



Annual Report 2014-2015



Office of the Inspector General
Miami-Dade County Public Schools



A Message from the Inspector General

I am pleased to present the Office of the Inspector General's (OIG) 2014-15 Annual Report. The Report showcases our staff, lays out our budget, and provides summaries of some of our critical cases.

This year, the OIG conducted a review and issued a report regarding the Value Adjustment Board (VAB). We embarked on this review due to concerns, voiced by the Superintendent, that continuous delays in the VAB appeal process have resulted in the late certification of the tax rolls, and thus delayed revenue to the School District. Our VAB Report contained sixteen recommendations we believe address many of the deficiencies identified during our review of the VAB appeal process. We will be monitoring the progress of the implementation of our recommendations.

In addition to showcasing the VAB Report, you will see highlights of other cases worked this year, including employee misconduct, and oversight of the GOB Program. I hope you find our Annual Report informative. It is our goal to provide independent reviews, audits and investigations that bring value to the School District. We appreciate our partners in this work, and look forward to another year of working together.

Sincerely,

Mary

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WHAT WE DO

The Miami-Dade County Office of the Inspector General (OIG) serves the School Board by detecting, investigating and preventing fraud, waste, mismanagement, and abuse of power within the School District. An Interlocal Agreement (ILA) between the School Board of Miami-Dade County and Miami-Dade County authorizes the operations of the Office of the Inspector General for Miami-Dade County Public Schools (SB OIG). The ILA sets forth the responsibilities, functions, authority and jurisdiction of the SB OIG. The SB OIG is a central point in promoting accountability, integrity and efficiency through its efforts in conducting investigations, audits, and oversight activities involving School District employees, contractors, projects, and programs. Renewal of the ILA was approved by the School Board on July 17, 2013, and by the Board of County Commissioners on September 17, 2013. Under the terms of the ILA between the School Board and the County, the SB OIG is required to submit an annual report covering its activities for the preceding fiscal year. We present this report, which provides information on SB OIG activities during the fiscal year of July 1, 2014 through June 30, 2015.

THE OIG EXECUTIVE TEAM

The SB OIG is led by an executive team with expertise in management, auditing, contract oversight, litigation, and investigations involving matters related to fraud, corruption and misconduct. This team leads the Miami-Dade County Office of the Inspector General and the SB OIG. Together, this allows the SB OIG to draw from broader resources that are available for use on a reimbursable basis to offer guidance and assistance to Miami-Dade County Public Schools (M-DCPS).



From L to R: Patra Liu (*General Counsel*), Felix Jimenez (*Assistant Inspector General, Investigations*), Mary Cagle (*Inspector General*), and James Rosenberg (*Assistant Inspector General, Audit*)

Mary T. Cagle

Mary T. Cagle serves as the Inspector General for Miami-Dade County and the Miami-Dade County School District. Ms. Cagle's career includes twenty-two years at the Office of the State Attorney for the 11th Judicial Circuit (SAO), where she focused on the litigation and management of major investigations and prosecutions related to public corruption and organized crime.

Ms. Cagle left the SAO in 2004 when she was recruited to lead CHARLEE Homes for Children, a non-profit foster care agency, as Florida was privatizing its child welfare system. In 2007, she was tapped by Bob Butterworth, Secretary of the Department, to change the way legal services were delivered by the Department. She served as Director of Children's Legal Services from 2007 through the end of 2013.

Ms. Cagle assumed the position of Inspector General in February 2014. She is a Certified Inspector General; a Certified Inspector General Auditor; and was recently selected to the Association of Inspectors General Board of Directors.

Ms. Cagle received her Juris Doctor Degree from Thomas M. Cooley Law School in Michigan and attained her Bachelor of Arts Degree in History from Calvin College, also in Michigan. Ms. Cagle is a member of the State Bar of Michigan and the Florida Bar.

Felix Jimenez

Felix Jimenez is the Assistant Inspector General for Investigations and has been with the OIG since 2009. Mr. Jimenez served 28-years in the Miami-Dade Police Department, including ten years supervising homicide investigations and ten years as a supervisor in the Public Corruption Investigations Bureau. He was later selected to supervise a task force consisting of FBI, state and local law enforcement agents. He was instrumental in several criminal investigations involving a \$5 billion capital improvement project at Miami International Airport. These multiple cases resulted in the arrest and conviction of the Aviation Department's assistant director, its telecommunications manager, several corporate officers, and an elected official.

