

**Office of the Inspector General  
Miami-Dade County**

**Annual Report  
2002**

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May 2003



The Honorable Alex Penelas, Mayor  
The Honorable Dr. Barbara Carey-Shuler, Chairperson  
Honorable Board Members of the County Commission  
Mr. Steve Shiver, County Manager  
Miami-Dade County Citizens

OFFICE OF THE  
INSPECTOR GENERAL  
MIAMI-DADE COUNTY

CHRISTOPHER R.  
MAZZELLA  
INSPECTOR GENERAL

ALAN SOLOWITZ  
DEPUTY INSPECTOR  
GENERAL

PATRA LIU  
LEGAL COUNSEL

I am very pleased to present to you our 2002 Annual Report. As you peruse this report, I hope you will agree that the Office of the Inspector General has made a difference in promoting qualities inherent to an ethical, transparent government. Certainly, I believe you will be impressed with our commitment to serve the citizens of Miami-Dade County by detecting, exposing, and, ultimately, preventing government waste, fraud, abuse, mismanagement and corruption. We are especially proud of our accomplishments in implementing an effective oversight program at the Airport, the Performing Arts Center, and at other major County departments.

I know you all realize that, at times, our efforts may evoke downbeat emotions. I can assure you it is not a pleasant task to criminally prosecute County officials. Nevertheless, sometimes, criminal prosecutions are necessary to preserve the well-being and integrity of our institutions. But, for the most part, I think you will see that our office has focused its resources on producing constructive, positive results. For instance, our urgent actions to preserve the electoral process following the debacle of the fall primary election will, I believe, be singled out as a great achievement for years to come. And our efforts to support and promote a first-class airport, the most important economic engine in this county, will expand.

As for the future, I pledge that we will not deviate from tackling even the most difficult and controversial tasks. With your continued support, I know we will continue to make a difference.

Yours truly,

Christopher R. Mazzella  
Inspector General, Miami-Dade County

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# **Mission of the Office of the Inspector General**

In response to the public's demand for clean government, the Miami-Dade County Board of County Commissioners created the Office of the Inspector General (OIG). The OIG is authorized to detect, investigate, and, where possible, prevent fraud, waste, mismanagement and abuse of power in County projects, programs or contracts. To effectively uphold this mandate, the County Commissioners vested the OIG with independent status so that it could carry out its goals without political interference. Indeed, it is one of the few OIGs in the country that has jurisdiction to investigate officials at any level, including elected officials.

Our ultimate goal is to prevent misconduct and abuse and seek appropriate remedies to recover public monies. Above all, the OIG's principal objective is to promote ethics, honesty and efficiency in government, and to restore and promote the public's trust in government.

# Organizational Structure

The Office of the Inspector General employs a team of highly skilled individuals. The staff is composed of professionals from varying disciplines and backgrounds that include attorneys, certified public accountants, certified fraud examiners, former law enforcement officials, investigators, certified investigative analysts and forensic accountants. Additionally, the staff has specialties in the fields of construction, information technology, investigative databases and government procurement.

The Inspector General is empowered to appoint all staff members for the Office of the Inspector General and all OIG staff serves at the will of the Inspector General. A Deputy Inspector General and an Assistant Inspector General, who report directly to the Inspector General on all operations and office-related matters, help to oversee the office.

The OIG consists of four units:

Investigations Unit	Legal Unit
Audit Unit	Administrative Support Unit

The OIG also operates three permanent oversight offices:

- Aviation Department
- Water & Sewer Department
- Performing Arts Center

The OIG is also in the process of opening three additional offices at the Public Health Trust, the Seaport, and the Office of Public Transportation Management.

The Miami-Dade OIG strives to reflect the diversity of our great community. Among the OIG staff, excluding the Inspector General, at year-end 2002 we are:

52% Female	14% Hispanic
29% Black	9% Asian

The Office of the Inspector General is committed to recruiting qualified employees who reflect the makeup of Miami-Dade County.

# **2002 - Year In Review**

In 2002, the Office of the Inspector General (OIG) stepped up its oversight of the Aviation Department. The OIG's satellite office is located in Concourse A of the airport, and by the end of 2002, it was staffed with four full-time special agents. On a regular basis, Airport staff refers complex matters to the OIG staff for objective and efficient resolution. In addition to its permanent airport staff the OIG also deploys additional investigators and auditors, as needed, on other Aviation-related assignments.

Of significance in 2002, the OIG undertook an extensive review of the Airport's contract with its general aviation consultant, Dade Aviation Consultants (DAC). This is one of the largest contracts in the County. In the first ten years of the contract, the County paid over \$140 million for consulting services. The OIG was tasked with reviewing the contract and the consultant's performance prior to anticipating a renewal and extension of the contract. Perhaps the most significant recommendation that the OIG made was establishing performance standards as a way to formally evaluate the consultant's performance. The OIG's review showed that there had been no formal evaluation process since 1992. The OIG's recommendations became an integral part of the negotiations for a contract extension. Based on the OIG's input, the renewed contract contains evaluation criteria on a variety of objectives, such as cost and quality control, time management, program and project management, subcontracting assignments and safety issues. The Board of County Commissioners recently awarded the DAC contract extension with one other modification — that the OIG participate in the annual performance review of DAC.

Another inquiry revealed serious violations of the Disadvantaged Business Enterprise Program on a multi-million dollar airport concessions contract that involved the operations of the duty free shops at Miami International Airport. The OIG found that the participation of four disadvantaged business entities, which were joint venture partners on the contract, was far from real, meaningful, or commercially useful, as required by the program. One of the four partners had even voiced her complaint that she was not allowed to truly participate in the management of the shops. The OIG's public report on this matter was the catalyst for change. The Aviation Department, in response to the OIG's report, required program compliance, and the Joint Venture is being closely monitored for compliance.

Program integrity will continue to be a top priority for the OIG at the Airport and other county departments.

The OIG also spent the second half of 2002 sorting out a scandal at the County's Tax Collector's Office. Our investigation uncovered fraud and rampant integrity issues involving a large number of County employees in the Tax Collector's Office and the Clerk of the Courts. This fraud involved, among other things, a County employee who altered the interest rate percentage points on tax certificates that were purchased by a tax certificate buyer. The increased interest rate would then be passed to the property owner, who would then have to pay more in delinquent taxes and fees in order to remove the lien. The tax certificate buyer would have profited from the interest rate increase had it not been for the OIG's investigation. But what was just as distressing was the realization that for several years, numerous County employees developed cozy relationships with several tax certificate buyers, and received money, as gifts, from these same people that the County conducts business with. The OIG released a series of reports on this matter and several employees have since resigned. Others are facing employment termination actions. Criminal charges have also been levied against two County employees and more arrests are expected. The Tax Collector's Office is undergoing a top to bottom review and the OIG will continue to monitor and provide input on reform measures to reestablish the integrity of this division of County government.

