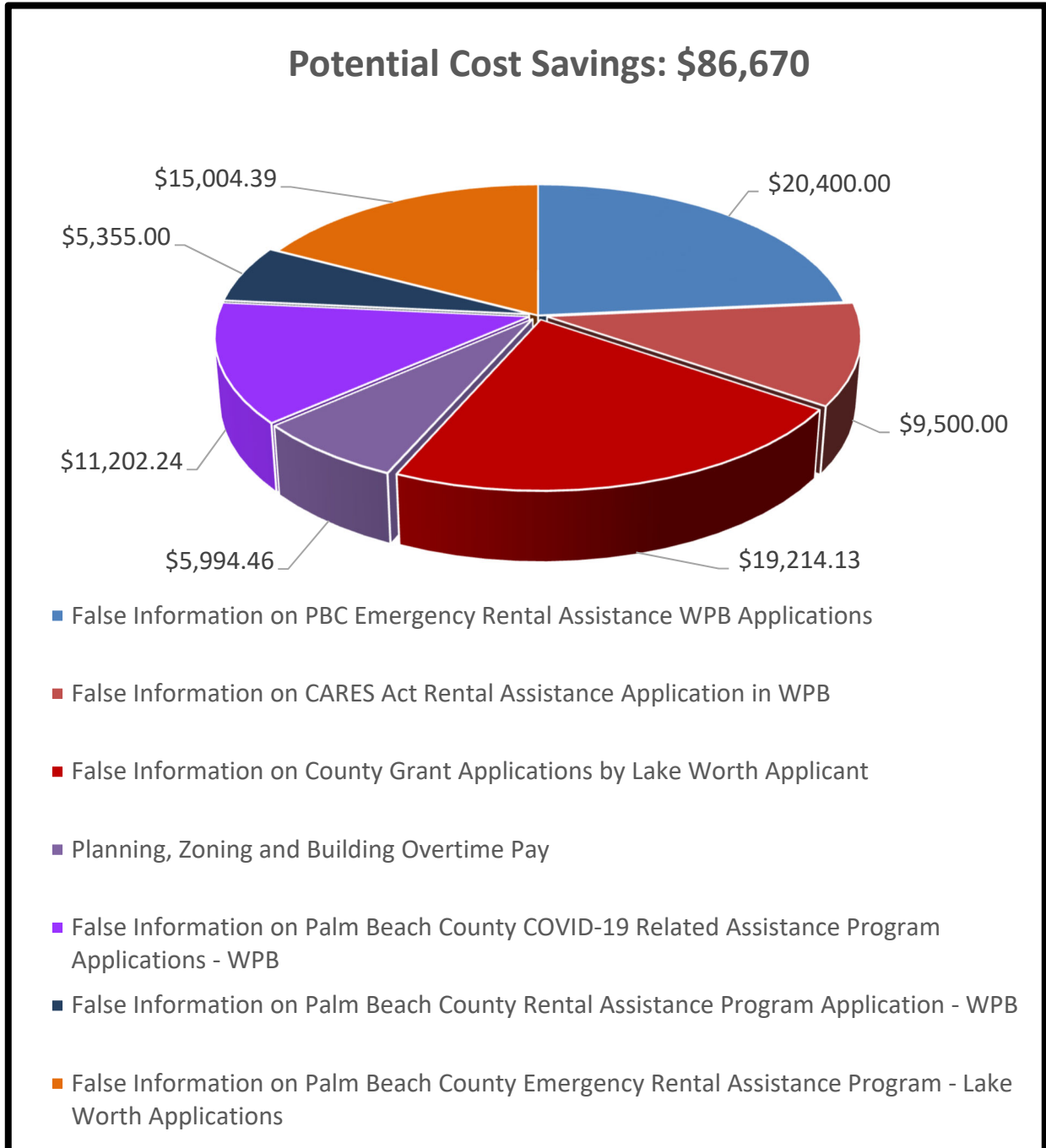
Guarding Taxpayers' Dollars

Questioned Costs are costs or financial obligations pursuant to an alleged violation of law, regulation, contract, grant, cooperative agreement, other agreement, policy and procedures, or documents governing the expenditure of funds; costs or financial obligations not supported by adequate documentation; and/or the expenditure of funds where the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of fraud or waste.



Potential Cost Savings Include:

- **Identified Costs:** Costs that have the potential of being returned to offset the taxpayers' burden.
- **Avoidable Costs:** The dollar value for costs that will not have to be incurred, lost funds, and/or an anticipated increase in revenue over three years or the contract period (dollars saved) if the OIG's recommendations are implemented.



HISTORY

Between 2006 and 2009, a series of federal public corruption prosecutions of elected officials from the Palm Beach County Board of County Commissioners and the West Palm Beach City Commission led the State Attorney to convene a state grand jury. In early 2009, the grand jury issued its report, which included recommendations to create a County Code of Ethics, Commission on Ethics, and OIG. In response to that report, the County began a comprehensive effort to



develop an ethics initiative aimed at promoting public trust in government and establishing a more transparent operating model for its citizens. In December 2009, the County Commissioners adopted an ordinance that established the OIG to oversee County government. In November 2010, 72% of the voters approved a countywide referendum to amend the County Charter and permanently establish the OIG. A majority of voters in each of the 38 municipalities that existed at the time within the County approved an expansion of OIG jurisdiction to cover all municipalities within the county.

The IG Committee selected Sheryl G. Steckler as the County’s first IG in June 2010. The OIG enabling legislation, known as the IG Ordinance, was drafted in 2011 by the IG Drafting Committee, which was comprised of representatives from the municipalities, County, PBC League of Cities, citizens appointed by the County, and the Inspector General. Once completed, the IG Ordinance was unanimously approved by the County Commissioners, effective June 1, 2011. John A. Carey became the County’s second IG in June 2014.

Palm Beach County Needed an OIG



To provide *independent and objective* oversight in government to:

Prevent, detect, and investigate fraud, waste, and abuse.



Promote economy, efficiency, effectiveness, and integrity.

Root out the bad

Promote the good

TO HELP MAKE GOVERNMENT BETTER

MISSION, VISION, AND VALUES

Mission Statement

To promote integrity, efficiency, and effectiveness in government in order to enhance public trust in government.

To provide independent and objective insight, oversight, and foresight through audits, investigations, contract oversight, reviews, and outreach activities.

Vision Statement

A high-performance team partnering with informed stakeholders making positive impact in government and increasing public trust.

Values (What we believe and How we behave)

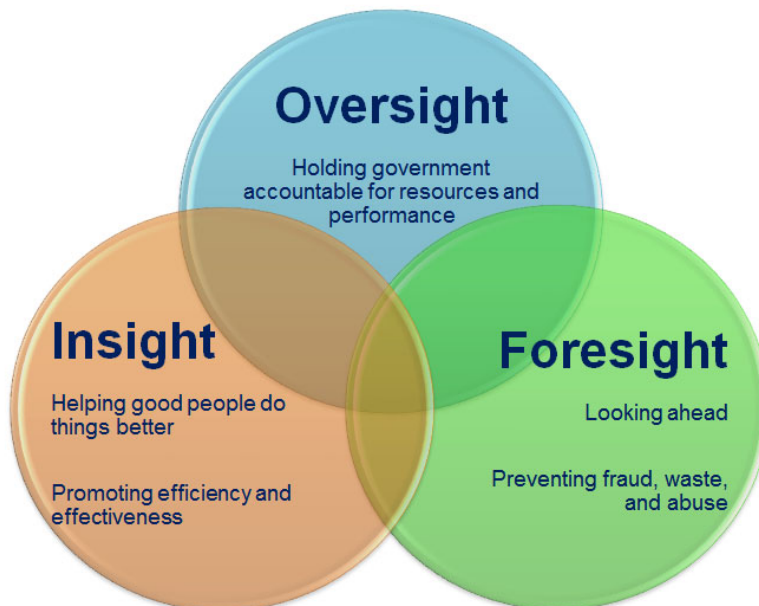
Professionalism – We take pride in our purpose, profession, products, results, and conduct.

Respect – We are respectful of others and recognize their value.

Integrity – We do the right thing, the right way, for the right reason.

Dedication – We are dedicated to our purpose, our work, and the people we serve.

Excellence – We strive for excellence in everything we do.



Our Motto

“Enhancing Public Trust in Government”

AUTHORITIES AND RESPONSIBILITIES

The purpose, duties, and responsibilities of the OIG are specified in the IG Ordinance (Article XII, Section 2-422 and 2-423, Palm Beach County Code). The IG Ordinance is available on our website at: [http://www.pbcgov.com/OIG/docs/ordinances/4 C ORD 2011-009 0517.pdf](http://www.pbcgov.com/OIG/docs/ordinances/4%20C%20ORD%202011-009%200517.pdf). Some of the functions, authority, powers, and mandated requirements include:

The Office of Inspector General Jurisdiction

The OIG jurisdiction covers the County government,¹ the 39 municipalities of Palm Beach County, and other entities that contract with the OIG (currently the Solid Waste Authority [SWA] and the Children’s Services Council [CSC]). All elected and appointed officials and employees, instrumentalities, contractors, their subcontractors and lower tier subcontractors, and other parties doing business or receiving funds of covered entities are subject to the authority of the OIG.



The Office of Inspector General Authority

The Office of Inspector General has the authority to receive, review, and investigate complaints regarding any municipal or County funded programs, contracts, or transactions.

We can review and audit past, present, and proposed municipal or County funded projects, programs, contracts, or transactions.

The OIG can require the production of documents and receive full and unrestricted access to records. The OIG has the power to subpoena witnesses and administer oaths. Additionally, the OIG is “an appropriate local official” for whistleblower reporting and protection. People may also submit anonymous complaints to the OIG.

¹ The OIG does not have jurisdiction over County Constitutional Officers, Judiciary, and Independent Special Districts; however, the OIG may review contracts between these entities and entities within the OIG’s jurisdiction. Additionally, the OIG may enter into interlocal agreements with other public entities for services from the OIG.

County and Municipal Officials and Employees, Contractors, and Others Required Reporting to the OIG

All elected and appointed officials and employees, County and municipal agencies, contractors, their subcontractors and lower tier contractors, and other parties doing business with the County or municipalities and/or receiving County or municipal funds shall fully cooperate with the OIG in the exercise of the OIG's functions, authority, and powers.

The County administrator and each municipal manager, administrator, or mayor, where the mayor serves as chief executive officer, shall:

- 1) Promptly notify the OIG of:**
 - a. possible mismanagement of a contract,**
 - b. fraud,**
 - c. theft,**
 - d. bribery, or**
 - e. other violation of law which appears to fall within the jurisdiction of the OIG; and,**
- 2) Coordinate with the OIG to develop reporting procedures for notification to the OIG.**

What to Report

Required By Ordinance:

- **Fraud**
- **Theft**
- **Contract Mismanagement (> \$5K)**
- **Bribery**
- **Any other violation or conduct that appears to be within the jurisdiction of the OIG**

STANDARDS, ACCREDITATION, AND STAFF QUALIFICATIONS

Peer Reviews by the Association of Inspectors General



The Association of Inspectors General (AIG) is a national professional organization comprised of IGs from federal, state, and local government. The AIG *Principles and Standards for Offices of Inspector General* is one of the main standards we use. It provides guidelines for the overall operations of OIGs, as well as, specific standards for investigations, audits, and other IG related activities. OIG audits are performed in accordance with *Generally Accepted Government Auditing Standards* (Yellow Book). In 2015, 2018, 2021, and most recently March 2024, the AIG peer-reviewed the OIG. **The AIG found our office met all current and relevant standards.**

Commission for Florida Law Enforcement Accreditation

The Commission for Florida Law Enforcement Accreditation (CFA) is the designated accrediting body for law enforcement and OIGs within the State of Florida. Not every state law enforcement agency or OIG obtains or maintains this high standard of accreditation. The OIG received its initial accreditation from the CFA in 2012, and was re-accredited in 2015, 2018, 2021, and most recently in February 2024. **CFA Assessors noted the OIG was 100% in compliance with standards set by CFA.**



Inspector General Staff Qualifications

To ensure success in accomplishing our mission, the OIG hires highly qualified individuals who not only reflect the diversity of the community, but also have the necessary level of skills, abilities, and experience for their respective positions on the OIG team. Staff members bring an array of experiences from the Federal and State IG Communities; the Federal Bureau of Investigation; not-for-profit community-based organizations; federal, state, and local government; and the construction industry.