Mr. Jimenez has taught Public Corruption and Violent Crime investigations at many law enforcement agencies throughout the U.S., including the South Florida Metropolitan Police Institute and the FBI Academy.

Mr. Jimenez is a graduate of Miami Springs Senior High. He received his Bachelor in Public Administration Degree from Barry University in Florida. He is a Certified Inspector General and a Certified Inspector General Investigator.

James Rosenberg

James Rosenberg is the Assistant Inspector General for Audit, and joined the OIG in May 2015. He has a broad range of expertise in operational and financial analysis, risk assessment and controls, compliance and quality assurance, strategic planning, business process improvement, and information technology (IT) systems.

Prior to joining the OIG, Mr. Rosenberg spent 16 years with Miami-Dade Transit, followed by 16 years with the Audit and Management Services Department. As the Electronic Data Processing Audit Manager at Audit and Management Services, he managed all operational, financial, IT, and compliance audits of Miami-Dade County's Water and Sewer, Information Technology, and Elections Departments, and also focused on IT strategy and information security, as well as data integrity and reliability assurance.

Mr. Rosenberg received a Bachelor of Arts Degree in Political Science from the University of South Florida and a Master of Accounting Degree from Florida Atlantic University. He is a Certified Information Systems Auditor and Certified Inspector General Auditor, and a member of: The Institute of Internal Auditors (IIA), Association of Certified Fraud Examiners (ACFE), Information Systems Audit and Control Association (ISACA), and Phi Kappa Phi Academic Honor Society.

Patra Liu

Patra Liu has been the General Counsel for the OIG since 2000. As the Inspector General's chief legal advisor, she provides independent legal advice on both procedural and substantive matters within the jurisdiction of the Office and implements prospective contract oversight priorities, monitors contractor performance, and conducts quality assurance assessments on all OIG reports. She held the position of Assistant Inspector General for Audit and Contract Oversight from 2002 to 2014 and was the OIG's Interim Inspector General from April 2013 to January 2014.

Ms. Liu was formerly a white-collar fraud prosecutor in the Economic Crimes Unit of the Office of the State Attorney for the 11th Judicial Circuit, and Assistant Attorney General in the Medicaid Fraud Control Unit. She received a Bachelor of Arts Degree and a Juris Doctor from the University of Washington, and is a member of The Florida Bar and Washington State Bar.

Ms. Liu is a Certified Inspector General and Certified Inspector General Auditor. She is the Third-Vice President of the Association of Inspectors General (AIG) and is on the Board of the Florida Chapter of the AIG.

ABOUT THE OFFICE

The Miami-Dade County Public Schools Office of the Inspector General is located on the third floor of the Annex Building of the School Board Administrative Complex, at 1501 NE 2nd Avenue in Suite 343, Miami, Florida.

The SB OIG became operational in January 2008, and is allocated a budget to fund its operations. The Office is now comprised of five full-time School District employees. Four members of this team have extensive law enforcement backgrounds, and the fifth team member has thirty years of administrative experience with the School District.

MEET THE SB OIG TEAM



From L to R: Larry Riley (*Special Agent*), Archie Moore (*Special Agent*), Angela Evans (*Office Manager*), Tom Knigge (*Supervisory Special Agent*), and Jorge Lopez (*Special Agent*)

Tom Knigge

Thomas A. Knigge has led the SB OIG as its Supervisory Special Agent since 2012, after a distinguished 33-year career with the Miami-Dade Police Department. As Commander of the Police Operations Bureau he was responsible for police service to the Port of Miami, Metrorail system, the Rickenbacker Causeway, Viscaya, Jackson Memorial Hospital, and the Government Center.

Mr. Knigge is a product of Miami Dade County Public Schools and graduated from Miami Coral Park Senior High. He received his Associate of Arts Degree from Miami-Dade College and a Bachelor of Criminal Justice Degree from Florida International University. He continued his education at the University of Miami and received a Master's Degree in Public Administration. He is currently a Certified Inspector General Investigator.