At the request of Mayor Alex Penelas, the OIG conducted an emergency investigation that focused on the causes for the September 10, 2002 election debacle. In addition to pinpointing the causes and impact of the irregularities, the OIG reported very specific, detailed and comprehensive recommendations that served as a blueprint to ensure the success of future elections. County management incorporated virtually all of the OIG's recommendations in its preparations for the November 2002 election. The national media spotlight that was widely focused on Miami-Dade County during the General Election held on November 5, 2002, revealed that a very focused, organized, well-run, and successful General Election was achieved County-wide.

In 2002, as part of its highly professional training requirements, the OIG had its first staff members complete the Team Metro Citizens Academy. The program is designed for citizens to gain knowledge of County operations and procedures. The OIG anticipates sending more representatives to the Academy course.

# **2002 Activities and Initiatives**

## **Procurement Reform**

In May 2002, Miami-Dade's Board of County Commissioners unanimously endorsed strategic planning statements reflecting the community's beliefs for the role and responsibility of County government's mission in the County's future. The Board emphasized that its strategic planning initiative would be guided by certain vital community values and principles, including the requirement that County government be efficient, effective, accountable and responsible to the public. In pursuing these aspirations, the Office of the Inspector General committed significant resources to participating in several important procurement reform initiatives. For instance, the Inspector General directly contributed to the efforts of a contractor performance task force to devise a performance evaluation system for County vendors and contractors. This task force also developed improvements in contractor debarment related procedures. Legislation to implement these reforms has been drafted and will be presented to the Board of County Commissioners.

The Inspector General has also been working closely with the Department of Procurement Management and the newly created Procurement Subcommittee of the Board of County Commissioners, chaired by Commissioner Rebeca Sosa, to implement administrative improvements and procurement legislation that would expedite the procurement process yet provide enhanced competition and transparency. The Procurement Department's creation of the Non-Competitive Acquisition Unit to identify competition for vendors' services is just one example of the reform efforts supported by the Inspector General. In just a short time, this unit has identified ninety contracts that will be competitively awarded as opposed to being extended without competition.

# Homeland Security

The Office of the Inspector General also recognizes the critical importance of safeguarding our citizens, public facilities and governmental institutions from terrorist acts. Indeed, recent legislation passed by the Board of County Commissioners mandates a crucial role for the OIG in monitoring security measures at our water and sewer facilities. In fact, in 2002 the office conducted numerous background screening investigations of employees and contractors seeking access to sensitive water and sewer areas. These investigations will continue in 2003. Additionally, aviation officials have already adopted several OIG recommendations to improve security at their facility. OIG representatives have also been attending conferences sponsored by the FBI National Academy that focus on strengthening homeland security and vulnerability analysis.

# Lectures and Speaking Engagements

In continuing its community outreach activities, the Inspector General and other OIG staff members regularly make presentations at various conferences and other speaking events. Public corruption and the role of the Inspector General's Office was the focus of a speech to the Dade League of Women Voters. Fraud in Procurement was the topic at a Round Table meeting on Procurement Practices at Florida Atlantic University and at the South Florida Water Management District meeting in West Palm Beach. Useful methodology to conceptualize and identify procurement fraud and an overview of available legal and administrative remedies rounded out the discussion. The Inspector General was a speaker to orient new members of the Public Health Trust Board of Trustees, Jackson Memorial Hospital, on the role of the Inspector General's Office with PHT and Jackson Memorial. He was also a panel member at the Association for Inspectors General in Orlando, Florida, where the discussion focused on unique issues facing the Inspectors General's offices. In a presentation before the American Society for Industrial Security (ASIS) the Inspector General outlined basic categories of abuse and fraud. The Inspector General's Office welcomes such opportunities to speak and offers its support to the community in fighting abuse, corruption and fraud in County government.

# **Investigations Unit Activities**

The Investigations Unit is headed by the Deputy Inspector General and is comprised of Special Agents who have a wide-range of investigative backgrounds. Investigations are initiated upon the receipt of credible information alleging an act of fraud, waste, financial mismanagement or abuse. The Unit investigated a variety of cases, which included investigations of contractors doing business and/or receiving funds from the County and cases of employee and official misconduct. With respect to a number of investigations, ethics complaints were filed before the Commission on Ethics, criminal charges were prosecuted, and other administrative remedies imposed. The Unit also conducts departmental program and procedures reviews and contract reviews, often with the assistance of the OIG's Legal Unit and OIG audit staff.

The following case summaries highlight some of the OIG's more prominent investigations:

## **Contractors Doing Business With the County**

- **Investigation into Whether a Document Was Altered to Hide Corporate Involvement Between Jasco Construction and Mastec**

As a result of OIG oversight of contract proposals stemming from the Mayor's 9/11/01 Emergency Economic Decree, the Executive Expedite Committee (EEC) suspended Jasco's \$5 million conditional contract award C01-DERM-EEC, Project #62009, pending the OIG's review of allegations that JASCO submitted a fraudulent certificate of insurance. The OIG determined that the original certificate of insurance was found to be different than the document that was previously submitted to the County. Jasco personnel admitted to intentionally altering this document to conceal its association with Mastec, who had experienced previous problems with the County. Subsequently, JASCO chose to withdraw its submission rather than challenge the OIG's findings.

- **Unauthorized Repositioning Fees and Flight Time for Organ Transplants by Trinity Air Ambulance LLC (Trinity)**

This OIG case was reopened after it was learned that an audit conducted by the Public Health Trust showed questionable billings for repositioning fees by Trinity Air Ambulance LLC (Trinity). Further investigation determined that Jackson Memorial Hospital was due a \$45,440.00 credit for unauthorized repositioning fees and flight time for organ transplants by Trinity, after Trinity took over the contract for air transportation of organs from the previous carrier. Outstanding invoices to Trinity were withheld in the same amount and were applied against the outstanding credit owed to Jackson Memorial Hospital. In total, \$45,440.00 in payments for unauthorized repositioning fees and flight time for organ transplants by the vendor were recouped.

A second set of invoices, totaling over \$50,000, revealed that Trinity failed to provide the FAA flight logs to confirm take-off and landing times for the questioned flights. However, Trinity had submitted the medical team's documents, which are pending review by hospital finance staff and pending FAA confirmation.