Staff members have backgrounds in and/or academic degrees or certifications in:

- Accounting
- Auditing
- Forensic Accounting
- Public Administration
- Business Administration
- Financial Analysis
- Grant Administration
- Investigations
- Law
- Law Enforcement
- Inspections
- Information Technology

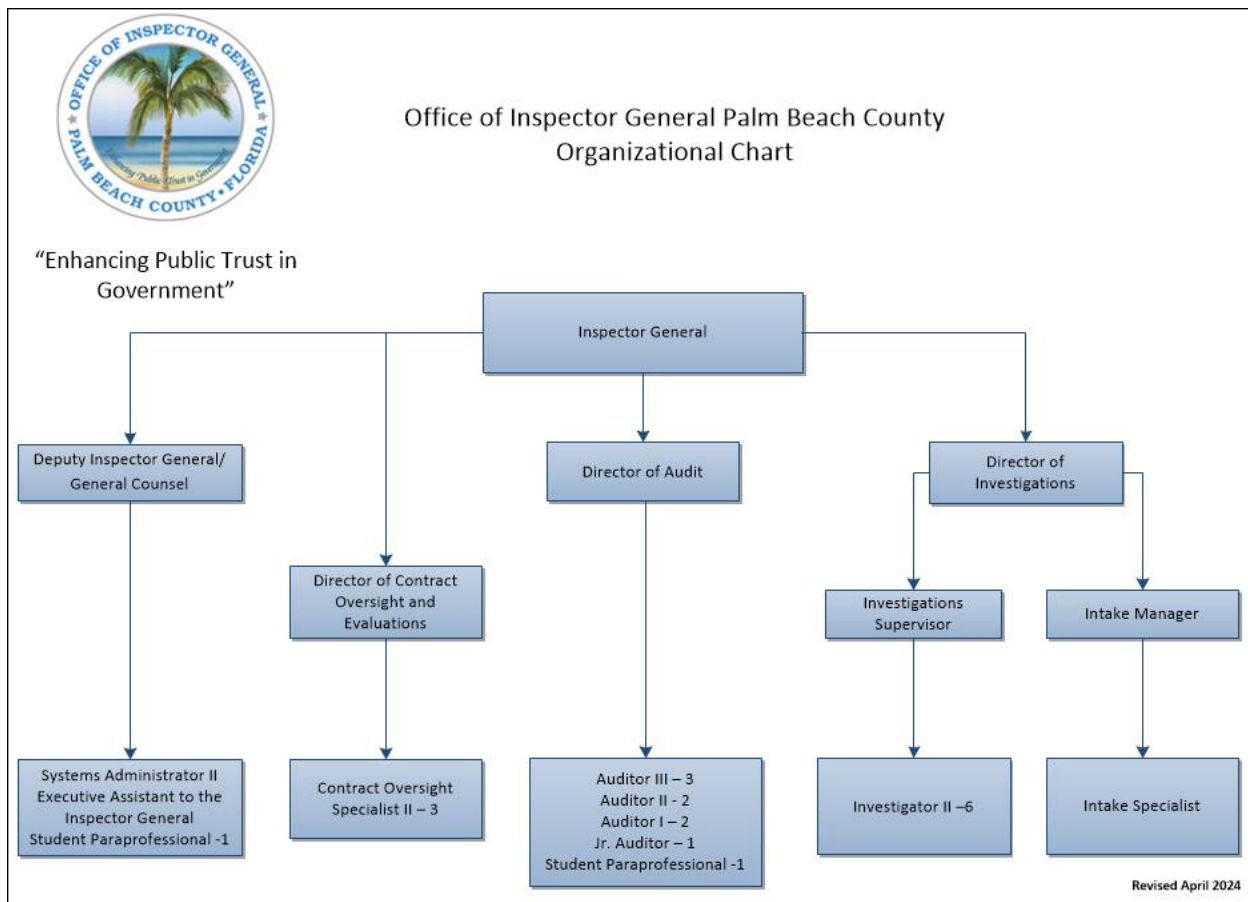
"People are not your most important asset. The right people are."
Jim Collins

STRUCTURE AND STAFFING OF THE OFFICE OF INSPECTOR GENERAL

The Inspector General Structure

In 2010, The Board of County Commissioners approved 40 positions for the OIG. Due to a lawsuit initiated by some of the municipalities within Palm Beach County regarding OIG funding and subsequent County Commission decisions, the OIG has never been fully funded. During FY2024, the OIG was funded at 27 (67.5%) of the originally 40 approved positions. The County Commission approved funding for three additional positions that will bring the OIG staffing up to 30 (75%).

“The sheer size of the operations that your office oversees, your office’s jurisdiction and responsibility...is unparalleled by any other local government Inspector General office.” 2024 AIG Peer Review Report



The OIG is comprised of a Mission Support Section and three operating divisions: Investigations, Audits, and Contract Oversight and Evaluations.

YOUR INSPECTOR GENERAL

John Carey became Inspector General on June 23, 2014. He has more than 48 years of government service in the areas of intelligence, operations, law enforcement, and Inspector General oversight. He is a retired Marine colonel. Mr. Carey served as the Director of Intelligence for a Joint Task Force in Operation ENDURING FREEDOM/IRAQI FREEDOM.



For the last 24 years, Mr. Carey has served in the Inspector General field. He was the Deputy IG of the Marine Corps; the Deputy IG for Director of National Intelligence; and finally, the Inspector General for the Defense Intelligence Agency before coming to Palm Beach County. Mr. Carey is on the national Executive Board of the Association of Inspectors General and the Chair of its Professional Certification Board. He is a Certified Inspector General, Certified Inspector General Auditor, and Certified Inspector General Inspector/Evaluator.

Mr. Carey holds a Bachelors of Arts degree (cum laude) from the Grace College, a Masters of Strategic Studies from the U.S. Army War College, and a Masters of Arts in Christian Studies from Palm Beach Atlantic University. He also attended the Federal Bureau of Investigation National Academy, the Federal Executive Institute, and the Kellogg School of Management.

OUR GENERAL COUNSEL AND DEPUTY INSPECTOR GENERAL

Kalinthia Dillard became our General Counsel in June 2015 and General Counsel/Deputy IG in July 2017. After graduating from Clemson University (magna cum laude) and the Florida State University College of Law (cum laude), she moved to PBC to clerk at the 4th District Court of Appeal. Thereafter, she practiced civil litigation at law firms and worked at the School District of PBC. She is a Certified Inspector General, Certified Inspector General Auditor, and Certified Inspector General Investigator.



Ms. Dillard currently serves as President of the Forum Club of the Palm Beaches and Vice Chair of The Florida Bar's Constitutional Judiciary Committee. Additionally, she serves on The Florida Bar's Grievance Committee - 15D and the PBC Bar Association's Judicial Campaign Practices Commission. Ms. Dillard is an alumna of Leadership PBC and Leadership Florida Cornerstone- Class 39.

Ms. Dillard is a past president of the F. Malcolm Cunningham, Sr. Bar Association; WPB-FL Chapter of The Links, Incorporated; YWCA of PBC; and Virgil Hawkins - FL Chapter National Bar Association. She is a past Chair of The Florida Bar's Law Related Education, Education Law, Professional Ethics, and Grievance - 15A Committees. She was recognized by Florida Trend Magazine as a Legal Elite and received the PBC Chamber Athena Award, the PBC Women' Chamber Giraffe Award, and the Girl Scouts of Southeast Florida Emerald Award.

\$ OFFICE OF INSPECTOR GENERAL FY2024 BUDGET \$

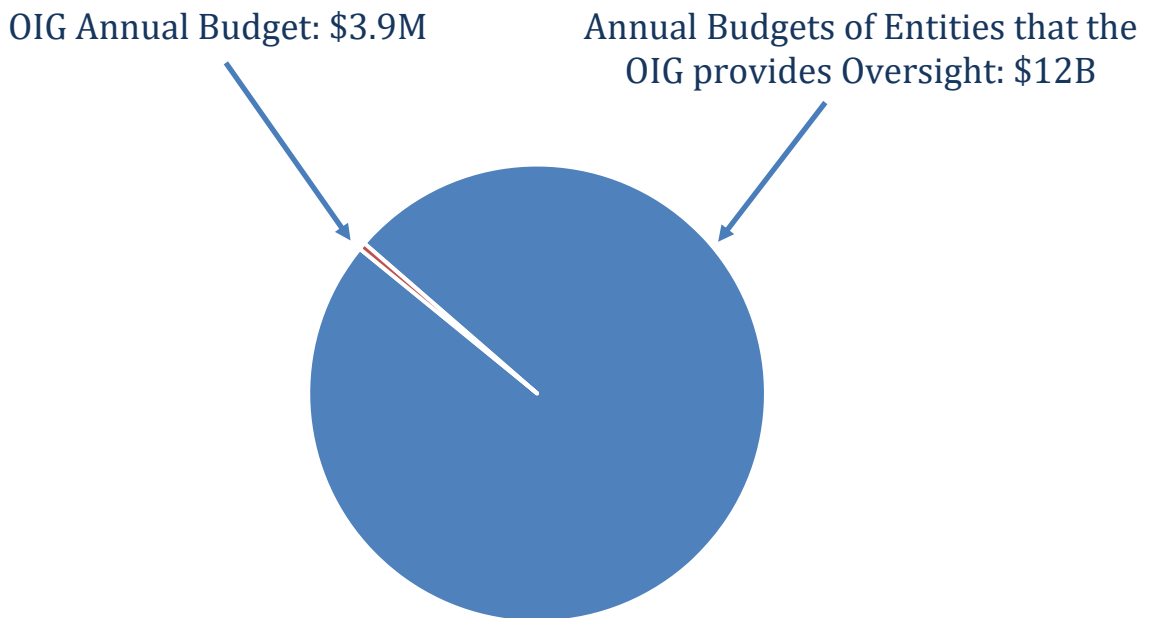
The OIG strives to use taxpayer dollars frugally. In FY2024, the OIG expended \$3.82 million (98%) of its approved \$3.9 million budget.

At a cost of **\$3.82 million** with **27** funded positions, OIG oversight responsibilities include:

- The County, municipalities, SWA, and CSC with total annual budgets of approximately **\$12B**
- The County, municipalities, SWA, and CSC employees numbering approximately **22,000** people (excluding part-time, seasonal, and contract employees)
- The County, municipalities, SWA, and CSC auditable units identified: **1,062**
- Oversight of **billions of dollars** of contracting activities

“The sheer size of government operations that your office oversees and your office’s jurisdiction and responsibility are unparalleled by any other local government inspectors general office.”

2024 Association of Inspectors General Peer Review Report on the PBC OIG



\$3.9M = Approx. \$2.50 per Citizen or

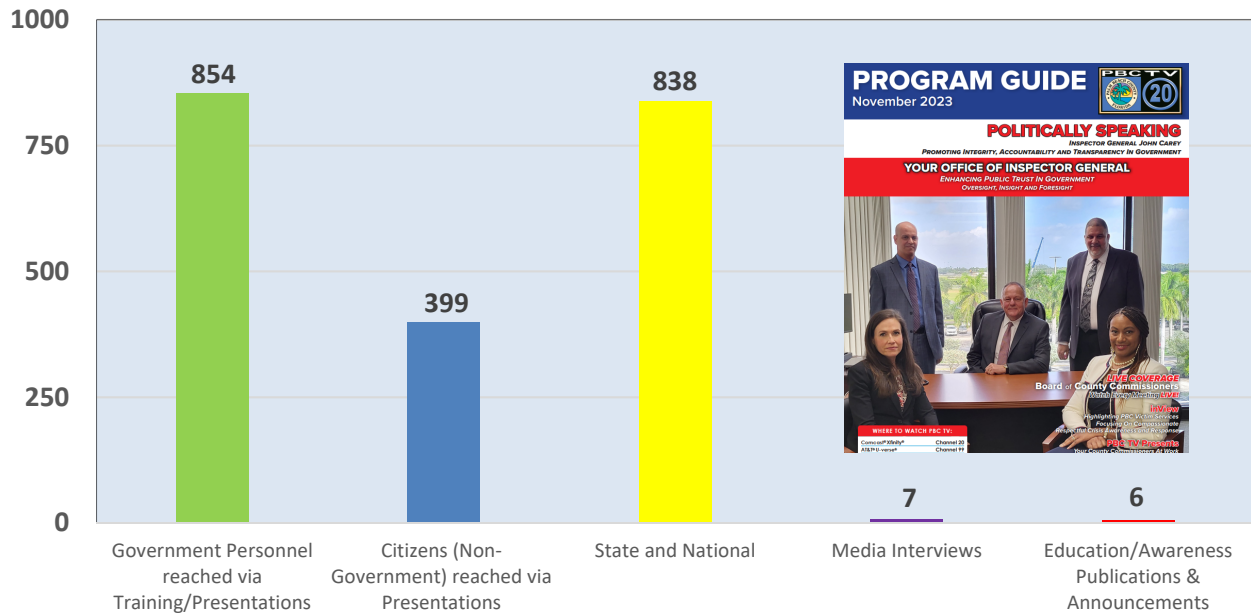


OUTREACH, EDUCATION, AND PREVENTION

Outreach is an important component of OIG operations, and takes place both inside and outside of government. OIG outreach includes education on common trends and best practices; red flags to assist in spotting fraud, waste, and abuse; and ways to contact our office. Our success depends on listening as much as speaking.

TRAINING AND OUTREACH

An ounce of outreach is worth a pound of enforcement.



Outreach/Coordination in Palm Beach County



Promoting integrity, accountability, and transparency in government is a “team sport” that goes beyond the bounds of the OIG. Accordingly, the IG attends and participates in several local forums, including the County Internal Auditor/Inspector General Forum and the South Florida Inspectors General Council. Our Director of Audit serves on the Board of Directors as a Vice Treasurer for the County Chapter of the Institute of Internal Auditors and our Investigations Supervisor is the Vice President for the County Chapter of the Association of Certified Fraud Examiners.

During the year, the IG and senior leaders have provided presentations to community businesses and service organizations, and in academic classes and forums on such topics as ethics in government and the role of inspectors general.

Social Media

Citizens can follow us on Facebook, X (formerly known as Twitter), Instagram, YouTube, or through our website, and can subscribe to receive emailed notices of OIG reports and other items of interest.