Jorge Lopez

Jorge Lopez became an OIG Special Agent in May 2012. A 30-year veteran of the Miami-Dade Police Department, he is highly experienced in conducting and coordinating investigations involving fraud, abuse, waste, and mismanagement. His police career spans from patrolman to detective, team supervisor, investigative squad supervisor in a major crimes unit, explosive detection, canine supervisor, and security escort team supervisor at Miami International Airport. He also served in the U.S. Army.

Mr. Lopez attended Miami Dade College and Troy State University in Alabama. Mr. Lopez attended the Association of Inspectors General Institute in 2013 and is a Certified Inspector General Investigator.

Archie Moore

Archie Moore became an OIG Special Agent in June 2014, after 30 years of law enforcement experience with the Miami-Dade Police Department. He is trained in all aspects of specialized criminal investigations and has over 24 years of experience working homicide investigations, police-involved shootings, internal affairs investigations, staff inspections, and public corruption cases. During his twelve years of supervisory experience, he has handled and supervised major case investigations.

Mr. Moore received a Bachelor of Arts in Criminal Justice from St. Thomas University in Florida. He has a Master's Degree in Business Administration and a second Master's Degree in Accounting, both from Nova Southeastern University in Florida. He is also a Certified Inspector General Investigator.

Larry Riley

Larry Riley joined the SB OIG in June 2014 as a Special Agent. He was previously with the Office of the Inspector General for the Florida Department of Juvenile Justice. As an Inspector Specialist in the Bureau of Investigations, he investigated crimes and misconduct that impacted the Juvenile Justice Department. Prior to this, he worked as a detective with the Miami Police Department in the Internal Affairs Unit and the Special Investigations Section. He was detached to a Drug Enforcement Administration Task Force for two years and a Federal Bureau of Investigation Task Force for three years. He was also a military police officer in the U.S. Air Force.

Mr. Riley received his Bachelor of Arts Degree in Organizational Leadership from St. Thomas University in Florida, and his Associate of Science Degree

in Criminal Justice from the Community College of the Air Force. Mr. Riley is also a Certified Inspector General Investigator and a Certified Fraud Examiner.

Angela Evans

Angela Evans has been Office Manager for the SB OIG since September 2011 and has been working within the School District since 1985. She was an elementary school secretary; administrative secretary to the deputy in Human Resources, the Chief of Staff, and the deputy for Facilities and Construction; and held an administrative position with capital construction budgets for ten years. Ms. Evans has a Bachelor of Public Administration and a Master's of Public Administration from Florida International University.

SB OIG BUDGET AND STAFFING LEVELS

The OIG provides inspector general services to the School District through an Interlocal Agreement (ILA). The ILA establishes a hybrid staffing model recognizing that County OIG personnel will directly provide services to the School District, whose costs will be fully reimbursed to Miami-Dade County. Additionally, the OIG is staffed with School District employees whose personnel costs are directly funded through the School District's budget. The budget for the Office includes funds to compensate the County for its expenses, funding for School District employees assigned to the OIG, and operating expenses (including office supplies, equipment and furnishings).

The SB OIG's budget for FY 2015-2016 was approved by the School Board at \$770,561, to cover operating needs and staffing. This includes \$250,000 dedicated under the sub-account Other Purchased Services for reimbursement to Miami-Dade County for staffing services provided to the School District under the terms and conditions of the ILA. For FY 2015-2016, staffing levels remain the same. All SB OIG employees are contracted managerial exempt personnel (MEP) and serve at the will of the Inspector General. The SB OIG operates under the direction of one supervisor, and has three full-time special agents and one administrative assistant.



PROFESSIONAL DEVELOPMENT

SB OIG staff regularly participates in professional development and field-specific training. SB Investigators are active members of the Association of Inspectors General (AIG) and attend conferences and other training opportunities sponsored by the AIG and Florida Chapter of the AIG. Staff participated in several training events to enhance investigative skills and obtain required continuing education credits.



COMPLAINT INTAKE AND PROCESSING

In accordance with Section 3(h) of the ILA, the SB OIG is the School District's designee for purposes of receiving Whistleblower's Act disclosures under Florida Statutes, Section 112.3187(7), and for investigating them in accordance with Florida Statutes, Sections 112.3187-112.31895.