As a consequence of the audit and OIG review, in January 2003 a new request for proposal was submitted and the PHT Board approved the use of two new vendors. As the new vendors own their own aircraft (as opposed to using a broker such as Trinity), a savings of \$30,000.00 to \$50,000.00 per month is anticipated over current costs for organ transplants.

- **Best Maintenance and Janitorial Services Contract**

The OIG discovered violations by Best Maintenance and Janitorial Services where the contractor dumped large amounts of trash onto City of Miami property. The City of Miami ultimately picked-up and then disposed of the waste that was left behind by Best. Best was advised that they must identify and present to the Department of Environmental Resource Management (DERM) all trash transfers and temporary storage sites relating to the above contract. Best was also advised they must reimburse the City of Miami a total of \$4,132.00 and pay DERM for costs associated with the ultimate disposal of the garbage. As a result of the OIG investigation and documented contract non-compliance, it was recommended that this contract not be renewed with Best, but rather be re-bid with more detailed specifications requiring that the contractor submit trash disposal tickets with the monthly invoices.

- **Fraudulent Loan Application Submitted to the Miami-Dade County Task Force on Urban Revitalization**

Broadway Place, also known as Liberty City Maytag, received loan approval from the Miami-Dade County Urban Revitalization Task Force in October 2001 for the operation of a coin-laundry business. Loan application conditions required the business to have been operational for one full year and submission of the prior year's tax return. The Broadway loan application stated that the business had been open for four years and employed two people, besides the owners. The OIG investigation found that water service was not made available until April 2001, electrical usage was minimal prior to December 2001, and occupational licenses and a Certificate of Occupancy were not issued until December 2001. State revenue records indicated that no employees had been paid prior to the loan and media announcements that were obtained publicized a grand opening on December 10, 2001. The mortgage was obtained by false representation. The OIG recommended that the Task Force take additional steps in the future to verify application information, document site visits and take photos, if necessary. The State Attorney's Office worked out a plea agreement with the business owners whereby both defendants received probation and both are personally liable for loan repayment.

## **Investigations Resulting in Arrest**

- **Former Commissioner Miriam Alonso**

A joint investigation conducted by the Office of the Inspector General, the Miami-Dade County Police Department and the Dade County State Attorney's Office led to the arrests of Miami-Dade Board of County Commissioner Miriam Alonso, her husband, Leonel, and her Chief of Staff, Elba Morales. All three were charged with a variety of corruption-related offenses, including Organized Scheme to Defraud, Grand Theft, Evidence Tampering, Exploitation of Official Position, and Money Laundering. The investigation focused on the pilfering of approximately \$50,000.00 from Alonso's 1998 reelection campaign account and from the misuse of approximately \$78,000.00 raised to combat a campaign to recall Alonso because of her efforts to expand a landfill near Miami Lakes, Florida.

The investigation also led to the arrests of Alonso's daughter, also named Miriam Alonso, and her husband, Kevin Miles, for misusing campaign funds raised in connection with Alonso's 1997 City of Miami commission seat race. After her arrest, the Governor suspended Alonso from the Commission and in May 2002, she resigned from the Board of County Commissioners. This matter is pending trial.

- **County Tax Collector's Office – Sale of 2002 Tax Certificates**

An OIG/Florida Department of Law Enforcement joint investigation into misconduct at the County Tax Collector's Office centered on the 2002 Tax Certificate Sale of unpaid delinquent real estate taxes for the year 2001. During the investigation, it was learned that it was a common practice for tax certificate buyers to give gifts, tips and gratuities to employees of the Tax Collector's Office and the Clerk of the Court's Tax Deed Section. This practice, which was clearly in violation of County regulations, was brought to the attention of County Management. The identified County employees were suspended and/or tendered their resignations or have been subsequently disciplined for violating County policies.

It was also uncovered that one employee was involved in a scheme to alter the interest rate percentage points on tax certificates that were purchased by a tax certificate buyer. The increased interest rate would then be passed to the property owner, who would have had to pay the inflated amount to remove the lien. The interest rates due on these altered tax certificates would have given one tax certificate buyer a fraudulent net gain of over \$37,600.00. The identified buyer is now prohibited from participating in future tax certificate sales.

Two supervisors with the Tax Collector's Office were also arrested. One supervisor was charged with perjury on the issue of accepting gifts. The other supervisor was charged with fifteen counts of Official Misconduct and one count of Aggravated White Collar Crime in connection with the fraudulent alteration of tax certificate sales cards. More arrests are expected.

- **Teen Court Kickbacks to the Director in Exchange for Awarding Consulting Contracts**

Teen Court is a juvenile justice court diversionary program under the jurisdiction of the Metro Miami Action Plan (MMAP) Trust. It serves as an alternative to delinquency prosecution in juvenile court and provides teen rehabilitation seminars and training classes. Its Director awarded two contracts for the development of educational programs to a consulting company, which he, in fact, had an undisclosed hidden business interest in. MMAP paid the consulting company, Machue & Associates, a total of \$90,475.00, but the owner kicked back \$30,235.00 of the proceeds in cash to the Teen Court Director. The Director was arrested on December 11, 2002, for taking cash kickbacks in connection with a County contract. The consulting company owner was also charged with Receiving Unlawful Compensation and has been cooperating with the State Attorney's Office. The criminal matter is still pending.

- **Section 8 Housing Extortion Investigation against Section 8 Recipients and Fraud Against the MDHA**

The OIG investigation of fraud against the Miami-Dade Housing Agency and its Section 8 housing recipients began with a complaint against the subject, a female landlord. The subject landlord was confirmed to be an "authorized agent" of two officially designated Section 8 landlords. One designated landlord was determined to be the father of the subject. The other designated landlord allegedly was her husband. It was alleged that the subject extorted Miami-Dade County housing recipients by threatening the loss of housing unless they paid extra rent money in violation of public housing regulations. The OIG determined that this fraud was perpetrated against eight victims from a total of four separate County Commission districts. The subject landlord was arrested on November 6, 2002. She was charged with one count of Organized Fraud and two counts of Threats/Extortion, both second-degree felonies. These charges are pending court action.

- **Mortgage Loan Fraud Investigation**

The OIG conducted an investigation into a mortgage loan application submitted by a County employee that was found to contain falsified wage verification documents. The investigation expanded in scope, involving the FBI, State of Florida Office of the Comptroller, and the United States Attorney's Office, as it was determined that the mortgage broker conspired to submit fraudulent wage documents to the lender in order to secure mortgage financing. The mortgage broker was arrested and has pleaded guilty in Federal Court to Conspiracy to Commit Bank Fraud. More arrests are expected.