The OIG posts on Facebook and X on a regular basis to provide regular, up to date OIG Reports, *Tips and Trends*, contact information, County Government and OIG news. We are dedicated to maximizing our ability to reach the public with valuable information. Our website is also continuously updated to reflect all recent OIG activity. An important section on the website is labeled “Tips, Trends, and Training.” Here, we post briefings and information updates throughout the year along with other helpful information for the public and government employees.

Click links and check us out!

Follow us on X at: <https://twitter.com/OIGPBC>

Follow us on Facebook at: <https://www.facebook.com/Office-of-Inspector-General-Palm-Beach-County-760833077333644>

Visit our website at: <http://www.pbc.gov/OIG/>

Outreach/Impact Beyond Palm Beach County



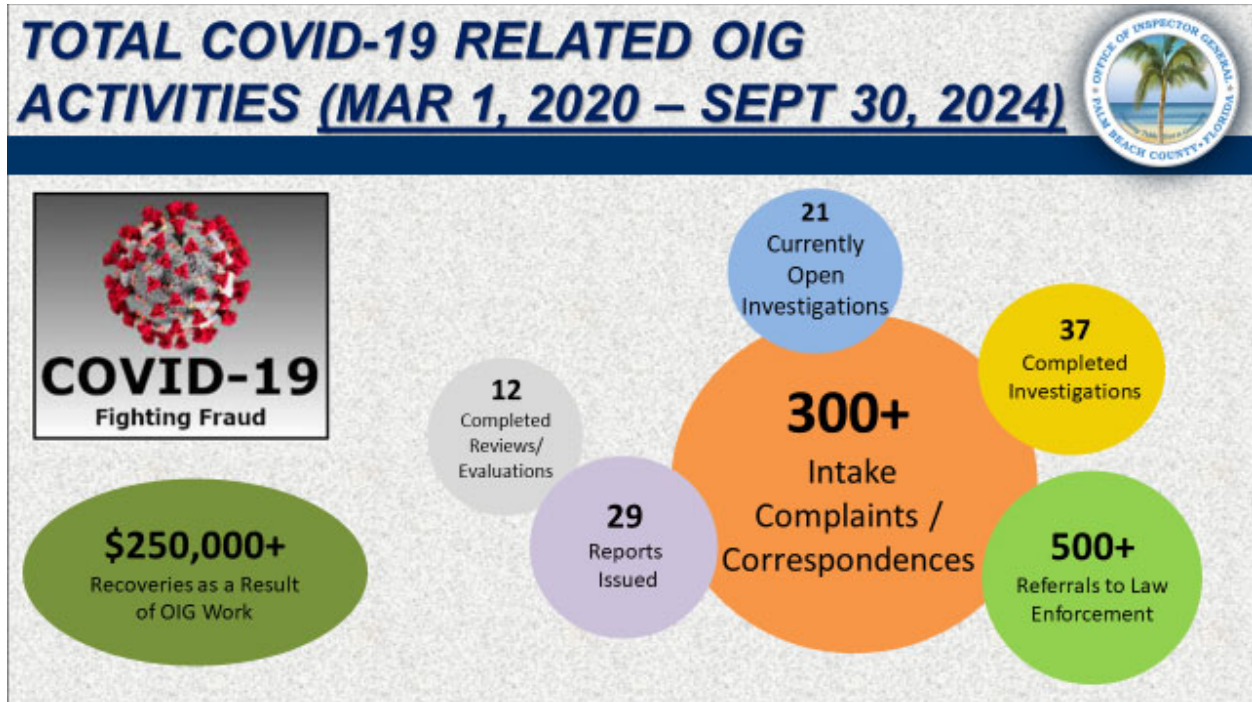
The OIG does not stop at the borders of Palm Beach County in promoting integrity, effectiveness, and efficiency in government. Of particular note, the IG is on the executive board of the national Association of Inspectors General. The Association is a non-profit organization that promotes excellence in the inspector general community by establishing and encouraging adherence to quality standards, sponsoring professional development, and certifying individuals in IG-specific disciplines.

The IG is the Chair of the Association’s Professional Development Board and is responsible for leading four professional certification courses at the Association’s Inspector General Institute. The IG, the Deputy IG/General Counsel, the Director of Investigations, and the Director of Contract Oversight and Evaluations instruct at the Institute. Additionally, the IG is on the Association’s Training Committee and Annual Training Conference Committee. The Deputy IG/General Counsel serves on the Association’s Mentoring Subcommittee. Finally, the IG serves on the board of the Florida Chapter of the Association of Inspectors General.



OIG ADDRESSING THE CORONAVIRUS PANDEMIC

Significant efforts continued to be devoted to reviews of County programs that dispersed federal Coronavirus (COVID-19) pandemic aid funding and investigating pandemic-related complaints. The County received \$750 million in federal and state Coronavirus aid and relief funding. We have continued to work with the County in providing independent oversight and accountability associated with the disbursement of those funds.



INVESTIGATIONS DIVISION

The Investigations Division investigates allegations of fraud, waste, abuse, mismanagement, and misconduct. It includes the OIG intake section and social media outreach.

The investigative activity conducted by the Division strictly adheres to the *Principles and Standards for Offices of Inspectors General* (Green Book) as developed by the Association of Inspectors General and the Inspector General Accreditation Standards issued by the Commission for Florida Law Enforcement Accreditation, Inc. These important principles ensure the quality of our investigations.



While OIG investigations are administrative in nature, criminal violations are sometimes discovered during the investigative process. When a determination has been made that the subject of an investigation has potentially committed a criminal violation, those findings are referred to local, state, or federal law enforcement agencies, with notifications to the State Attorney's Office or the U.S. Attorney's Office.

LEADERSHIP TEAM

Stuart Robinson is the Director of Investigations. He oversees the OIG's Intake and Investigation programs, and is dedicated to producing valuable, accurate, insightful investigative conclusions based on credible allegations. Prior to joining the OIG in October of 2017, Mr. Robinson spent 26 years with the Federal Bureau of Investigation as a Special Agent and Supervisory Special Agent, specializing in public corruption, financial crimes, and civil rights matters, and then was the Supervisor of Investigations for the Broward County Office of the Inspector General. Mr. Robinson has a Bachelor of Science and Juris Doctorate degree from Indiana University and is a Certified Inspector General and Certified Inspector General Investigator.



Section B – Activities



Evangeline Rentz is the Investigation Division’s Intake Manager. All Hotline calls, complaints, and correspondences that come into the OIG are reviewed by Ms. Rentz. Her section processes, analyzes, and conducts preliminary inquiries to determine the initial course of OIG action. Ms. Rentz joined the OIG in October 2010 shortly after its establishment and is the longest serving leader in the OIG. Ms. Rentz has over 30 years of public service experience in state and county government. Prior to working at the OIG, she served as the Operations and Management Consultant Manager for the Florida Department of Children and Families OIG. Ms. Rentz earned her Bachelor of Science degree from Florida State University and is a Certified Inspector General Investigator.

Christopher Dyckman is the Investigations Supervisor. He is responsible for supervising OIG Investigators; managing investigations; and ensuring the OIG adheres to established CFA standards. Mr. Dyckman joined the OIG in April 2016, and has over 30 years of experience conducting inspections and investigations for federal, state, and local government agencies. Prior to joining the OIG, he spent seven years as a Financial Investigator for the North Carolina Secretary of State, and previously served as a Special Agent with both the U.S. Department of Justice and the U.S. Department of Homeland Security.

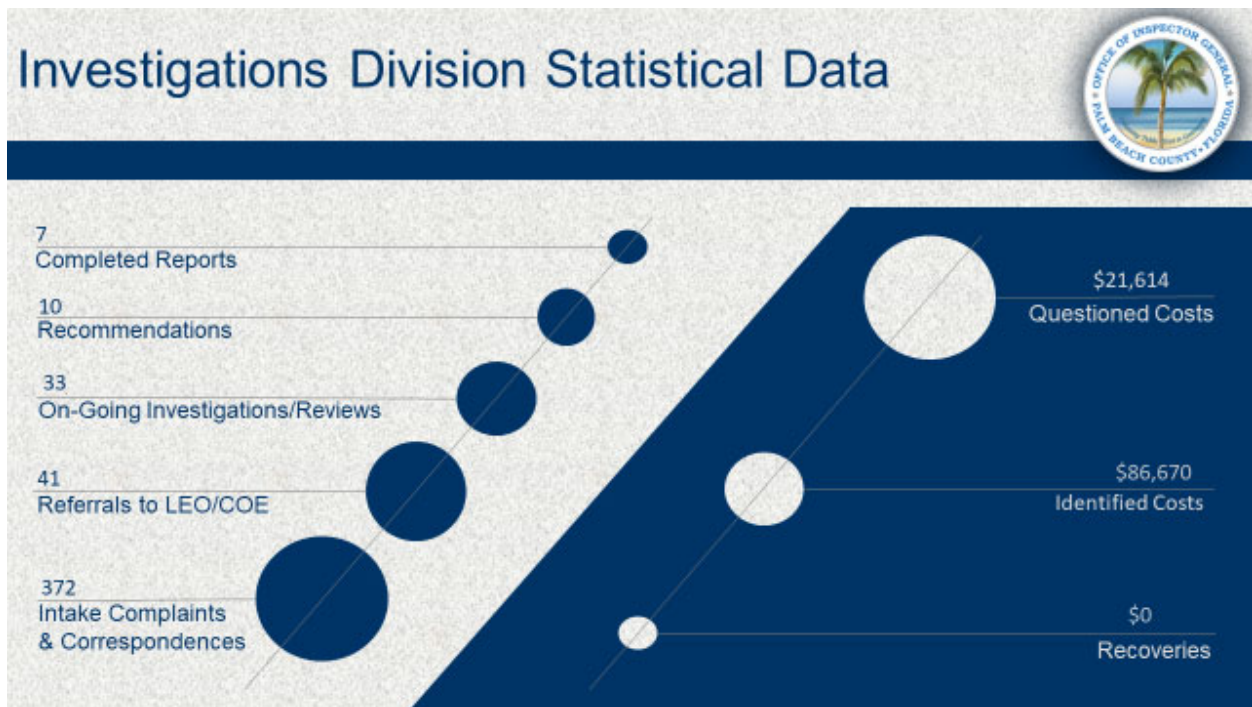


Mr. Dyckman holds a Bachelor’s degree in Criminal Justice from the University of Scranton. He is a Certified Fraud Examiner and a Certified Inspector General Investigator. Mr. Dyckman is also a founding member and the current Membership Director of the Palm Beach County Chapter of the Association of Certified Fraud Examiners.



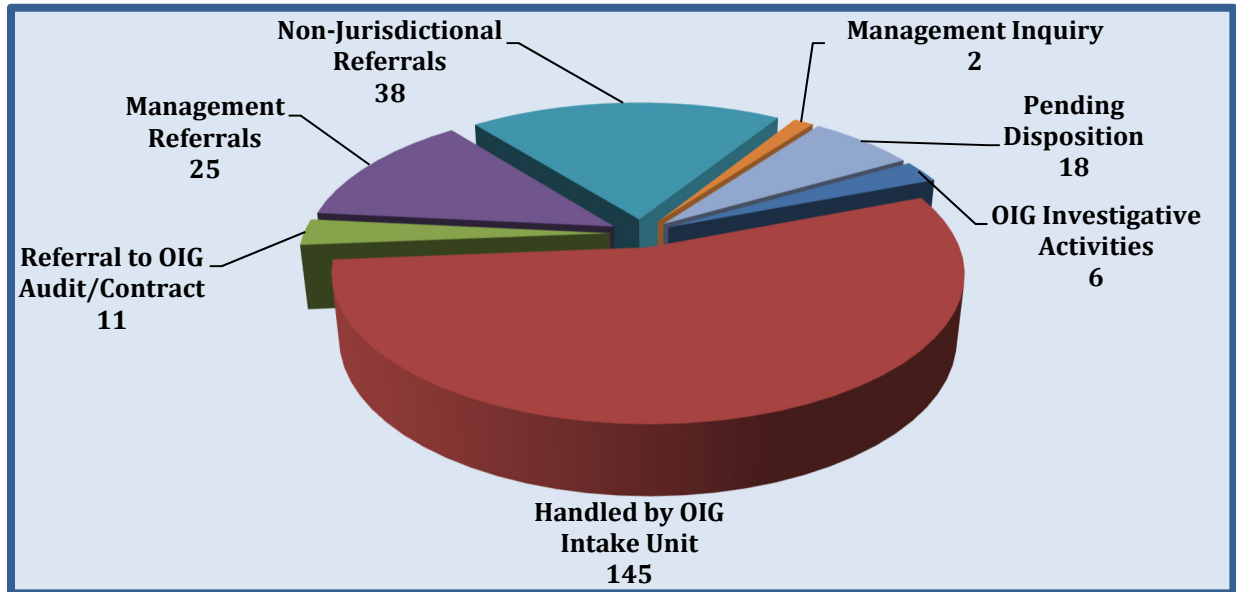
INVESTIGATIONS HIGHLIGHTS

During FY2024, the Investigations Division issued **seven** reports. Where allegations were substantiated, we referred administrative or disciplinary actions to county, municipal, and/or contracted entities. Additionally, we referred **41** investigative matters to the Federal Bureau of Investigation, the State Attorney’s Office, the Palm Beach County Sheriff’s Office, the Internal Revenue Service Criminal Investigations, and the County and State Commissions on Ethics. These reports and management responses can be found at <http://www.pbc.gov/oig/archreports.htm>. A brief summary of the recommendations is also contained in Section D Appendix 2 of this report.