There are several methods that citizens, employees, students, vendors, or contractors can register their concerns to ensure that M-DCPS operates with honesty and integrity. Complaints can be sent by mail, via our website, through the OIG fraud hotline, by facsimile, or reported in person.

During fiscal year 2014-2015, the SB OIG responded to 85 complaints, of which 25 were anonymous.

- 43 were received by mail and/or fax
- 32 via the OIG website
- 6 via the OIG fraud hotline
- 4 complaints were made in person



As part of the intake process, all complaints are reviewed for appropriate routing and disposition. Forty-eight percent (41 complaints) were referred to M-DCPS staff, the Schools Police Department, or an outside agency. Two complaints warranted no action due to insufficient information. Preliminary investigations were conducted on the remaining 49% (42 complaints) warranting the opening of eight investigations.

In an effort to maximize resources and remain responsive to complaints received by our Office, the SB OIG has developed a process to refer certain complaints to the Administration for resolution by M-DCPS. The SB OIG requires a response by the School District as to its findings and action

taken on all referred complaints. We evaluate the School District's response and may close the complaint, return it to the School District for additional action, or initiate our own investigation into the matter.

THE MANY WAYS TO REPORT FRAUD



Online at:
www.miamidadeig.org/fraud.htm



Fraud Hotline
(305) 579-2593

Mail to:

Office of the Inspector General
19 W. Flagler Street, Suite 220
Miami, Florida 33130

Fax to:
(305) 579-2656



Report Fraud Confidentially

FEATURED CASE

The Value Adjustment Board Review

In April 2014, the OIG began its review of the Miami-Dade County Value Adjustment Board's process in handling citizen appeals of property valuations made by the Property Appraiser's Office (PAO). Value Adjustment Boards (VAB) are created by Florida Statutes to accept and process taxpayers' petitions contesting a property's assessment, classification, or exemption as determined by the Property Appraiser.



The Superintendent requested the OIG look into his concerns that continuous delays in the VAB appeal process resulted in the late certification of the tax rolls, and consequently delayed revenue to the School District. The School District's funding model is such that local property tax assessments make up approximately 50% of the School District's budget through what is termed the Required Local Effort funding. M-DCPS suffers from a two-year lag in recouping funds as a result of the VAB's delays in hearing appeals and consequent delay in certification of the tax rolls.

Additionally, the M-DCPS Office of Management and Compliance Audits (OMCA) simultaneously began an audit of the VAB appeals process and requested investigative support from the OIG. The OIG and OMCA coordinated efforts to achieve a comprehensive review of the VAB process and the potential causes for the delays.

The Superintendent expressed three main concerns. First, that tax agents filed petitions with the VAB without the authorization and knowledge of the taxpayers, thereby increasing the number of petitions and contributing to the delays. Second, that excessive and improper rescheduling of hearings, due to taxpayer requests, contributed to delays in the VAB process. Third, that improper relationships between special magistrates and tax agents resulted in rulings favorable to the tax agents and taxpayers at the expense of the taxing authority.

The OIG's review of petitions filed without an actual signature of the property owner determined that the number of petitions filed without proper evidence of authorization was so minimal, that it was not a contributing factor in the delays. However, the OIG review did reveal that the VAB does not verify, as required by law, that petitions filed by unlicensed tax agents are accompanied by the taxpayer's written authorization or signature. Our

review also identified deficiencies in the VAB's tax agent registration system as well as a lack of a central repository for complaints.

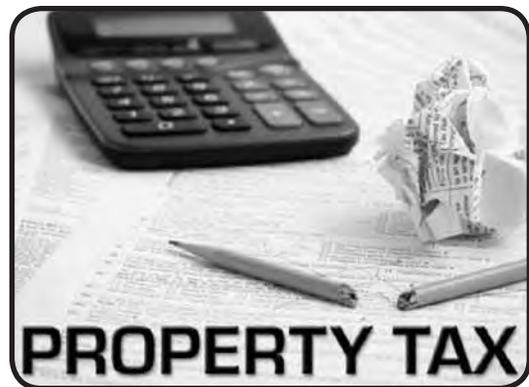
The OIG provided five recommendations for the VAB to consider. These recommendations pertain to the VAB's intake of petitions, registration of tax agents (both licensed and unlicensed), and the establishment of a central complaint repository.