## **Investigations of Misconduct And Other Irregularities**

- **Unauthorized Night Shift Pay Differential Received by a WASD Treatment Plant Supervisor While Working Exclusively for the GSAF During Regular Business Hours**

The OIG conducted an investigation that confirmed that a Water and Sewer Department (WASD) Treatment Plant Supervisor received two years of overpayments for night shift pay differential that he was not entitled to receive. These overpayments totaled \$4,671.44. This occurred while the WASD Supervisor was working exclusively as Union President for the Government Supervisor's Association of Florida (GSAF) and the Office and Professional Employee's International Union (OPEIU) during regular business hours. As a result of this investigation, the subject employee is repaying the County the full amount of the overpayments.

- **Transit Employee Attending to GSAF Union Business on a Full-Time Basis Without Authorization From His Director, Nor From the GSAF Collective Bargaining Agreement**

Further OIG inquiry revealed that a Miami-Dade Transit employee, who is the GSAF First Vice-President, Local 100, attends GSAF union business on a full-time basis without proper authorization. It was found that this leave was being taken without written authorization from his Director and from the GSAF Collective Bargaining Agreement. Based on OIG findings, Miami-Dade Transit requested that GSAF reimburse the County for \$187,512.47 in salary and benefit costs. Subsequently, authorization agreements were negotiated and signed, still leaving the issue of time worked prior to the contract unresolved. On August 1, 2002, the County Manager agreed to withdraw the demand for reimbursement in order to honor past verbal agreements made regarding this matter. As a result of this review, the OIG urged that the County institute new policies requiring written authorization on all releases of duty. Additionally, the OIG recommended that a review of all employees currently released from active duty for other activities be conducted to ensure proper authorization documentation.

- **Investigation Into Whether a DERM Inspector Was Enforcing Violations at a Privately Operated Landfill/Lakefill Collecting Construction/ Demolition Waste in Hialeah Gardens**

OIG investigation substantiated that the subject, a DERM Inspector, ignored serious violations at a landfill/lakefill leased and operated by Envirocon. The subject's failure to enforce environmental regulations allowed a buildup of waste to grow until the amount of money held in escrow as insurance to cleanup the site upon site closure was insufficient. Ten times the permitted amount of materials had accumulated at the site. The OIG found that Envirocon's operators might have improperly accepted and stored unprocessed waste material in a manner unsafe for the environment. The inspector admitted to recognizing violations, yet not citing Envirocon in more than a year's worth of monthly inspection reports. As a result of the investigation, the subject resigned in lieu of facing termination proceedings. Various other environmental agencies continue to investigate other aspects of this matter.

# Departmental Procedures and Program Reviews

- **Unauthorized Internet Use by a Building Department Mechanical Field Unit Supervisor to Trade Stocks**

A three-month review of Internet activity supported the allegations that the subject employee was using the Internet during County time to trade stocks. The OIG found he logged onto Fidelity Investments-related sites on twenty-three days between December 2001 and April 2002, and found hundreds of send/receive information exchanges. In addition, the subject also logged onto AOL during work hours. The employee responded that although he did use County time for personal Internet matters, he, in turn, often worked overtime without County reimbursement. He also stated that his department was not aware of the Administrative Order No. 6-7 "Access To and Use of Internet Services and Electronic Mail" policy. As a result of this investigation, additional training on Administrative Order No. 6-7 was conducted for the Building Department staff and made clear that the personal use of the Internet is prohibited.

- **Miami-Dade Housing Authority Waiting List Inquiry Regarding Applicant's Apparent Change in Status on the Waiting List for Approved Public Housing**

The complainant who originally applied for public housing assistance in 2001 was told she was wait-listed at numbers below 500. However, one year later she was given a printout showing her position as being wait-listed at numbers above 10,000. Believing that other applicants in the meantime had unjustly received priority, she initiated a complaint. Through OIG inquiry it was revealed that a clerk who twice provided the wait-listed numbers to the complainant did so by accessing an unofficial database that was supposed to be used only for the input of information. As a result of the OIG's inquiry, the Miami-Dade Housing Agency released a memo to supervisors advising that referrals of all applicant questions must go to the Applicant Leasing Center, to avoid providing misinformation on waiting list rankings to applicants.

# Contract Reviews

- **Inquiry of Bid for a Tire Re-Treading and Section Repair Contract**

General Services Administration's (GSA) Fleet Management Division and one of the current contract vendors, Fedan Tire Company, requested an inquiry concerning Bid No. 6164-3/05-OTR-CW-LW for a Tire Re-treading and Section Repair Contract. The review was requested to determine whether the low bidder (Union Tire Company) met the bid requirements. It was found that a tire inspection machine called for in the contract was missing, and the Senior Procurement Agent gave Union Tire additional time to obtain it during the evaluation period. The procurement agent stated that this is a common practice, that he was not the original procurement agent assigned to this contract, nor did the bid state that the vendor must have the equipment before bids were opened. Throughout its inquiry, the OIG found no evidence of improper or inappropriate conduct between the proposed vendor and County employees. As it appears that the central issue was a difference of opinion regarding the "Demonstration of Competency" requirement in the Invitation to Bid, it was recommended that the Department of Procurement Management determine what course of action should be taken in the award of this contract.

- **Questioned Parrot Jungle Loan Proceeds**

Miami-Dade County secured a \$25 million loan from U.S. HUD for the construction of Parrot Jungle on Watson Island. The money was then loaned to the Parrot Jungle developers by Miami-Dade County. An OIG review of loan reimbursements during the pre-construction phase discovered questionable reimbursements to a lobbyist/consultant not directly related to the project. On this loan the County required that the loan proceeds be directly related to the development and construction of Parrot Jungle. Consequently, \$18,000.00 was returned to the County and future requests for loan disbursements to pay for lobbying expenses were discontinued.

- **Land Lease at Homestead General Aviation Airport**

An OIG investigation of a land lease administered by the Miami-Dade Aviation Department (MDAD) revealed that Wright Way Farms, the lessee of County-owned land at Homestead General Aviation Airport, sublet parcels of land above the County lease rates. The subleases and other land swapping agreements were in violation of the County's contract provisions. However, according to correspondence in the MDAD's file, MDAD personnel appeared to have been unfamiliar with the lease's restrictions, and this may have caused confusion regarding subleasing the land and/or land swapping.