INTAKE ACTIVITIES

The OIG received 245 “Intake Activities” during FY2024. Intake Activities include letters, emails, phone calls, and/or walk-ins, and include comments, suggestions, questions, and complaints. These actions are depicted below:

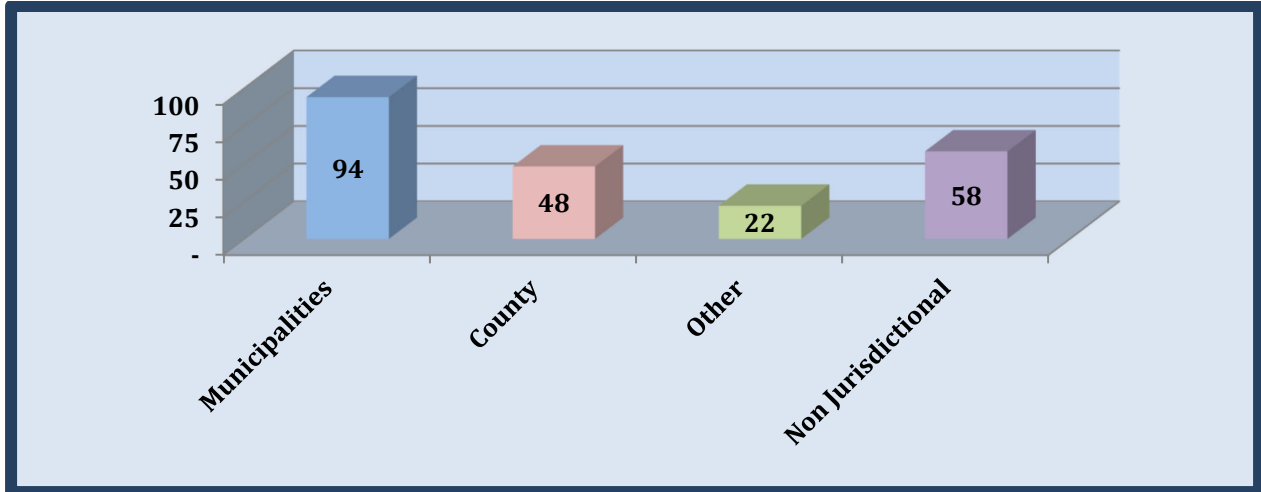


- **Handled (Addressed) by OIG Intake Division (145 or 59%):** Correspondences that are handled by the OIG, Information Only, and/or Closed with No Action.
- **Management Referrals (25 or 10%):** Correspondences forwarded to respective management for handling. No response to the OIG is required.
- **Non-Jurisdictional Referrals (38 or 16%):** Correspondences that do not fall within the jurisdiction of the OIG.²
- **OIG Investigative Activities (6 or 2%):** Correspondences that are assigned to the Investigations Division.
- **Referral to OIG Audit or Contract Oversight (11 or 5%):** Correspondences forwarded to OIG Audit and/or Contract Oversight Divisions for further review.
- **Management Inquiries (2 or 1%):** Correspondences forwarded to respective management for handling. A response to the OIG is required.
- **Pending Disposition (18 or 7%):** Correspondences that have not yet received a disposition.

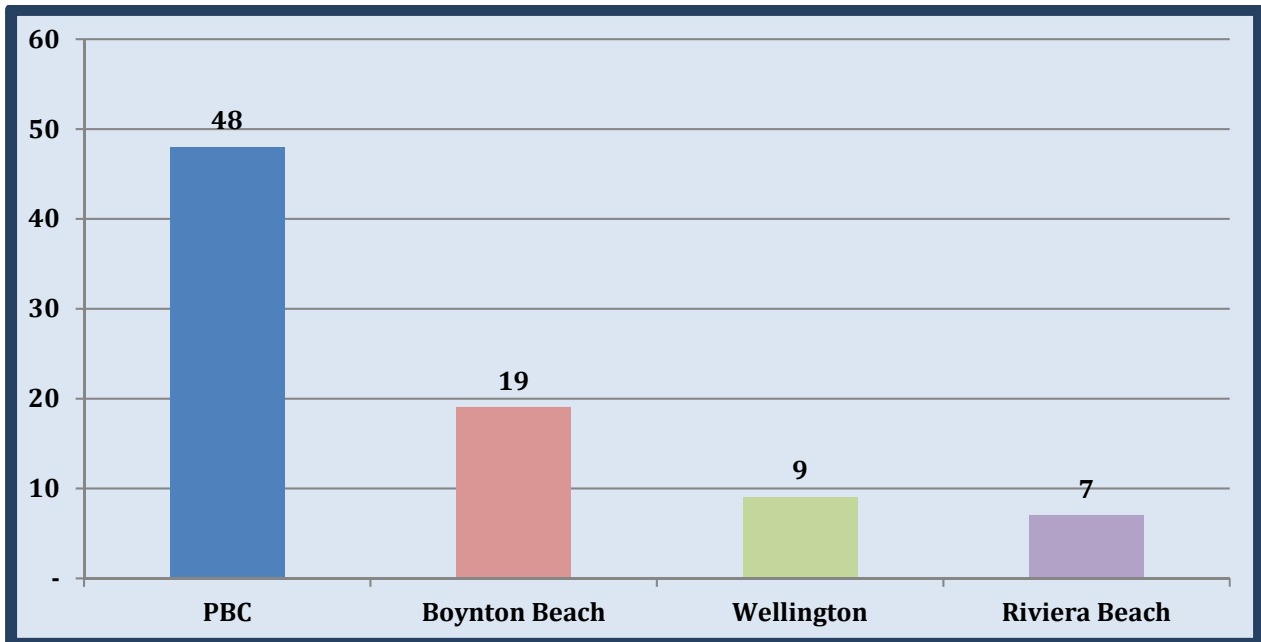
² During FY2024, the OIG received a total of 60 Correspondences related to entities not within the jurisdiction of the OIG. These correspondences were forwarded to entities with jurisdiction for addressing those issues.

ALLEGATIONS BY ENTITY

Of the **245** "Intake Activities," a total of **222** allegations of potential wrongdoing were made. These allegations were related to the following entities:³



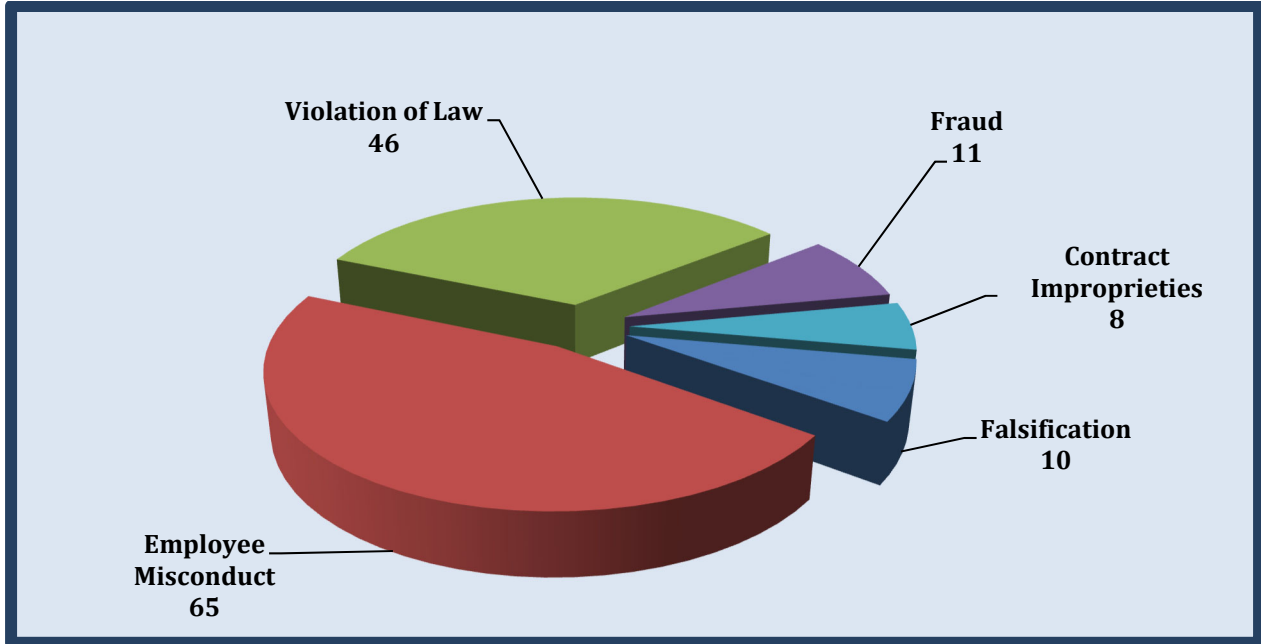
The following is a breakdown of the top four organizations with the most complaints lodged against them or against individuals within those organizations



³ "Non-Jurisdictional" refers to correspondences concerning government entities not under the jurisdiction of the OIG. "Other" includes correspondences related to other entities such as private organizations, homeowner's associations, etc.

ALLEGATION TYPES

Of the **222** allegations of potential wrongdoing, **140** were identified as part of the following top five categories:



INVESTIGATIVE ACTIVITIES

The following are highlights from reports issued in FY2024:

False Information on County Grant Applications – Lake Worth

From November of 2020 through November of 2021, a Lake Worth, Florida, woman submitted four applications with falsified employment separation letters that resulted in the County making payments totaling \$19,214.13 from the County Coronavirus Aid, Relief and Economic Security Act Emergency Rental and Utilities Assistance Program. On each occasion, the applicant supported her claim of loss of employment due to Covid-19 with falsified letters written without her employer’s knowledge and signed in the name of individuals who did not work for her employer. When the employer was notified about these falsified letters, the applicant was terminated from employment.



False Information on County Rental Assistance Applications – West Palm Beach

From August of 2020 through November of 2021, Orlando, Florida, resident Antonio Silva successfully defrauded the County of \$5,355 and attempted to obtain \$29,300 in additional funds by posing as the landlord for a property for which he had no connection. He submitted multiple applications with falsified employment separation letters, landlord statements, and leases that resulted in the County issuing payments from the County Coronavirus Aid, Relief and Economic Security Act Emergency Rental and Utilities Assistance Program.



Antonio Silva also received governmental funding in multiple additional areas of the country and has since been arrested in Orlando, Florida for financial crimes of over \$1 million. The State Attorney’s Office in Orlando received information from the OIG Investigation for consideration of additional charges.

False Information on County Rental Assistance Applications – West Palm Beach



From October of 2020 through September of 2021, a West Palm Beach, Florida applicant submitted multiple applications with falsified employment separation letters and altered paystubs that resulted in the County issuing payments totaling \$11,202.34 from the County Coronavirus Aid, Relief and Economic Security Act Emergency Rental and Utilities Assistance Program. On each occasion, the applicant supported her claim loss of employment due to Covid-19 with letters that were written without her employer’s knowledge and signed in the name of individuals who did not work for her employer. The applicant also submitted paystubs which falsely showed loss of income.

Planning, Zoning, and Building – Overtime Pay

We received a complaint from the Palm Beach County Department of Planning, Zoning and Building (PZB) concerning potential overtime pay and compensatory time abuse by the PZB Deputy Building Official and a PZB Manager. We found that both falsified their employee time records by claiming they worked extra hours and/or violation of County policies regarding overtime and comp time, which resulted in the improper accrual of compensatory time and/or payments for overtime.



We found that the Deputy Building Official approved his own employee time records on multiple occasions and without obtaining authority in writing from his department head. We estimated that 84% of the entirety of his overtime hours were not in compliance with policy

or adequately supported, amounting to \$18,053.35. Additionally, he was inappropriately paid \$5,994.46 for overtime claimed during his lunch period.

We found that the PZB Manager inappropriately requested compensatory time from the County by falsely reporting on numerous occasions that he arrived for work at 6:00 a.m. The County paid him a total of \$3,560.83 for corresponding compensatory time payments.

False Information on County Rental Assistance Applications – Lake Worth



From December of 2020 through September of 2022, a Lake Worth resident received rental and food assistance and engaged in a deliberate scheme to defraud Palm Beach County. She was assisted by a West Palm Beach resident, who knowingly helped the applicant create fraudulent loss of employment documents for four separate applications. Those

documents were submitted by the applicant as the basis for the claim for \$15,004.39 in assistance.

False Information on County Rental Assistance Applications – West Palm Beach

In November of 2020, a West Palm Beach, Florida resident submitted an application with misrepresentations that caused the County to issue payments totaling \$8,600.00 from the County Coronavirus



Aid, Relief and Economic Security Act Emergency Rental and Utilities Assistance Program. The individual listed as the applicant passed away six months prior to the application being submitted to the County in her name. The recipient of the funds was not the true landlord, and is the deceased applicant's daughter.

In addition, the County mailed a food card with \$900 in food assistance to the deceased applicant's rental property address, which the deceased applicant's daughter assumed the right to occupy after the applicant's death. The food card was used for unallowable expenses.

The deceased applicant's daughter later provided false information to the County in support of one of her own applications wherein she sought \$7,100 in rental assistance. The County, however, paid no monies for this application.

False Information on County Rental Assistance Applications – West Palm Beach

From October of 2020 through December of 2021, three West Palm Beach, Florida residents submitted applications with misrepresentations that caused payments totaling \$20,400.00 from the County Coronavirus Aid, Relief and Economic Security Act Emergency Rental and Utilities Assistance Program and Emergency Rental Assistance Program.



These applicants submitted falsified documentation about their employer status and the identity of their true landlord, and falsified payroll documents in support of their assistance applications.