The OIG's review of rescheduled hearings in the 2011, 2012 and 2013 tax years found that the statutory provision allowing a one-time rescheduling without cause did impact the time needed to complete the VAB hearing cycle.

Also contributing to delays in certifying the tax rolls were internal inefficiencies and miscommunications. The OIG also found inconsistencies in coding the rescheduling of hearings resulting in inaccurate VAB records.

The OIG provided eight recommendations in this area. Four of the recommendations were directed to the VAB and three recommendations were within the purview of the PAO to implement. One recommendation was jointly directed. The recommendations address the need for written action plans, staffing formulas, accurate coding, enhancements to the scheduling and rescheduling process, and documented analysis supporting settlements.

In order to address the concern that improper relationships were resulting in rulings favorable to the tax agent and taxpayer at the expense of the taxing authority, the OIG assessed whether special magistrate assignments were creating biases in favor of tax agents. For this review the OIG examined the role of special magistrates, their qualifications, and the rules governing conflicts and recusals.



The OIG examined how special magistrates are assigned to hear property appeals and the utilization of the "Agent Board" (an entire Board of Appeals represented by the same tax agent in a compressed amount of time). Specifically, we tested five pairings where a high percentage of a particular agent's appeals were heard before the same magistrate. The OIG found no pattern that demonstrated bias.

Our review of issues related to special magistrates concluded with three recommendations for the VAB to consider. These recommendations suggest guidance and training for special magistrates in the area of conflicts of

interest and recusals; training specific to handling the rigors of Agent Boards; and implementing formal evaluations of special magistrates.

The objective of our recommendations is not merely to revamp process and procedure. It is to ensure that the VAB promptly concludes the hearings to allow for timely certification of the tax rolls. Eliminating the delay will allow the taxing authorities to accurately budget and fund the services they provide to the public.

In September 2015, the OIG issued its final report on the VAB review. Responses from both the VAB and the PAO indicated that they are in agreement with many of the recommendations and are actively implementing them. The OIG requested that the VAB and PAO provide a report within 90 days detailing the agencies' plans for addressing the recommendations.



On September 29, 2015, Inspector General Cagle presented the OIG VAB report to the School District's Audit and Budget Advisory Committee (ABAC). At the request of the ABAC, the IG will report back after the 90 days to provide an update as to the further implementation of the OIG's recommendations.

INVESTIGATIVE HIGHLIGHTS

OIG Special Agents investigate a variety of criminal and non-criminal allegations. Our investigative findings and recommendations are then shared



with the School Board and district staff, aimed at improving operations and procedures. Preliminary investigations can be conducted on a variety of allegations, including suspicious leave of absence, contracting and procurement practices, vendor kickbacks, violations of the cone of silence, payroll reporting and overpayment issues, dual enrollment, fraudulent gradebook entries, class-size violations, and misuse of administrative

privileges. The following are some of our highlighted investigations and findings during 2014-2015.

JOC Contract Pre-qualifications, EPIC Construction

This investigation began with the allegation that a School Board pre-qualified contractor was working without proper licensure. During the course of the investigation, it was determined that for a number of years, since initially misclassified in the pre-qualification process, Epic Construction had been awarded Job Order Contracts (JOC) projects requiring a Certified General Contractor License, that it did not possess. As a result of this investigation and the OIG's recommendations, the Office of Economic Opportunity and the Office of School Facilities have incorporated four separate checklists developed for the pre-qualification and pre-qualification renewal process. These checklists provide additional accountability to both the contractor pre-qualification process and the contract award process. In addition, responsible employees were held accountable and EPIC Construction was suspended from doing business with the School Board for 14 months. EPIC has since obtained a Certified General Contractor License.