As a result of the OIG review, the Aviation Department gave Wright Way Farms thirty days notice to terminate the land swapping agreements and one hundred eighty days to farm out their crops and terminate participation in land swapping agreements.

## **OIG Referrals**

The FBI Medicaid Fraud Task Force successfully completed a case the OIG referred to them in 1999. The subject was a County employee assigned to Jackson Memorial Hospital as a Mental Health Supervisor. The subject was convicted in Federal court of one count of conspiracy to commit health care fraud. He was sentenced to five months imprisonment, three years probation, and ordered to pay \$330,000.00 in restitution. Additional arrests are expected.

# Ethics Complaints

- **Misuse of Official Position – Public Works Complaint Resolved**

An ethics complaint filed by the Inspector General in 2001 was finally resolved in 2002 with the acceptance of a settlement agreement. The subject employee agreed to pay the County restitution for the unauthorized parking garage card uses, a \$250.00 fine, and investigative costs.

- **Unethical Loan Transaction Between County Employee and Vendor**

A Water and Sewer Department (WASD) employee, who purchases and leases equipment, approached a vendor representative for a \$3,500.00 personal loan. He promised repayment of \$7,000.00 after three days. The vendor representative lent him the money in cash. Later, after failure to receive repayment on the loan, the vendor representative complained to WASD's Procurement Chief, who then referred the matter to the OIG. The WASD employee admitted to accepting the money, but claimed it was offered during a conversation about his personal financial difficulties, and that no terms of repayment were agreed upon.

As a result of this investigation the Inspector General filed ethics complaints against the WASD employee and the vendor. After being found in violation of Section 2-11.1(e)(3), which prohibits a person from giving an employee a gift in exchange for any official public action that could take place, the vendor employee was admonished by the Commission on Ethics and ordered to pay a \$250.00 fine, \$1,000.00 in OIG investigative costs, and a \$500 fine. The complaint against the WASD employee was settled after agreement on payments of \$1,200.00 for investigative costs and a \$250.00 fine.

Several other completed OIG investigations have been referred to the Commission on Ethics for review of possible ethics violation charges. These referrals mainly include cases involving the failure to disclose outside employment and compensation. Additionally, the OIG referred its investigation of County employees receiving gifts, tips and gratuities from tax certificate buyers stemming from its investigation of the 2002 Tax Certificate Sales.

# **Audit Unit Activities**

The Office of the Inspector General's Audit Unit fulfills a unique function by integrating its expertise with the OIG's overall mission. Recognizing that the function of the OIG Audit Unit is different from other County audit agencies, the OIG concentrates audit resources on distinct aspects of County contracts and projects. The Unit also provides proactive audit assistance as part of the Office's oversight function.

In addition to conducting audits, OIG audit staff also assists other OIG Units by participating in reviews, studies, and evaluations and assisting with cases requiring investigative accounting.

Several key audits were in progress and nearing completion at the end of 2002. These audits include the Quality Neighborhood Improvement Program (QNIP), which is a sidewalk paving, resurfacing and drainage public works improvement program, and OIC of Dade County, Inc., a not for profit organization that receives County funding for job training and job placement services. Furthermore, OIG auditors, in conjunction with other oversight responsibilities at the Performing Arts Center (PAC), initiated a comprehensive audit of the contractor's general condition costs, cash flow and projections, and subcontractor compliance requirements.

These audit reports will be released this year and reported in the 2003 Annual Report. The reports will be posted on our website as they become available. Please visit our website at [\*\*www.miamidadeig.org\*\*](http://www.miamidadeig.org).

# **Audit Report Summaries**

## **Consulting and Professional Services Contract**

- **Paramedia**

During the past seven years, Paramedia U.S.A., Inc. had been operating under contract to promote trade and air travel between Europe and Miami-Dade County, via Miami International Airport. An OIG audit of this contract found that Paramedia's routine lack of compliance with contractual obligations (e.g., failure to provide Miami-Dade Aviation Department (MDAD) with detailed invoices for the monthly basic service fee, failure to document personnel time associated with MDAD related projects, failure to supply detailed annual marketing plans and budget proposal requirements, and failure to maintain adequate financial and accounting records) made it virtually impossible to determine what value, if any, the County received for Paramedia's consulting services. Because of the OIG's findings, the Paramedia contract was terminated in November 2001. The OIG recommended that MDAD accounting and finance staffs make a determination on the amount of overpayment made to the Consultant and confer with the County Attorney's office regarding possible mechanisms to collect the overpaid amounts. Since this audit, the OIG has continued its focus on this contract in an ancillary pending criminal investigation which to date has resulted in the arrest of Paramedia's principal owner.

- **Department of Human Services/United Health Care**

The Miami-Dade County Department of Human Services has a contract with United Home Care Services, Inc. to provide homebound services to the elderly residing in Miami-Dade County. An OIG audit of this contract revealed areas of non-compliance, insufficient contract monitoring, inadequate training, and late and erroneous billings. The OIG made recommendations to the Department of Human Services to correct these contract irregularities.

The OIG recommended that Human Resources seek reimbursement for overpayments and to recoup erroneous charges from United Home Care Services for \$14,810.00. The audit also determined that procedures needed to be put in place to closely monitor and verify additional disallowable costs included in the United Home Care Services' unit costs, and to incorporate OIG findings into future contract negotiations to insure that contract language appropriately addresses unit cost rates and billing procedures.

In September 2002, a settlement was negotiated and a check for \$7,199.75 was received from United Home Care Services, Inc. for "Home Health Services" not authorized under the terms of the contract.

## **Construction Contracts**

- **Parks & Recreation Department's Tropical Park Contract**

An OIG audit of the Park & Recreation Department's contract for the construction of Tropical Park's field house, press box elevator and ticket booth determined that the department was unable to document compliance with the fourteen-day payment remittance mandate to prime contractors meeting Community Small Business Enterprise (CSBE) goals. To correct this situation, the OIG recommended that date stamping be utilized for all requisition packages. The OIG further recommended that all prime contractors sign off on a "Conference Summary Form" to confirm they are aware of CSBE program requirements and compliance guidelines. OIG auditors also addressed accountability issues on project deadlines.

OIG recommendations for the Department of Business Development were geared towards encouraging the participation of new firms in County work and to educate them on the County's various minority and small business programs.