Arrest and Conviction as a Result of OIG Investigation



A Palm Beach County Rental Assistance applicant received over \$20,000 from the County Emergency Rental Assistance Program using fictitious loss of employment letters.

After extensive investigative work by the OIG, a referral was made to the Palm Beach County Sheriff's Office. The applicant was arrested by PBSO in March, 2024 on charges of Fraud - Swindle to Obtain Property \$20,000 – \$50,000. On April 9, 2024, he pled to the charge and was sentenced to 34 days incarceration, 5 years probation, and ordered to pay \$21,553 in restitution.

AUDIT DIVISION

The Audit Division conducts audits intended to add value by helping management strengthen internal controls; prevent fraud, waste, and abuse; and identify opportunities to operate more efficiently and effectively.

All audits are performed in accordance with *Government Auditing Standards* (Yellow Book).

LEADERSHIP



Hillary Bojan joined the OIG in September 2017 as an Auditor III. In June 2019, she became our Acting Audit Manager and in 2020 was promoted to Director of Audit. She has more than 17 years of local government service in accounting and auditing. Before coming to the OIG, Ms. Bojan served as the Senior Internal Auditor for the Health Care District of Palm Beach County.

Ms. Bojan holds a Bachelor of Science in Accounting (summa cum laude) and a Master of Science in Accounting from the University of Central Florida. Ms. Bojan has obtained the following professional designations: Certified Public Accountant, Certified Information Systems Auditor, Certified Internal Auditor, Certified Fraud Examiner, and Certified Inspector General Auditor. Ms. Bojan serves on the Board of Directors as the Vice Treasurer for the Palm Beach County Chapter of the Institute of Internal Auditors.

AUDIT HIGHLIGHTS

During FY2024, we issued **five** reports with total Questioned Costs of **\$1,910,989.11**. Collectively, these five reports contain **38** recommendations to strengthen internal controls and improve the efficiency and effectiveness of operations. Management has implemented or is in the process of implementing the majority of our recommendations. The reports and management responses can be found at <http://www.pbc.gov/oig/archreports.htm>. A brief summary of the recommendations is also contained in Section D Appendix 2 of this report.



Audit of City of West Palm Beach – Fire Service Assessment Fee

At the request of the City of West Palm Beach (City), we conducted an audit of the expenditure of Fire Service Assessment Fee.



We found that the City had generally adequate controls over the receipt and disbursement of Fire Service Assessment Fee funds. However, we found weaknesses with respect to the interdepartmental transfer of Fire Service Assessment Fee monies which lacked sufficient supporting documentation.

As a result of our audit, we identified \$877,853.49 in questioned costs for expenditures that lacked sufficient supporting documentation.

Our report contained recommendations to assist the City in strengthening internal controls and help ensure compliance with the Fire Service Special Assessment requirements. The City accepted our recommendations.

Review of the Town of Manalapan – IT Network Security



We conducted an Information Technology (IT) Network Security review of the Town of Manalapan. Our review focused on IT network security records and activities related to network components, such as devices, systems and data, in place during FY 2023.

We found that the Town had processes in place designed to prevent network security intrusions; monitor and detect network security threats, breaches, and intrusions; and, respond to network security threats, breaches, and intrusions.

However, the Town lacked sufficient written guidance for:

- Access control management;
- Data and asset/component sanitization and disposal; and,
- Organizational cybersecurity processes.

Our report contained recommendations to assist the Town of Manalapan in strengthening internal controls over IT Network Security. Management concurred and accepted our recommendations.

Audit of Village of Wellington – IT Application Security

We conducted an audit of the Village of Wellington’s Information Technology (IT) Application Security. Overall, we found that user access and administrative privileges for applications were managed effectively and based on job duties and roles, and that application accounts were in compliance with applicable licensing agreements. However, we found that the Village did not always disable separated users’ access in a timely manner. The Village’s IT policies and procedures did not establish a time period in which departments must notify the IT department of employee separations or for disabling inactive application user accounts.



Our report contained recommendations to assist the Village in strengthening internal controls over IT application security. The City concurred and accepted our recommendations.

Audit of the Town of Loxahatchee Groves Expenditure of Gas Tax Revenue

We conducted an audit of the Town of Loxahatchee Groves’ expenditure of gas tax revenue. This audit was initiated because the Town did not respond to an OIG request for information regarding a complaint.



Section B – Activities

While the audit was in process, a separate, related complaint was received.

Overall, we found the Town had generally adequate controls over the disbursement of gas tax revenue funds. Additionally, we found that:

- The allegation that the Town misused the 5-cent local option fuel tax funds was not supported.
- The allegation that the Town purchased rocks that were distributed on E Road and side roads prior to Council approval in violation of the Town’s procurement code was supported.
- The Town’s check signing process outlined in Resolution 2018-09 did not align with its Ordinance governing the payment of money.
- The Town did not always comply with its Purchasing Policy & Procedures Manual.
- The Town did not sufficiently provide for separate accountability of gas tax revenues by source.
- The Town lacked sufficient controls over the vendor master file.
- The Town did not sufficiently restrict user access and lacked written policies and procedures for information technology processes.

The total amount of funds expended that was not in compliance with the Town’s procurement code, ordinance, or policies was \$1,014,243.15 (questioned costs). These questioned costs were not indicative of potential fraud or waste.

Our report contained recommendations to assist the Town in strengthening internal controls and help ensure compliance with Town and statutory requirements. The Town accepted our recommendations.

Audit of the Village of Royal Palm Beach Accounts Payable Expenditures and Cash Disbursements

We conducted an audit of the Village of Royal Palm Beach’s accounts payable expenditures and cash disbursements.



We found the Village had generally adequate controls over the accounts payable expenditures and cash disbursements processes. However, we found the Village:

- Did not always comply with its Purchasing Guidelines when employees artificially split purchases to circumvent dollar thresholds for approving purchases, and
- Had weaknesses with respect to distributing and safeguarding gift cards, business meeting reimbursements, and managing the vendor master file.

As a result of our audit, we identified \$18,892.47 in questioned costs that did not comply with the Village’s Purchasing Guidelines for splitting purchases to avoid approval dollar thresholds, or for insufficient processes and documentation relating to gift cards and meeting reimbursements.

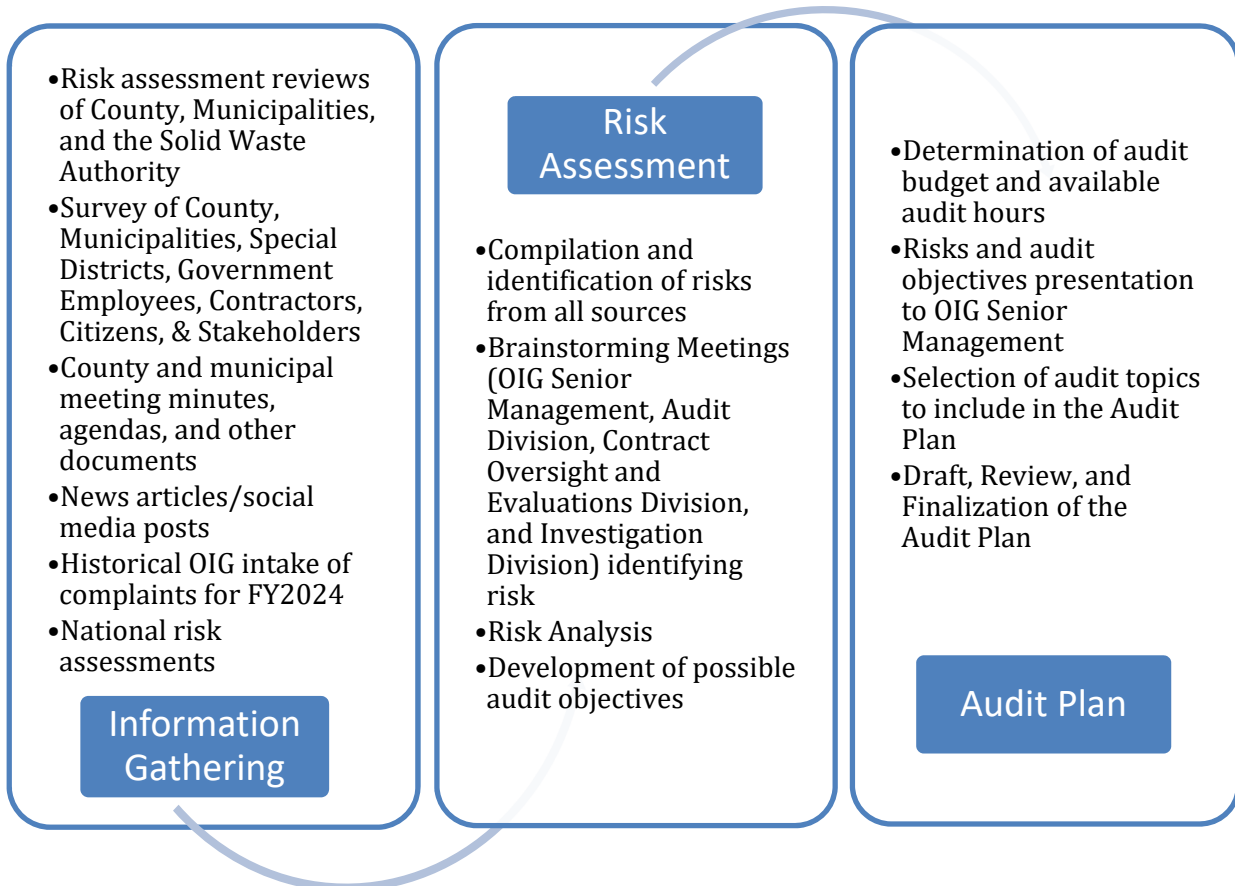
Our report contained recommendations to assist the Village in strengthening internal controls and enhancing compliance with the Village’s Purchasing Guideline requirements. The Village of Royal Palm Beach concurred and accepted our recommendations.

AUDIT FOLLOW-UP

During the year, we continued to perform semi-annual follow-up on the status of pending audit recommendations. Our follow-up process has helped ensure timely corrective action on our recommendations. Since the inception of the OIG, of the 964 audit recommendations made, 901 (93%) have been implemented or are pending implementation.

AUDIT RISK ASSESSMENT AND ANNUAL AUDIT PLAN

Our “audit universe” is comprised of the County, 39 municipalities, and contracted special districts. Our goal is to make the most effective use of our resources focusing on areas of high risk for fraud, waste, and abuse, as well as, areas where costs can be reduced or revenue increased. To this end, we conducted a comprehensive risk assessment.



Section B – Activities

The risk assessment process was conducted using a combination of several methods of research and information gathering in order to create an overview of the risks for entities within the OIG’s jurisdiction. Additional risks were included drawing upon the professional expertise and experience of the OIG staff. Risks were assessed based on their global area of significance and impact. Our FY2025 Annual Audit Plan (Section D of Appendix 4) was created using this risk assessment methodology.

CONTRACT OVERSIGHT AND EVALUATIONS DIVISION

The Contract Oversight and Evaluations Division reviews procurement and contracting activities and conducts evaluations, inspections, and reviews of operations to promote competition, transparency, accountability, integrity, and efficiency.

The Contract Oversight and Evaluations Division (COED) reviews procurements completed by municipalities, the County, and special districts. This includes, on a selected basis, following a solicitation from when it is issued until it is awarded; reviewing the implementation of a contract before services are completed; and completing a contract administration review after the close out of a contract.

Additionally, the COED can complete evaluations, reviews, or inspections on a wide variety of operational issues and processes.

All work is completed in accordance with the *Principles and Standards for Offices of Inspectors General* (Green Book), as developed by the Association of Inspectors General (AIG).

LEADERSHIP



Tony Montero became the Director of Contract Oversight and Evaluations in February 2021. He started his career with the OIG in February 2017 as a Contract Oversight Specialist. Mr. Montero has 36 years of public service experience in federal and state governments, higher education, and private business. He served in the US Air Force as a contracting officer for Tactical Air Command, and was deployed to Saudi Arabia during the Gulf War.