North Miami Adult Education Center Kick Back Scheme

In June of 2014, the OIG began an investigation concerning alleged criminal wrongdoing by the Principal of the North Miami Adult Education (NMAE) Center. The allegations spanned a variety of hiring and employment fraud schemes, including "pay-to-play" arrangements; ghost and no-show employees on the payroll; employees required to "kick back" a part of their salary to the Principal; and employees required to perform non-school related work at the Principal's home or his outside private business. Through preliminary inquiry and documentation review, the OIG concluded that the allegations were credible and that additional resources would be necessary to substantiate the wrongdoing. With the collaborative effort of the City of Miami Police Department, the State Attorney's Public Corruption Task Force, and the School Board Police, intelligence was gathered, an "undercover" operation was initiated, and surveillance was conducted. During the investigation the Principal accepted the payment of \$1,000 in cash in exchange for employment of the undercover officer. After making the payment, the undercover officer was officially put on the School District's payroll as a Community Schools Activity Leader III at the NMAE Center. A timesheet showing forty hours of work was submitted on his behalf for the two-week pay period of September 4 through September 17, 2015. The undercover officer holding that position was not required to work or to show up for work. An agreement was reached where the undercover officer would kick back half of his paycheck to the Principal.





After this exchange of funds, the Principal was arrested for Unlawful Compensation, Official Misconduct, and Grand Theft. A search warrant was also served at the NMAE Center for a host of records and documents, computers, and for specified cellular and telecommunication devices.

Math Coach Falsifies Grade Book to Conceal Non-Compliance

The OIG received a complaint that Madie Ives Elementary School (MIE) was inappropriately utilizing Federal Education (Title I) Funding received for a Math Coach position when, in fact, the Math Coach was performing administrative duties for the Principal and not the duties of a Math Coach. The complaint also alleged that the Math Coach was listed as the teacher for several students that she did not actually teach, in order for MIE to appear as if it was meeting classroom size requirements. The OIG substantiated allegations that the Math Coach was performing functions outside of the job responsibilities in violation of funding guidelines. Additionally, the investigation revealed that the Principal of MIE falsely certified payroll records that the Math Coach spent 100% of her time performing Math Coach functions when she was not doing so. The OIG also substantiated the allegation that the Math Coach was listed as the teacher of record for 16 students that she did not actually teach in order to make it appear that class size requirements were being met. During the investigation, the Vice Principal of MIE, who was also the designated Title I School-Level Compliance Facilitator, refused to cooperate with the OIG. As a result of this investigation, both the Vice Principal and the Math Coach were suspended without pay. The Principal retired from her position, three months after the report was published, in lieu of disciplinary action.



Employee Takes M-DCPS Truck Home During Work Hours

This investigation originated from a complaint that an employee was spending considerable time at home during work hours and might be stealing fuel, as he was observed removing a red plastic fuel container from his work truck and pouring the fuel into his own personal vehicle. The investigation substantiated that the employee, a maintenance foreman, was traveling home during work hours in his M-DCPS truck. We found that for a period of nine months the employee regularly traveled beyond his assigned location to the general vicinity of his home. While the OIG could not substantiate the theft allegation, photos obtained by the OIG captured the

employee pouring gas from a red plastic fuel container into his private vehicle. Additionally, the OIG was able to establish that although the employee's M-DCPS vehicle was equipped with a Vehicle Information Transmitter (VIT) system—which triggers the pump and tracks how much fuel is pumped into the vehicle—it could easily be bypassed by placing the fuel pump nozzle and fuel container close to the vehicle's gas tank intake. This would enable the employee to fill up containers while the VIT records the fuel as being pumped into that vehicle. The OIG also determined that this employee's truck consumed more fuel than similar M-DCPS trucks of the same make, model, and year. While the employee admitted that he went home on several occasions, when questioned about the fuel he claimed that the red fuel container was his and he bought fuel during the day and took it home to fill up his boat. As a result of the investigation, the employee was demoted and suspended without pay for 30 days.