- **JMH Patient Room Renovations**

An OIG audit of this contract found that construction of this project exceeded the 90-day contract period by more than 230 days at the time of the audit. In fact, two of the three patient rooms had not even started construction by the end of the audit. The Public Health Trust (PHT) was found to have incomplete, inaccurate project documents relating to these construction delays. It was also found that PHT did not verify that insurance coverage was kept current throughout project, exposing the Trust to substantial liability. The audit recommended that the PHT keep accurate and complete documentation on critical issues such as project delays and insurance coverage documentation. As result of the audit, the PHT counseled the Project Manager and gave remedial training to other employees. The PHT disagreed with the finding regarding insurance coverage, however, it has put additional practices into effect to ensure valid insurance coverage exists throughout the course of a project.

This OIG audit further revealed PHT's contract payment processing durations did not meet CSBE fourteen-day payment requirements. Several recommendations were made to remedy this defect. The audit uncovered a total of \$5,124.00 in questionable costs, including incomplete invoices and invoices lacking supporting documentation. Subsequent to the Final Audit Report, the PHT has reported back to the OIG that it had resolved the issue of "questioned costs" with the contractor. According to the PHT, the contractor, Arellano Construction, subsequently provided documentation for the costs identified by OIG auditors.

The audit also revealed that the Department of Business Development (DBD) did not follow procedures to monitor Arellano's compliance with CSBE requirements and the Responsible Wages and Benefits Ordinance. The DBD did not perform Monthly Utilization Report (MUR) reviews during the contract's period of performance. The OIG found that follow up was conducted on late MUR submissions made by Arellano, no verification was conducted on CSBE subcontract payments being received according to ordinance, and no follow up was done with alleged Responsible Wage Ordinance violations. The OIG determined that the DBD should conduct employee training and ensure proper supervision to enforce contract adherence on all of the areas noted in the audit. As a result of the OIG recommendations, the DBD put new procedures into place to correct all of these deficiencies.

# **Studies, Reviews and Evaluations**

- **Review of the Miami-Dade Fire Rescue Department's Use of Union Leave Activity**

The OIG conducted a comprehensive review of the administration and tracking of Union Leave Activity, in accordance with the Collective Bargaining Agreement (CBA) entered into between Miami-Dade County & the Dade County Association of Fire Fighters, Local 1403, International Association of Fire Fighters. The OIG review concluded that abusive practices had occurred in the use of union activity leave, which is commonly called Y-time. County-funded union activities exceeded \$640,000.00 in a 21-month period and the OIG audit found that there were no adequate oversight tools in place to monitor the propriety or justification for such expenditures. In some instances, excessive Y-time use necessitated employee replacement by other personnel, thus affecting departmental budgets even more. Certain individuals were found not to have worked in their assigned operational units for over 21 months, although the CBA did not provide for such "detachments." Union members were found to have collectively exceeded their extra 296 hours that were allotted under a seventh catch-all provision.

The OIG recommended that the County's Labor Management Division and the Union resolve, in writing, the conflict of interpretation over the administration of Article 22.8. Also, the OIG recommended that the Fire-Rescue Department implement a department-wide tracking mechanism to document which employees are out on Y-time, and the mechanism must include the CBA article provision that authorized the employee's Y-time. Most importantly, the County's Fire-Rescue Department, not the Union, must be responsible for expending taxpayer funds. Periodic accumulations of the mechanism's data should be generated to determine the overall salary costs of Y-time. The OIG concluded that this information should be provided to the Board of County Commissioners to decide whether certain salary and overtime expenditures to support union activities are in the best interests of the County.

- **Miami-Dade Seaport Department's Appeal Procedure for Applicants Who Were Denied a Seaport Identification Card**

Upon request by the Seaport Director, the OIG conducted a review of the current appeals process for job applicants who were denied a Seaport I.D. Card. The OIG identified and reported on all current appeals procedures that might warrant further study or change by the Seaport Department. The purpose of the review was to ensure that the appeals process is functioning in a fair and equitable manner for all Seaport job applicants. The review found: (1) an 80% reversal rate on denied applicants who attended their appeal hearing, (2) found that the badge system has a 17% misclassification rate on appeals applicants and does not capture "H"/Hispanic as a racial and/or ethnic group identity, (3) that International Longshoremens' Association (ILA) Local 1416 and non-affiliated truck drivers are the two largest groups of appellants and both have a high success rate on conviction appeals, (4) that certain agencies designated to serve on the Appeals Committee consistently fail to participate and vote (raising concerns about procedural and substantive fairness of the process), (5) and that there is confusion between the State of Florida requirements (F.S. § 311.12) and County Ordinances, thereby necessitating the presence of an Assistant County Attorney to answer questions of Committee members. Utilizing the report should serve as a baseboard for conducting future reviews of the appeals process.

- **Miami-Dade Housing Agency Overtime**

This audit found that over \$9,000.00 was paid in overtime compensation to five employees of the Miami-Dade Housing Agency's Purchasing Division from September 2000 through February 2002. Of this overtime compensation, 93% related to incorrectly approved or inadequately completed overtime authorization forms (blue slips). Also, 57% of the blue slips were not dated and did not state the reason or purpose for overtime. The OIG recommended that accurate and complete records be maintained for all overtime use, that overtime must be pre-approved and documented as to the necessity of its occurrence, and authorized only under unusual or emergency conditions.

# **Memorandums of Understanding**

In addition to its general responsibilities of monitoring all County departments, programs, and contracts for fraud, waste and abuse, the OIG has entered into Memorandums of Understanding with the Aviation Department, the Water & Sewer Department, and the Performing Arts Center to provide on-site oversight. This oversight is accomplished through the establishment of satellite offices actually located at these locations. The OIG is now in the process of opening three additional satellite offices at the Public Health Trust, the Seaport and the Office of Public Transportation Management.

Attendance of selection and negotiation committee meetings, issuance of due diligence reports and random audits are some of the OIG's oversight responsibilities. Additional activities are outlined below:

## **Miami-Dade Aviation Department**

The OIG established its permanent oversight office at Miami International Airport in April of 2000. The office not only focuses on the detection of fraud, waste, mismanagement and corruption at the airport, but also provides oversight of current and projected multi-billion dollar projects managed or sponsored by the Miami-Dade Aviation Department (MDAD).

In 2002, the OIG staff gradually incorporated itself into the business and operational aspects of the Department, enabling the OIG to pursue a more proactive oversight role with the MDAD. On a regular basis, MDAD staff refers complex matters to the OIG for objective and efficient resolution. This creates an opportunity to prevent wasteful and fraudulent acts and to realize savings. The OIG staff also established working relationships with several MDAD contractors and business partners. Consequently, the OIG expanded its awareness of their concerns and gained useful insight into the Aviation and construction industries.