Upon his return, Mr. Montero transferred to the Defense Logistics Agency administering aerospace contracts at a Defense Plant Representative Office. After his military service, he was an independent consultant to Navy and Army contractors before accepting a purchasing position with Florida Atlantic University. Mr. Montero was soon

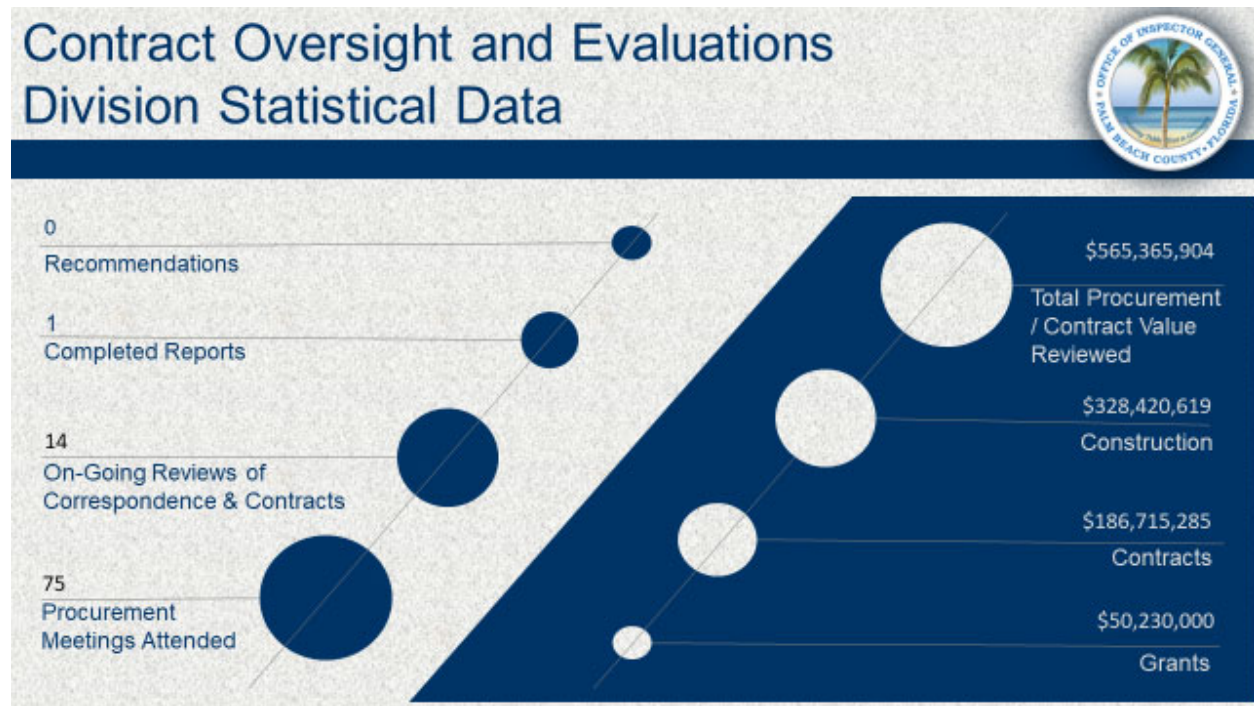
Section B – Activities

promoted to the Assistant Director of Purchasing, overseeing \$100 million in contracts and purchases annually.

Mr. Montero has extensive training and experience in procurement, contract management, and leadership. He has several awards in contracting dating back to his military career as a U.S. Air Force officer. Mr. Montero is a US Air Force Academy graduate, a decorated Gulf War veteran, has a Masters of Engineering Administration from George Washington University, is an AIG Certified IG Inspector/Evaluator, and is an AIG Certified IG Investigator.

CONTRACT OVERSIGHT AND EVALUATIONS HIGHLIGHTS

During FY 2024, the COED issued **one** formal report, answered 13 complaints, and issued five *Tips and Trends*. The formal report can be found at <http://www.pbc.gov/oig/archreports.htm>. Additionally, the COED completed one inspection of a park marina, one road construction jobsite inspection, and 12 onsite reviews for the OIG’s compliance assessment report.



County-wide Review of Compliance with the IG Ordinance and Risk Assessment

COED conducted a review of the County and municipal governments and Solid Waste Authority’s (SWA) (collectively, “the Entities”) compliance with the requirements of the IG Ordinance (Article XII, Palm Beach County Code), and conducted a risk assessment of the Entities in accordance with the OIG’s 2023-2028 Strategic Plan.

We found that the Entities were largely in compliance with the IG Ordinance, and the risk concerns expressed by the Entities were similar in scope and nature.

As a result of our review, we conducted outreach with all 39 county municipalities, SWA, and 11 County Departments. In addition to collecting fraud risk information from all Entities for COED’s assessment, the data was also utilized by the OIG Audit Division for the 2025 Annual Risk Assessment and Audit Plan report.



The onsite reviews provided all 51 Entities with an OIG media kit containing new and updated informational brochures, cards, and posters for public posting.

OTHER CONTRACT OVERSIGHT and EVALUATIONS ACTIVITIES & OUTREACH

Procurement personnel working for entities within OIG jurisdiction have articulated that OIG presence helps to ensure the integrity of selection processes and assists them in facilitating more efficient and equitable selections. During FY2024, we proactively observed 75 procurement/contracting related activities. These activities included selection committee meetings, contract review committee meetings, pre-construction meetings, construction site visits, inspections, reviews, and meetings with municipal officials.

The specific type and number of meetings attended is as follows:

- County Selection Committees 11
- County Contract Review Committees 12
- County Meetings 29
- Municipal Selection Committees 12
- Municipal Meetings 9
- Other Covered Entities – Selection Committees 0
- Other Covered Entities – Meetings 2

TOTAL 75

Section B – Activities

The COED staff's outreach to the number of people in attendance at those meetings is as follows:

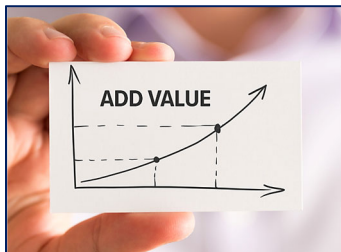
• County Selection Committees	213
• County Contract Review Committees	135
• County Meetings	165
• Municipal Selection Committees	132
• Municipal Meetings	99
• Other Covered Entities – Selection Committees	12
• Other Covered Entities – Meetings	0
TOTAL	756

In the course of these meetings, COED staff is routinely asked to provide guidance to County and municipal staff in an effort to enhance efficiencies. This guidance has resulted in policy and procedure changes by the County and municipalities on how to score and rate proposals, the refinement of determinations of responsiveness reviews, and the development evaluation criteria.

Occasionally, COED staff identifies issues with either a solicitation document or selection process, and advises County or municipal staff of that error so corrections can be made in the solicitation process. Some examples of corrections include; identifying errors or omissions in solicitation documents before the solicitation ends so that an entity can issue an amendment with corrections prior to the solicitation closing date; a scoring sheet not being signed by the selection committee member; miscalculation of selection committee scores; or engaging in activities that do not comply with statutory requirements.

The COED serves as a resource for sharing information and providing references to resource materials by organizations such as the National Institute of Governmental Purchasing.

ADDITIONAL AREAS WHERE CONTRACT OVERSIGHT AND EVALUATIONS ACTIVITIES ADD VALUE



The COED engages in an array of oversight activities that promote an open and competitive business environment, and enhance public confidence that contracts are being awarded equitably and economically. The following highlights the division's positive impact and other proactive/preventative guidance to the County and the municipalities in the following areas:

Audit Services – During FY 2024, after reviewing a solicitation for Audit Services, the OIG noted that the statutory requirements were not met. We provided the entity with a copy of *Tips and Trends 2019-0007, External Auditor Selection Procedures*. The entity was able to take corrective actions before the RFP closed and proposals were received.

Art in State Buildings – We provided an entity with reference materials by the State of Florida for guidance on best practices for procuring artistic services during construction. We also provided the entity with contact information for another county entity that just completed a similar project, and a State contact with information about local public art experts.

CCNA – A municipality contacted the OIG about the distinction between regular contract services like building inspection officials, and professional architect and engineering services in accordance with the Consultants Competitive Negotiations Act (CCNA, s. 287.055 F.S.). We discussed whether the services were directly related to a fixed capital outlay, study, or public works project for the public entity.

Federal Grants – An entity contacted the OIG, stating that new employees in their finance department were being tasked with administering federal grants and were looking for resources and guidance. The OIG sent them a copy of *Tips and Trends* 2018-0003 on Uniform Procurement, and a training presentation on the new Uniform Guidance, Code of Federal Regulations, 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Negotiations – An entity contacted the OIG regarding negotiations for an already awarded public works project. An oversight committee questioned the final price of the project and wanted to negotiate cost reductions directly with a Construction Manager’s subcontractors. The negotiations sought by the committee could have been considered an attempt at auctioning or bid shopping. We discussed any privity of contract relationship between the entity and the subcontractors, the importance of maintaining the integrity of the competitive bid process, and the three discouraged public procurement practices of technical leveling, technical transfusion, and auctioning when negotiating.

Assistance to State OIG – Another Florida IG office that is starting up an Inspections and Evaluations Unit contacted the OIG regarding recent training we conducted at the Association of Inspectors General (AIG) Institute and at an online Florida AIG Chapter training. We sent them copies of our manuals, Inspection and Activity planning templates, and resources toward effectively establishing COED operations.

Piggyback Contracting – Both an entity in Palm Beach County and a public entity from another county in Florida contacted the OIG for legal decisions regarding piggyback contracting, particularly involving a county in Florida. We sent them an article from the Institute of Public Procurement that discussed several prominent cases in this area. We also told them about an upcoming relevant *Tips & Trends*.

Purchasing Policies – The Legal Counsel and staff of an entity tasked with reviewing and rewriting purchasing policies and procedures held a conference call with the OIG regarding the applicability of Chapter 287, F.S., to non-state agency purchasing policies. We discussed some of the public entity requirements of Ch. 287 such as: CCNA, Public Entity Crime, the prohibition on the use of certain evaluation factors, foreign-owned businesses, and state

Section B – Activities

preferences. We recommended the OIG's *Tips and Trends* website for procurement information related to statutory requirements and best practices such as, outside audits, piggybacking, and prompt payment.

Selection Committees – An entity contacted the OIG regarding RFP selection committees. The entity conducts general training with the committees prior to the release of proposals for evaluation. This committee would be reviewing two different bids at the same time and wanted to know if it was okay. We suggested that they review their bid evaluation procedures, and to maintain transparency on public meetings that their training meeting be advertised and posted for both solicitations. Also, we advised that committee members should refrain from discussing the solicitation except during the evaluation meetings for that particular bid.

Single Quote – An entity contacted the OIG about situations when they received only one bid or quote. We explained that generally, single bid situations are not described in the Florida Statutes, or County and Municipal Codes. The local purchasing rules and procedures would probably be the guiding authority, unless the funding is federal in which case the Uniform Code conditions would apply. Absent any local guidance, we recommended some best practices to show that their decision on the course of action taken is well documented, legally sufficient, and approved by higher authority. We also discussed avoiding splitting requisitions to reduce the project to the single quote threshold, and alternative price analysis methods.

Vendor Invoices – An entity contacted the OIG regarding a vendor's continued invoicing for a closed equipment rental account. We recommended best practices to avert escalation. We also reminded the entity that it is necessary to promptly reject all improper invoices, and to document all communication attempts in order to preserve legal rights and comply with the prompt payment statutes.

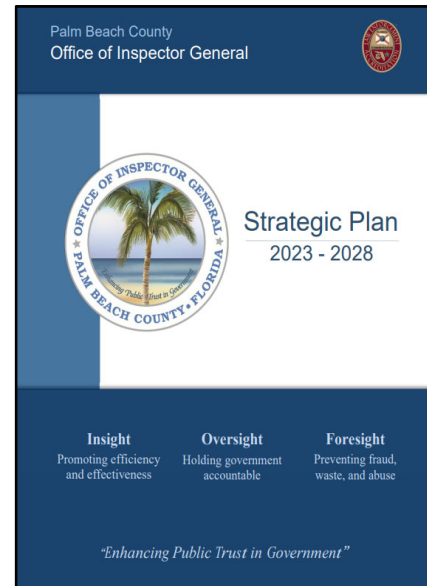
OUTLOOK AND THE WAY AHEAD

Our OIG Strategic Plan sets out the following goals:

- Deliver results that promote integrity, excellence, and accountability in government.
- Strengthen relationships and build trust with external stakeholders.
- Maximize organizational effectiveness.

In FY2025 we will:

- Continue to center audit and contract oversight and evaluations activities on risk/opportunity assessment models to ensure we are focusing on major risks.
- Continue partnering with Florida’s Chief Inspector General in a state-wide campaign to enhance government cybersecurity through information technology audits and reviews.
- Prioritize the investigations that maximize our resources and our ability to expose waste, fraud, and mismanagement.
- Increase our outreach and training programs on proactively sharing lessons learned, best practices, activities to avoid, and red flags that may indicate fraud, waste, or mismanagement.
- Continue to focus efforts on providing independent oversight of the County One-Penny Sales Surtax expenditures and use of pandemic-related funds.



Appendix 1 – FY2024 Tips and Trends

As part of our prevention and education focus, the OIG periodically issues *Tips and Trends*. These brief reports provide lessons learned from OIG projects, research, or new regulatory guidance designed to assist entities in operating in a more compliant, efficient, or effective manner.

OIG Tips and Trends # 2024-0001 – Prohibition against Considering Social, Political, or Ideological Interests in Government Contracting – October 26, 2023

Effective July 1, 2023, Chapter 2023-28, Laws of Florida, created section 287.05701, Florida Statutes. This law prohibits consideration of social, political, or ideological interests in state and local government contracting.

Section 287.05701, F.S.:

- Defines “awarding body” to include local government contracts from the governing body of a county, municipality, special district, or any other political subdivision of the state;
- Prohibits an awarding body from requesting documentation of or considering a vendor’s social, political, or ideological interests when determining if the vendor is a responsible vendor;
- Prohibits an awarding body from giving preference to vendors based upon their social, political, or ideological interests; and
- Requires that all solicitations for commodities or contractual services include a provision notifying vendors of these requirements.

We recommended that government entities consult with Legal Counsel about the new law, and review policies and procedures to ensure compliance with Section 287.05701.

OIG Tips and Trends # 2024-0002 – Prompt Payment for Public Construction Contracts – January 31, 2024

Effective July 1, 2023, Chapter 2023-134, Laws of Florida, amended the Local Government Prompt Payment Act, section 218.735, F.S..

The amendment:

- Requires developing a punch list and the cost for completion of construction services;
- Requires payment of of contract balance and retainage within 20 days of the punch list; and
- Reduces the invoice payment time from 45 days to 30 days, and the invoice dispute resolution process from 60 days to 45.