Employee Works Outside Job While Out on Medical Leave

The OIG received a complaint from the M-DCPS Office of Leave Retirement and Unemployment Compensation, triggering this investigation. The complaint alleged that a vocational teacher at Southwest Miami Senior High School was working at an automotive repair shop while on a medical leave of absence without pay. Before becoming a vocational teacher, the employee was a bus mechanic in the M-DCPS Transportation Department. The OIG investigation revealed not only that the employee was working at an automotive repair shop, but he was also the owner and manager of the shop. When the OIG Special Agents visited the automotive repair shop, they found the employee behind the counter on the phone wearing the same uniform as all the other employees. Employment while on leave is not permitted unless specifically requested and approved. The employee in this case did not have approval to engage in outside employment while on medical leave of absence. The OIG determined that during the period the employee was on leave of absence without pay, and working in his own business without M-DCPS' approval or knowledge, he received regular contributions for his insurance benefits, including medical health, short term disability, and life insurance. The employee resigned his employment during the investigation.



Students Transferred Without Parental or Guardian Consent

The OIG initiated an investigation alleging that students attending Mater Gardens Academy Charter School (Mater Gardens) had been transferred to Mater Academy Lakes Charter School (Mater Lakes) without parental or guardian knowledge or consent, as required by Florida Statutes. The complainant (a parent) became aware of the transfer when her child was unable to register for the FCAT with fellow students at Mater Gardens.

The OIG substantiated the allegations and determined that the Mater Gardens Principal—with the approval of the Principal of Mater Lakes—transferred 87 students “on record” while they physically remained at Mater Gardens. The students were transferred on record without the schools obtaining written approval from the students’ parents. The OIG found that both schools had been operating under a Parent/Guardian Contract containing a general consent clause that allowed such a transfer without first informing the parent/guardian and obtaining written consent. We learned that effective July 1, 2011, the Florida Legislature had amended Florida Statutes prohibiting general consent clauses in these types of contracts. The Principals of both schools and their attorney explained that use of the contract containing the general consent had been an error on their part. The 6-8th grade students had been transferred on record so they could participate in Pre-AP classes in order to receive high school credits, and Mater Gardens was not aware the general consent was no longer valid. Mater Gardens rectified the situation by sending form letters after-the-fact to the parents and guardians of all the students transferred. Accordingly, the OIG closed the investigation.

Improper Payment of Salary Supplement

This investigation was centered on the allegation that the head custodian of Sunset Park Elementary was receiving a pay supplement for the evening shift when the custodian had been working the day shift since 2013. According to the American Federation of State, County, and Municipal Employees (AFSCME) Union Agreement with the School Board, custodial employees are entitled to a second shift supplement payment when their shift starts at 12:30 pm or later, but prior to 6:00 pm. Although the investigation substantiated that the employee was improperly receiving a pay supplement, the OIG determined that there was no wrongdoing on the part of the head custodian or the employees of Sunset Park Elementary—it was simply an error. The closure of this investigation led to the correction of payroll records and restitution for the overpayment, which has been paid in full. The newly appointed school site administrator will review all future salary supplements to ensure that no employee is accidentally overpaid.

CONTRACT OVERSIGHT AND AUDITS General Obligation Bond Inspector General-GO BIG!



The OIG's GO BIG oversight initiative continued its third year of monitoring procurement and construction activities. Initiated in 2013, GO BIG seeks to assist the School District by detecting and preventing fraud, waste and abuse in the 21st Century Schools Capital Improvements Program, funded by the issuance of \$1.2 billion in general obligation bonds. Key to these efforts is the OIG's fraud awareness outreach. The OIG continues its outreach to professionals in the construction industry by handing out our informational brochures at many of the School District's mandatory pre-bid conferences and other industry events. The brochure outlines how vendors, contractors, and District employees can report their concerns confidentially and directly to the OIG.

Another key component to our oversight activities includes monitoring selected procurements and following the resulting design process and construction activities. Significant Year 1 OIG monitoring projects included the construction of a new MAST Academy Senior High and a new Miami Norland Senior High. Current OIG oversight activities include monitoring the submission of pay applications and small business enterprise utilization reports; attending construction progress meetings and reviewing meeting minutes; participating in on-site walk-throughs; and reviewing project close-out documentation. The OIG also completed an exhaustive review of previous construction management contracts in order to shed light on procedures and practices affecting the District's commissioning of construction work for the 21st Century Schools Program. A summary of this review follows on the next page.