The year 2002 also proved to be crucial for the OIG Airport staff in helping to streamline interagency and intergovernmental undertakings, thereby promoting efficient procurement. The following will reflect some of the accomplishments of the OIG oversight function at Miami International Airport.

- **Dade Aviation Consultant (DAC) Study Exposes and Corrects Contractual Weaknesses**

By way of a memorandum dated March 19, 2002, the County Manager requested the OIG to undertake an extensive, independent review of Miami-Dade County's current contract with DAC, the Aviation Department's general consultant. As a result, the history of DAC and the Capital Improvement Program (CIP) at Miami International Airport were reviewed. This review included an examination of the escalating cost projections of the CIP. In its report the OIG expressed concerns about contract components, such as office space, professional liability insurance, telephones, utilities and network connectivity, all of which impacted the multiplier component of the DAC contract. Also, the OIG determined that MDAD should conduct a more detailed assessment regarding the fiscal impact and benefits of DAC's staffing services, as the County could save over \$2.8 million annually if it staffed these generic positions with County employees. Additionally, it was found that the majority of recommendations from a Department of Audit and Management Services (AMS) Audit had neither been implemented nor resolved.

Perhaps the most significant recommendation that the OIG made was establishing performance standards as a way to formally evaluate DAC's performance. MDAD has always informally considered DAC's performance satisfactory. However, until the OIG raised the issue, there had been no formal evaluation process since 1992. MDAD has now set tangible objectives that DAC must make a reasonable effort to attain. DAC will be evaluated on its ability to control the costs, time, and quality of the CIP. DAC will also be evaluated in other areas such as program management, project management, divisional support staffing and tasks, non-core staff, subcontract assignments, and safety. The OIG was present at each formal session of negotiating the DAC contract extension, and many sub-committee working sessions as well. The Board of County Commissioners awarded the DAC contract extension on January 3, 2003. The provisions of the extension contained almost every OIG recommendation. Indeed, the Board of County Commissioners additionally prescribed that the OIG participate in the annual evaluations of DAC's performance.

- **New North-Side Runway's Potential Loss of \$1.6 Million in Federal Funding Due to Procurement Process Delays**

Delays within the procurement process to select a Construction Inspection Service (CIS) consultant for the New North-side Runway (NNR) Project at MIA required the Aviation Department to utilize an interim consultant since April 2001. Monies expended on the interim consultant are not reimbursable through federal grants because the firm was not selected based on a competitive bid. MDAD requested that the OIG conduct an independent review of the selection process and costs associated with selecting a provider of construction inspection services for the New North-side Runway Project. The OIG brought to light various procurement process inefficiencies that caused the loss of over \$1.6 million dollars in Federal Aviation Administration reimbursable grant money for the construction of the New North-side Runway. While the Department has made an effort to mitigate the funding loss by substituting other eligible work for reimbursement, the circumstances that caused the loss were entirely avoidable. As a result of OIG involvement, a central document system was created, a contracts responsibility matrix was established, and a comprehensive project management manual will be produced.

Additionally, as a consequence of the OIG's review, MDAD and DAC are working with the FAA to substitute other eligible construction-related NNR expenditures for reimbursement from federal grant funds.

- **Supplemental Report on Prepaid Phone Card Vending**

During 2001, the OIG completed an exhaustive review of the one-year test permits that allowed for prepaid phone card vending machines in Miami International Airport. The permits were issued in 1996 to three companies to have eight machines each. The permits expired in 1997, yet MDAD took no action to address the lack of contractual authority. Additionally, the number of machines installed per firm had tripled without authorization.

A supplemental report was issued by the OIG in January 2002, after a second inventory was conducted by the OIG. The inventory further revealed that additional devices were added without the Department's permission; all machines had either expired or lacked appropriate vending decals; and inoperable devices were scattered throughout the terminal building. Regrettably, MDAD had not adopted an approval process to bring the phone card devices onto Airport premises, despite obvious significant security

concerns. The machines have hollow bases that could potentially store any type of destructive device. The OIG recommended that all devices be tracked and have a MDAD decal affixed to them. The vendors must be documented as holding appropriate licenses. The OIG's involvement has resulted in the issuance of a prioritized Invitation to Bid.

- **Lack of Disadvantaged Business Enterprise Participation On The Duty Free Concession Agreement with Miami Airport Duty Free Joint Venture (MADFJV) at Miami International Airport**

An investigation of the Duty Free Concession Agreement at Miami International Airport (MIA) revealed violations of several important contractual provisions that require real, meaningful and commercially useful participation by disadvantaged vendors. The Joint Venture (JV) that was awarded the concession agreement included four disadvantaged business enterprises as JV partners. It was found that the four partners, who have been allocated over \$14 million in revenues since 1995, have not performed any actual work or services. This has been the case in spite of complaints by a JV partner wishing to participate. The OIG also concluded that MDAD staff failed to properly monitor and accurately report Disadvantaged Business Enterprise (DBE) participation, as required by regulation. The Aviation Department, in response to the OIG's report, required program compliance and the Joint Venture is being closely monitored for compliance.

As a result of the OIG inquiry and subsequent report, the U.S. Department of Transportation (DOT) requested to review the case materials, which are now being reviewed in conjunction with the United States Attorney's Office.

- **OIG staff also regularly attends and/or monitors the following:**
  - Airport Retail Invitation to Bid
    - Director Weekly CIP Meetings
    - Dade Aviation Consultant Contract Negotiations
    - North Terminal Development Baggage Procurement
    - Cargo Building 703 Renovation Contract
  - Various Turner Austin Managed Projects for the North Terminal
    - South Terminal Expansion Program
    - Various County Attorney's Office Contractor Mediation Sessions

# **Water & Sewer Department Oversight**

In March 2000, the Office of the Inspector General opened a satellite office in the Water & Sewer Department's Salzedo Building. The office has since relocated to the department's new Douglas Road Building. In addition to various investigative assignments of fraud, waste, and abuse, the OIG assisted the Department in the following aspects:

- **WASD Water Tampering**

The Inspector General's Office spearheaded an effort in 1999 to detect water theft by consumers of the County's water supplies. The initiative led to the creation of the Water Tampering Unit in June of 1999. Since its inception through year-end 2002, the Unit has conducted 14,671 inspections and has found tampering in over 3,137 instances, or in over 21% of their inspections. The Unit has issued over \$1.47 million in tampering citations and has actually recovered over \$1.17 million in tampering citation revenues. This unit received a special recognition award from the National Association of Counties (NACO). The OIG continues working with the Water & Sewer Department to expand this recovery initiative on the tampering of water fire lines and other illegal thefts of our crucial water supplies.