The law also amended section 255.0992, Florida Statutes, to change the definition of a “public works project” to include any activity paid for with any state-appropriated funds. The previous definition only included activities exceeding \$1 million paid for with any state-appropriated funds.

We recommended that local government entities consult with Legal Counsel regarding policy revisions to comply with the law. Additionally, we recommended training personal on the requirements of the Local Government Prompt Payment act and the expanded definition of public works projects.

OIG Tips and Trends #2024-0003 (supersedes 2019-0001) – Invest Surplus Funds to Increase Revenue

This *Tips and Trends* offers guidance and suggestions to local governments when considering investment options for surplus funds and notifies governments of recent changes to the law. We suggested that local governments invest surplus funds in the investment options permitted by Florida law in order to increase revenue, adopt an investment policy to increase options available for investing surplus funds, and ensure investment decisions are based solely on pecuniary factors that appropriately reflect a prudent assessment of each factor’s impact on risk or returns.

OIG Tips and Trends # 2024-0004 – Foreign Countries of Concern & Scrutinized Companies – June 2024

Effective July 1, 2025, Chapter 2023-33, Laws of Florida, created section 287.138 which prohibits a governmental entity from extending or renewing any contract with an entity owned, or controlled by a foreign country of concern, or whose principal place of business is located in a foreign country of concern. The law also states that, beginning January 1, 2024, the governmental entity may not accept a bid, proposal, or enter into a contract that would grant a business entity access to an individual’s personal identifying information unless a signed affidavit from an officer of the company is received attesting that the entity is not owned, or controlled by a foreign country of concern, or whose principal place of business is located in a foreign country of concern.

We recommended that local governments review their policies and procedures, and make any necessary revisions to ensure they receive the required affidavits, attestations, or certifications requirecy by Chapter 287 and Chapter 288, F.S.

OIG Tips and Trends # 2024-0005 –Tangible Personal Property Owned by Local Governments – June 2024

On May 25, 2023, Chapter 2023-144, Laws of Florida was enacted and included a change to section 274.01 (1), F.S.. The definition of “Governmental Unit” was changed to include county agencies, municipalities, and special districts.

Chapter 274, F.S. provides that a governmental unit is primarily responsible for the supervision and control of its property; may acquire property by purchase or exchange; may classify as surplus its property that is obsolete, uneconomical, or serves no useful purpose, and may dispose of surplus property. Florida’s Chief Financial Officer is responsible for

establishing the requirements for the recording, the periodic review for inventory purposed, and the disposition of property.

We recommended that local governments compare the requirements of Chapter 274, F.S., with their charter provisions, ordinances, polices and procedures pertaining to tangible personal property. We als recommened seeking advice from Legal Counsel, and training staff on the requirements of the statute, especially if they are difference from current property policies and procedures.

OIG Tips and Trends # 2024-0007 –Exempt Purchases that deviate from the Competitive Solicitation Process – July 2024

This *Tips and Trends* focused on three common exemptions from competitive procurement: emergency purchases, piggybacking, and sole source purchases. The governing directives authorizing governmental entities to use non-competitive methods to acquire goods and services often define the terms “emergency purchase”, “piggyback,” or “sole source” purchase and set forth the specific circumstances justifying their use. The governmental entity should review its governing directives when evaluating whether a competitive solicitation is appropriate or whether the purchase qualifies for one of the exempt, non-competitive methods. We recommended that entities train staff on the requirements for competitive and non-competitive procurements, and that the records be maintained include supporting rationale and intent of exempt procurement decisions.



The value of our Tips and Trends -



"An ounce of prevention
is worth a pound of cure."
Benjamin Franklin

Section D – Appendices

Appendix 2 – FY2024 Recommendations

**INVESTIGATIVE REPORTS COMPLETED
(October 1, 2023 – September 30, 2024)**

Date

12/27/2023 **False Information Palm Beach County Emergency Rental Assistance
West Palm Beach Applications - 2022-0008**

Report Number

2022-0008 **Recommendation:**

1. The County seek reimbursement of \$20,000.00 in funds issued inappropriately.

Implemented

Date

3/9/2024 **False information on CARES Act Rental Assistance Applications - West
Palm Beach - 2022-0001**

Report Number

2022-0001 **Recommendation:**

1. The County seek reimbursement of \$9,500.00 in funds issued inappropriately.

Implemented

Date

4/29/2024 **False Information on County Grant Applications by Lake Worth
Applicant - 2022-0020**

Report Number

2022-0020 **Recommendation:**

1. The County seek reimbursement of \$19,214.13 in funds issued inappropriately.

Implemented

Date

5/30/2024 PBC - Planning Zoning and Building Overtime Pay - 2023-0009

Report Number

2023-0009 Recommendations:

1. PZB institute appropriate internal controls to ensure that supervisors and timekeepers sufficiently monitor employee time records so as to minimize the risk of employees improperly reporting leave, overtime, or compensatory time.
2. PZB train employees regularly on the rules and guidelines regarding working, earning, and reporting overtime and compensatory time.
3. Reconfigure HRIS to ensure that employees cannot approve their own employee time records or to require the employee to attach a supervisor's written approval.
4. The County seek reimbursement from Mr. Blake of \$5,994.46 in Identified Costs.

Outstanding

Date

6/18/2024 False Information on County Grant Applications by Lake Worth Applicant - 2022-0022

Report Number

2022-0022 Recommendation:

1. The County seek reimbursement of \$11,202.24 in funds issued inappropriately.

Implemented

Date

7/17/2024 False Information on PBC Rental Assistance Program Applications - West Palm Beach - 2022-0014

Report Number

2022-0014 Recommendation:

2. The County seek reimbursement of \$5,355.00 in funds issued inappropriately.

Implemented

Date

9/23/2024 False Information on Palm Beach County Emergency Rental Assistance Program - Lake Worth Applications - 2023-0002

Report Number

2023-0002 Recommendation:

3. The County seek reimbursement of \$15,004.39 in funds issued inappropriately.

Implemented

**AUDIT REPORTS COMPLETED
(October 1, 2023 – September 30, 2024)**

Date

11/1/2023 City of West Palm Beach – Fire Service Assessment Fee Audit

Report Number

2024-A-0001 Recommendations:

1. The City should establish and maintain a written review and oversight process for reviewing, recording, and reconciling Fire Assessment Fee Fund internal service fund transfers to ensure they are in compliance with the established fund purpose and applicable requirements.

Implemented

2. The City should establish and maintain a cost allocation plan policy and procedure that identifies:
 - a. The items of expense included in the cost of each service;
 - b. The method used to distribute the cost of the services (i.e. decides the basis of allocation); and,
 - c. A summary schedule showing the allocation of each service to the specific benefitted departments/divisions.

Implemented

3. The City should maintain documentation of the application of the established cost allocation strategy that supports the IT General Services, GIS, expenditure allocated to the Fire Assessment Fee Fund.

Implemented

4. The City should establish and maintain a written review and oversight process for reviewing, recording, and reconciling Fire Assessment Fee

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Fund monies transferred to the Debt Service Fund for capital lease charges to ensure they are in compliance with the established fund purpose and applicable requirements.

Implemented

5. The City should reconcile monies transferred from Fire Assessment Fee Fund to the Debt Service Fund for payment of capital lease costs to ensure they are accounted for in compliance with the Fire Assessment Fee Fund purpose and applicable requirements.

Implemented

6. The City should establish and maintain a written review and oversight process for reviewing, recording, and reconciling Fire Assessment Fee Fund funds transferred to the Capital Acquisition Fund for capital expenditures to ensure they are in compliance with the established fund purpose and applicable requirements.

Implemented

7. The City should reconcile funds transferred from Fire Assessment Fee Fund to the Capital Acquisition Fund for payment of capital expenditures to ensure the funds were accounted for in compliance with the established fund purpose and applicable requirements.

Implemented

8. The City should maintain documentation of the application of the established cost allocation strategy that supports the Administration/Management Fees charged to the Fire Assessment Fee Fund.

Implemented

Date

3/18/2024

Town of Manalapan – IT Network Security Review

Report Number

2024-A-0002

Recommendations:

1. The Town develop and implement a written Access Control Management policy and procedure that provides guidance including:
 - a. Establishing an account management process for assigning and managing user account authorizations;

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- b. Establishing an access granting process upon new hire, rights grant or a role change;
- c. Establishing an access revoking process through disabling accounts immediately upon termination, rights revocation, or role change;
- d. Identifying and dividing business and support functions between different individuals or roles to reduce risk associated with authorized privileges abuse;
- e. Employing the principal of least privilege, allowing only authorized access for users that are necessary to accomplish assigned organizational tasks; and,
- f. Establishing unique identification and authentication requirements (usernames, passwords, biometrics, etc.) for user accounts accessing the network.

Implemented

- 2. The Town ensure staff are aware of their roles and responsibilities related to access control management.

Pending Implementation

- 3. The Town develop and implement a written Data Sanitization and Asset/Inventory Disposal policies and procedures that provide guidance regarding:
 - a. Establishing and maintaining a data management process that addresses data retention limits and disposal requirements and ensures the disposal process and method are commensurate with the data sensitivity;
 - b. Reviewing and approving assets to be sanitized to ensure compliance with record retention requirements;
 - c. Tracking and documenting actions including listing personnel who reviewed and approved sanitization and disposal actions, types of assets sanitized, files stored on the asset, sanitization methods used, date and time of the sanitization actions, personnel who performed the sanitation, verification actions taken and personnel who performed the verification, and the disposal actions taken;
 - d. Disposing of data, documentation, tools, or system components as outlined in the data management process;
 - e. Verifying that the sanitization of the asset was effective prior to disposal; and,
 - f. Testing of sanitation equipment and procedures.

Implemented

4. The Town ensure staff are aware of their roles and responsibilities related to data and asset/component sanitization and disposal.

Pending Implementation

5. The Town implement an IT policy that ensures cybersecurity roles and responsibilities are coordinated and aligned with internal roles and external partners, and include governance and risk management processes addressing cybersecurity risks.

Implemented

6. The Town develop and implement written Incident Response Plan policies and procedures to ensure continuity of operations that provide guidance, at a minimum, including:
 - a. Designating one key person, and at least one backup, who will manage the incident handling process;
 - b. Establishing and maintaining contact information for parties that need to be informed of security incidents;
 - c. Establishing and maintaining a process for staff to report security incidents;
 - d. Testing to determine the effectiveness of the plan to identify weaknesses or deficiencies; and,
 - e. Tracking and documenting security incidents.

Implemented

7. The Town develop and implement written Contingency/Recovery Plan policies and procedures to ensure continuance of mission and business functions that provide guidance, at a minimum, including:
 - a. Identifying essential mission and business functions and associated contingency requirements;
 - b. Identifying recovery objectives and restoration priorities;
 - c. Addressing contingency roles, responsibilities, and assigned individuals with contact information;
 - d. Addressing maintaining essential mission and business functions despite a system disruption, comprise, or failure;
 - e. Addressing eventual, full system restoration without deterioration of the controls originally planned;
 - f. Testing to determine the effectiveness, and readiness, of the plan to identify potential weaknesses; and,
 - g. Safeguarding and testing of backup information to ensure it can be reliably retrieved and restored for essential mission and business functions.

Implemented

8. The Town ensure staff are aware of their roles and responsibilities in responding to and recovering from a network security incident, including maintaining business functions during a system disruption or failure.

Pending Implementation

Date

3/27/2024

Village of Wellington – IT Application Security Audit

Report Number

2024-A-0003

Recommendations:

1. The Village update its policies and procedures to include a defined time frame to notify IT of employee separations and for disabling inactive application user accounts.

Implemented

2. The Village ensure staff are aware of their roles and responsibilities related to notifying IT of employee separations and for disabling inactive application user accounts.

Implemented

Date

7/1/2024

Town of Loxahatchee Groves – Expenditure of Gas Tax Revenue Audit

Report Number

2024-A-0004

Recommendations:

1. The Town review and update the District’s Procurement and Contracting Policy to ensure that it aligns with the Town’s Ordinance governing the approval of purchases.

Pending Implementation

2. The Town implement a review and oversight process to ensure that purchases of \$25,000 or more have sufficient documentation to show that they are approved by the council and purchases of \$10,000 or more utilize a written agreement in compliance with the Town’s Procurement Code and Administrative Purchasing Policy & Procedures Manual.

Section D – Appendices

Pending Implementation

3. The Town review its current resolution updating the payment of money authority and signature authority, and if in conflict with its Ordinance governing the payment of money, update the resolution or the Ordinance to resolve the conflict.

Pending Implementation

4. The Town issue purchase orders for purchases, as required by its Purchasing Policy & Procedures Manual.

Pending Implementation

5. The Town implement a review and oversight process to help ensure that expenditures are supported by a purchase order, where applicable, and that purchase order documentation is appropriately retained.

Pending Implementation

6. The Town implement a process that provides for sufficient, separate accountability for the use of gas tax revenues by source (6-cent or 5-cent).

Pending Implementation

7. The Town establish and maintain a written review and oversight process for reviewing, recording, and reconciling gas tax revenues transferred and expended to ensure they are in compliance with Section 336.025, F.S.

Pending Implementation

8. The Town separate the accounts payable and vendor master file duties of the Public Works Coordinator or implement alternative control activities to prevent and detect erroneous or unauthorized modifications to the vendor master file.