- **WASD Security Measures**

In light of recent events prompting increased security measures at our public utilities, the Board of County Commissioners passed a comprehensive ordinance establishing security measures and identification protocol at the County's Water and Sewer facilities. The new security procedures mandate background investigations and photo identification cards for County employees and contractor employees working at or around certain facilities. The procedures, not unlike those established in other sensitive areas, such as the Seaport, provide due process and an appeal hearing for those individuals initially denied an I.D. card. The WASD security legislation includes the participation of the OIG in the Appeals Board and requires the OIG to annually assess and audit the performance of the Department in complying with these new measures.

On a related note, WASD requested the OIG's assistance and advice in the development of a new Chief of Security position. The assistance included developing minimum qualifications, reviewing resumes, and advising the Selection Committee as a non-voting member. The OIG has also taken an active role in conducting screening investigations of WASD employees and contractors who require access to sensitive areas.

- **Consulting Services Fraud**

A joint investigation by the OIG/Miami-Dade WASD discovered that an engineering firm providing engineering consulting services submitted incomplete and allegedly plagiarized material when invoicing for an Infiltration/Exfiltration/Inflow Improvement (IEI) engineering program manual. A total of \$27,500.00 was requested in compensation for the work on this manual, under the consultant's Professional Services Agreement. The OIG investigation confirmed that the manual was incomplete and that the manual was substantially plagiarized from manuals produced by another WASD consultant and from the National Association of Sewer Service Companies (NASSCO). A notice for proposed contractor debarment was filed on October 8, 2002. The matter is still pending adjudication.

- **Sludge Hauling Contract and Bid Specification Review**

Acknowledging the perception that sludge hauling is oftentimes a controversial subject with County government, the OIG, since April 2001, has been engaged in the review of sludge hauling contracts and oversight and development of revised bid specifications for future sludge hauling contracts.

The Water and Sewer Department requires that sewer sludge produced at its wastewater treatment facilities be hauled off and disposed of by contractors holding the required hauling and/or environmental licenses. Sludge is usually disposed of in one of two ways: landfilling (dumping in a landfill) or land application (use as a fertilizer).

Because sludge has both significant environmental and financial impact, contentious disagreement between the County and the haulers over disposal methods and proposed methods of contract award often erupted.

In early January 2002, just hours before bids were to be opened, management concluded that it needed additional guidance in the form of a policy directive from the governing Board of County Commissioners Committee. Throughout 2002, OIG representatives attended numerous meetings regarding the contract specifications and method of award for sludge hauling and disposal. During the bid process, the bid specifications that were made publicly available were revised three times. By October 2002, the WASD sludge contracts were finally awarded. Because the production of sludge is a constant in any wastewater treatment facility, the Department continues to search for disposal methods that are economically viable and environmentally friendly.

- **Employee Misconduct Referrals**

By virtue of its MOU with the OIG, the Department frequently refers cases of employee misconduct to the OIG. Examples of alleged misconduct investigated by the OIG included payroll fraud, undisclosed employment, outside employment while on County time, lack of educational job requirements, failure to report to work, and abuse of sick and family leave time.

For example, a WASD Service Technician II in the Water Distribution Division failed to report for work on his day shift claiming that a medical condition prevented his exposure to direct sunlight. During several days of surveillance by OIG Special Agents, the employee was observed performing manual labor in direct sunlight for an unauthorized outside employer who is based in Colorado. He was working during the same time he was utilizing County sick leave, pending his doctor's visit for this alleged medical condition, and he later submitted a request along with a doctor's note requesting a change to night shift in order to avoid exposure to sunlight. The employee submitted his resignation after being confronted with evidence documenting his untruthfulness and dishonesty in this situation.

In 2002, a WASD-referred allegation of employee misconduct resulted in both a County employee and a vendor employee representative being charged with ethics violations. See page 19 for a case summary.

# **Performing Arts Center Oversight**

The Office of the Inspector General (OIG) began its PAC project oversight activities in the year 2000 and established a PAC satellite office in June 2001. The office is located at the Performing Arts Center Management Office (PACMO) headquarters at 1444 Biscayne Boulevard, Suite 202, Miami, Florida. By year's end, this satellite operation was staffed by three OIG representatives.

In October 2001, Miami-Dade County issued the *Notice to Proceed* with construction activities for the Performing Arts Center (PAC) project. This action was preceded by a lengthy pre-award process, followed by six-months of pre-construction activities, all leading to the award of a *Construction Management At-Risk Guaranteed Maximum Price Contract* totaling \$254.65 million to the Performing Arts Center Builders (PACB). The project's original scheduled opening is October 2004.

## **On-Going Construction Audit and Oversight Activity**

The OIG's on-site oversight activities for 2002 included:

- Meeting regularly with the PACMO's Project Director and her staff, and with the Departments of Business Development and Procurement Management's on-site representatives.
- Attending bi-weekly construction progress meetings, Design Team meetings, Project Director's meetings, and the PAC Trust Board and Construction Committee meetings.
- Reviewing contractor payment applications, proposed changes to the County's contract with Cesar Pelli and Associates, proposed changes to the County's Operating Management Agreement with the PAC Trust and the Cooperation Agreement between the PAC Foundation and the PAC Trust.

Specifically, at the request of the PAC Director, the OIG reviewed the proposed contract language for the sale and purchase of chilled water capacity and services between the Performing Arts Center of Greater Miami, Inc., and TECO BGA Thermal Systems, Inc. An extensive OIG review identified forty-nine (49) items that needed further clarification. As a consequence of this review, the County decided not to enter into this agreement.

In addition, the OIG commenced an audit of selected financial issues and contract reporting requirements related to PACB's performance under its contract. The audit was on going at year's end. A final report was issued on March 3, 2003. The report, including comments received from both PACMO and PACB, can be viewed on the OIG website, [www.miamidadeig.org](http://www.miamidadeig.org). These findings should play an important role in the future course of the PAC project.

The OIG is also currently auditing selected aspects of PACB's Quality Control Program (QCP), including PACB's compliance with the contractually stipulated requirements for QCP organization, record keeping and reporting.

# **2003 Initiatives**

- In 2003, the OIG will be establishing a permanent office staff at the Public Health Trust, the Seaport, and the Office of Public Transportation Management (OPTM) to promote integrated oversight.
- Throughout 2003, the OIG will carry out initiatives identified in the OIG's 2002 Annual Report, including the expansion of construction-related audits, the hiring of staff to achieve authorized budget levels, and the vigilant investigation of acts of corruption, fraud, waste, abuse and mismanagement.