Pending Implementation

9. The Town restrict access to the vendor master file to only personnel who need access to perform their duties.

Pending Implementation

10. The Town restrict access to the vendor master file to only personnel who need access to perform their duties.

Pending Implementation

11. The Town develop and implement written guidance for management and oversight of the vendor master file.

Pending Implementation

12. The Town develop and implement written IT policies and procedures that provide guidance, at a minimum, for how to:
 - a. Perform IT processes in place,
 - b. Assign and remove user rights and a reasonable time for completion,
 - c. Authorize user access,
 - d. Limit system access requiring unique user IDs and passwords, and
 - e. Provide for user change management (new and terminated employees).

Implemented

13. The Town provide staff training for the IT policies and procedures, as needed.

Pending Implementation

14. The Town create individual user accounts for each employee that requires access to the Blackbaud system.

Implemented

Date

9/20/2024

Village of Royal Palm Beach – Accounts Payable Expenditures and Cash Disbursements Audit

Report Number

2024-A-0005

Recommendations:

1. The Village enhance the purchasing review and oversight process to identify purchases of the same kind and from the same vendor and ensure they are processed and approved in compliance with its Purchasing Guidelines requirement for purchasing authorization and processing.

Section D – Appendices

Pending Implementation

2. The Village ensure departments and purchase approvers are advised that splitting purchases is a violation of the Purchasing Guidelines, and that the Purchasing Guidelines require that the purchase of goods and services with a total cost of \$2,000.00 more be entered into the purchasing system using a requisition/purchase order.

Pending Implementation

3. The Village maintain sufficient documentation, including but not limited to gift card logs documenting the gift card numbers and values, recipients, reasons for distribution for all gift cards purchased, and independent review or reconciliation of the documentation and any remaining gift cards; and itemized receipts, attendees, and documented public purpose for all business meeting reimbursements.

Pending Implementation

4. The Village implement written guidance for the custody and distribution of gift cards provided to employees, volunteers, or others that ensures sufficient accountability for and safeguarding of gift cards, including but not limited to maintaining a gift card log that documents the gift card number and value, recipient, reason for distribution for all gift cards purchased, and independent review or reconciliation of the documentation and any remaining gift cards.

Pending Implementation

5. The Village deactivate the vendors records it confirmed were duplicates, inactive, or had no expected future payment activity and update the vendor records it confirmed should have a Tax ID number.

Pending Implementation

6. The Village implement a process to help ensure newly created vendor records are reviewed for relevance, accuracy, and completeness by the Finance Technician's supervisor or an individual with no responsibilities in the accounts payable process; and that there is an established routine review and purging of the vendor master file to identify and resolve inactive, incomplete, and unauthorized or erroneous vendor records.

Pending Implementation

Appendix 3 – Prior Years’ Significant Open Recommendations

The OIG has issued hundreds of recommendations since its creation in 2010, with 91% of these accepted, or pending implementation by management. This high acceptance/implementation rate reflects that OIG staff works with management to develop realistic and achievable recommendations that make good business sense for the improvement of government operations. The IG Ordinance requires the IG to report on *significant* recommendations described in previous annual reports for which corrective action has not been completed. We will continue to work with management in monitoring these recommendations.

The following lists these significant recommendations pending implementation:

Date

9/13/2021 City of Lake Worth Beach – Travel Audit

Report Number

2021-A-0007 Recommendations:

1. The City comply with the City’s Travel Resolution, Travel Policy, Travel Procedures, and Purchasing Card Procedures.

Pending Implementation

Date

11/21/2022 Town of Highland Beach – IT Network Security Review

Report Number

2023-A-0001 Recommendations:

2. The Town provide ongoing training to ensure staff are aware of their roles and responsibilities related to data and asset/component sanitization and disposal.

Pending Implementation

6. The Town provide ongoing training to ensure staff are aware of their roles and responsibilities in responding to and recovering from a network security incident, including maintaining business functions during a system disruption or failure.

Pending Implementation

8. The Town provide ongoing training to ensure staff are aware of their roles and responsibilities related to access control management.

Pending Implementation

Date

3/23/2023 **City of Atlantis – IT Network Security Review**

Report Number

2023-A-0004 **Recommendations:**

1. The City update its enterprise asset inventory list to ensure it includes all network components or devices and provides, at a minimum, the:
 - a. Machine name;
 - b. Static network address;
 - c. Hardware address;
 - d. Enterprise asset owner; and,
 - e. Department.

Pending Implementation

2. The City update its inventory list when components are installed or removed.

Pending Implementation

3. The City routinely compare its enterprise asset inventory list to the network components and devices and address unauthorized assets.

Pending Implementation

4. The City should establish and maintain an Information Protection/Security Awareness and Skills Training program that provides guidance, at a minimum, including:
 - a. Recognizing social engineering attacks;
 - b. Authentication best practices;
 - c. Data handling best practices;
 - d. Causes of unintentional data exposure;
 - e. Recognizing and reporting security incidents;
 - f. Identifying and reporting if enterprise assets are missing security updates; and
 - g. Dangers of connecting to and transmitting enterprise data over insecure networks.

Pending Implementation

5. Provide staff with ongoing Information Protection/Security Awareness and Skills Training.

Pending Implementation

Section D – Appendices

7. The City provide ongoing training to ensure staff are aware of their roles and responsibilities related to access control management.

Pending Implementation

8. The City develop and implement a written Data Sanitization and Asset/Inventory Disposal policy and procedure that provides guidance regarding:
 - a. Establishing and maintaining a data management process that addresses data retention limits and disposal requirements and ensures the disposal process and method are commensurate with the data sensitivity;
 - b. Reviewing and approving assets to be sanitized to ensure compliance with record retention requirements;
 - c. Tracking and documenting actions including listing personnel who reviewed and approved sanitization and disposal actions, types of assets sanitized, files stored on the asset, sanitization methods used, date and time of the sanitization actions, personnel who performed the sanitation, verification actions taken and personnel who performed the verification, and the disposal actions taken;
 - d. Disposing of data, documentation, tools, or system components as outlined in the data management process;
 - e. Remote purging or wiping of data on lost or stolen organizational assets;
 - f. Verifying that the sanitization of the asset was effective prior to disposal; and,
 - g. Testing of sanitation equipment and procedures.

Pending Implementation

9. The City ensure staff are aware of their roles and responsibilities related to data and asset/component sanitization and disposal.

Pending Implementation

10. The City implement an IT policy that ensures cybersecurity roles and responsibilities are coordinated and aligned with internal roles and external partners, and include governance and risk management processes addressing cybersecurity risks.

Pending Implementation

11. The City develop and implement written Incident Response Plan policies and procedures to ensure continuity of operations that provide guidance, at a minimum, including:
 - a. Designating one key person, and at least one backup, who will manage the incident handling process;
 - b. Establishing and maintaining contact information for parties that need to be informed of security incidents, including where appropriate, law enforcement, government administrative agencies, and individuals whose information may have been compromised;
 - c. Establishing and maintaining a process for staff to report security incidents;
 - d. Testing to determine the effectiveness of the plan to identify weaknesses or deficiencies; and,
 - e. Tracking and documenting security incidents.

Pending Implementation

12. The City develop and implement written Contingency/Recovery Plan policies and procedures to ensure continuance of mission and business functions that provide guidance, at a minimum, including:
 - a. Identifying essential mission and business functions and associated contingency requirements;
 - b. Identifying recovery objectives and restoration priorities;
 - c. Addressing contingency roles, responsibilities, and assigned individuals with contact information;
 - d. Addressing maintaining essential mission and business functions despite a system disruption, compromise, or failure;
 - e. Addressing eventual, full system restoration without deterioration of the controls originally planned;
 - f. Testing to determine the effectiveness, and readiness, of the plan to identify potential weaknesses; and
 - g. Safeguarding and testing of backup information to ensure it can be reliably retrieved and restored for essential mission and business functions.

Pending Implementation

13. The City provide ongoing training to ensure staff are aware of their roles and responsibilities in responding to and recovering from a network security incident, including maintaining business functions during a system disruption or failure.

Pending Implementation

Section D – Appendices

Appendix 4 – FY2025 Audit Plan at a Glance

Audit	Objectives
	Carryover Audits
Management Request – City of Pahokee Accounts Payable Expenditures/Cash Disbursements⁴	<ul style="list-style-type: none"> • Are controls adequate for accounts payable expenditures and cash disbursements? • Are control procedures adequate to ensure that expenditures/cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment? • Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?
Management Request – Palm Beach County Workforce Housing Program – Wellington Club Apartments	<ul style="list-style-type: none"> • Were Program requirements met and agreed upon deliverables received? • Are controls adequate related to administration of the Program?
Contract/Agreement – Contract between the Town of Palm Beach and John C. Cassidy Air Conditioning, Inc. for Bid No. 2018-54 HVAC and Refrigeration Maintenance and Replacement⁵	<ul style="list-style-type: none"> • Are controls adequate to effectively manage the contract and related activities? • Are invoices properly documented and approved to avoid possible fraud, waste, and abuse? • Are payments for services received and in compliance with the contract?
Construction Contract – Contract between Palm Beach County and Kast Construction Company, LLC for Construction Manager at Risk Services for PBSO Headquarters Renovations Project No. 11206	<ul style="list-style-type: none"> • Are controls adequate to effectively manage the construction contract? • Are payment applications and change orders properly documented and approved to avoid possible fraud, waste, and abuse?
Revenue/Cash Intake – Solid Waste Authority Tipping Fee Revenue	<ul style="list-style-type: none"> • Are tipping fee revenues recorded accurately and appropriately in compliance with financial requirements? • Are cash receipts for tipping fees recorded accurately with timely deposits? • Are there adequate controls for the receipt of tipping fee revenue and related cash intake activities?
Intake Referral – City of Riviera Beach Purchasing Cards and Council Member’s Out-of-State Travel Follow-up	<ul style="list-style-type: none"> • Are the corrective actions implemented following our Audit Report 2019-A-0003, City of Riviera Beach Purchasing Card and Council Members’ Out-of-State Travel, effective in ensuring compliance with purchasing card policies and procedures and strengthening internal controls over purchasing card activities? • Are council members’ out-of-state travel expenditures in compliance with policies and procedures?

⁴ This audit is substantially completed and pending issuance of a draft report.

⁵ This audit is completed and pending issuance of a final report.

Section D – Appendices

Audit	Possible Objectives
	Planned Audits
Multiple Entities – Contracts/Agreements	<ul style="list-style-type: none"> • Are controls adequate to effectively manage contracts and related activities? • Are control procedures adequate to ensure that contracts are competitively procured, when required, and for appropriate activities? • Are invoices properly reviewed and approved prior to payment? • Are purchases and/or invoices properly documented and approved to avoid possible fraud, waste, and abuse? • Are contracts effectively managed? • Were agreed upon deliverables received?
Multiple Entities – Water and Sewer Utility Billing and Cash Receipts	<ul style="list-style-type: none"> • Are controls in place and adequate to ensure that water and sewer billings and cash receipts are accurate and complete? • Are water and sewer billings accurate and complete and related cash receipts properly recorded and deposited? • Are water and sewer billings in compliance with relevant regulatory requirements, policies, and procedures?
Multiple Entities – Permitting	<ul style="list-style-type: none"> • Are controls adequate to ensure permits and related fees are processed timely and in compliance with relevant regulatory requirements, policies, and procedures? • Are permit fees assessed and collected in compliance with relevant regulatory requirements, policies, and procedures? • Are permit fees accurate and related cash receipts properly recorded and deposited? • Are permits processed in a timely manner and sufficiently documented?
Multiple Entities – Purchasing Cards	<ul style="list-style-type: none"> • Are internal controls in place and adequate to appropriately govern purchasing card use, including controls to prevent and detect fraud, waste, and misuse? • Are purchasing card expenditures sufficiently documented, in compliance with relevant guidance, and serve a valid public purpose?
Multiple Entities – Law Enforcement Overtime	<ul style="list-style-type: none"> • Are controls in place and adequate to ensure that overtime is properly recorded and approved, including controls to prevent and detect fraudulent, improper, or excessive overtime claims? • Is overtime accurately recorded and properly approved? • Is overtime in compliance with relevant regulatory requirements, policies, and procedures? • Is overtime properly budgeted, paid, and reimbursed according to applicable agreements?

**IG/Management Request audits are not included. These audits will be added to the audit plan.*

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Audit	Possible Objectives
Planned Audits (continued)	
Multiple Entities – Grants	<ul style="list-style-type: none"> Are controls in place and adequate to ensure that grant funds are used in compliance with grant terms and conditions, including controls to prevent and detect fraud, waste, and misuse? Are grant expenditures in compliance with grant terms and conditions? Are reporting requirements and deliverables completed in compliance with grant terms and conditions?
Multiple Entities – Construction Contracts	<ul style="list-style-type: none"> Are controls adequate to effectively manage construction contracts? Are control procedures adequate to ensure that construction contracts are competitively procured and managed effectively in accordance with construction contract terms and conditions? Are payment applications and change orders properly documented and approved to avoid possible fraud, waste, and abuse? Were agreed upon deliverables received?
Multiple Entities – IT Network Security	<ul style="list-style-type: none"> Are processes in place designed to prevent network security intrusions? Are processes in place designed to monitor and detect network security threats, breaches, and intrusions? Are processes in place designed to respond to and eliminate network security threats, breaches, and intrusions?



Palm Beach County Office of Inspector General

100 Australian Avenue
West Palm Beach, FL 33406

TEL: (561) 233-2350

FAX: (561) 233-2370

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