GOB Program Years 2 and 3 projects monitored include:

- Establishment of the Micro and Small Business Enterprise pools for architect and engineering firms and construction management at-risk firms
- Bunche Park Elementary and Frederick Douglas Elementary architect and engineering selection processes
- Miami Southridge Senior High construction management at-risk award process
- Miami Sunset Senior High construction management at-risk award process
- Design and Architecture Senior High architect and engineering selection processes and construction management at-risk award process

Audit of M-DCPS' Administration of Miscellaneous Continuing Contracts Awarded to Construction Management At-Risk Firms

What we did:

The OIG audited construction projects awarded to construction management at-risk (CMR) firms utilizing M-DCPS' standing pool of miscellaneous continuing contracts. That pool, in place from 2007 through 2011, contained 10 CMR firms that collectively received almost \$60 million for work on 186 projects. Our audit selected 40 projects/mini-projects for review and testing.

Why we did it:

The MCC pool of CMR firms is the most prevalent acquisition method by which M-DCPS procures construction services. This will be especially true for the construction projects under the \$1.2 billion GOB Program. For years 1 and 2 of the capital program, 129 projects were assigned to CMR firms through various MCC pools totaling over \$134 million in construction dollars. We wanted to evaluate the effectiveness of this procurement method and whether adjustments or improvements were required.

What we found:

We found that the School District's project records could be substantially improved to increase programmatic transparency. This was especially true of documentation—or the lack thereof—showing how individual projects were assigned to the various CMR firms. Our audit revealed the lack of an *audit trail* where a CMR firm chose to self-perform work over accepting a subcontractor's bid price, and where a change was made to the subcontractor after the guaranteed maximum price was set and approved. While we were verbally provided adequate explanations for those changes, the official project record was void of documented justification.

What changes should we expect to see:

The School District acknowledged these shortcomings and responded positively that it would institute checkpoints at key project stages to ensure completeness of its records. During the audit, the School District revised its practices on how construction projects are assigned to the MCC CMR firms. The new process utilizes two criteria, the firm's final ranking score and its prior work performance, to assign individual projects to the firms in the pool. The School District will now require that documentation regarding CMR project assignment be included in each official project file and is also revising its CMR procedures manual governing subcontractor substitutions and approvals. The OIG requested that the School District provide us with its updated written procedures and other summary statuses of observations and recommendations made.

COLLABORATIVE PARTNERSHIPS

Section 4 of the ILA, providing for inspector general services, recognizes the importance of forming collaborative and professional relationships with internal and external entities. While we are independent and external to the units under the administration of the Superintendent and the School Board, the OIG often collaborates with these internal agencies to effectively achieve the goals of preventing and detecting fraud, waste, financial mismanagement, and other abuses. Working together we can jointly promote accountability, integrity, and efficiency within the School District.

The OIG collaborates with the Office of Management and Compliance Audits (OMCA), the Office of Professional Standards, the Civilian Investigative Unit, the Office of Civil Rights, and the School Police. Working closely with OMCA by providing investigative assistance to its audit of the VAB, our Office also issued a comprehensive report of the VAB, and will keep working with our partners to ensure continued improvement to the process and goal of ending an ongoing two-year delay in the certification of the tax rolls.

The OIG regularly attends the Audit and Budget Advisory Committee meetings and the Ethics Advisory Committee meetings, where we often present the findings of our investigations and audits. Additionally, we attend the 21st Century Bond Advisory Committee meetings, where the Inspector General sits as a non-voting member of the committee. Attendance at these forums keeps us apprised of the activities of our partner agencies and facilitates opportunities where we can work together.



The OIG has also developed relationships with such external entities as the Federal Bureau of Investigation; the Internal Revenue Service; the U.S.

and the Florida Department of Education OIGs; the Department of Financial Services, Division of Insurance Fraud; the Department of Homeland Security; the Florida Department of Law Enforcement; the Florida Auditor General; the U.S. Attorney's Office of the Southern District of Florida; the Florida Department of Business and Professional Regulation; and the Miami-Dade State Attorney's Office. These are some of the relationships that are vital to advancing investigations and ensuring successful case outcomes. We recognize that we are not alone. Preventing fraud, waste and abuse is a common goal and a shared responsibility. Working together, we can continue to raise the bar, achieving new heights, and ensuring confidence and integrity in our public school system.

RESULTS

The SB OIG provides its investigative and audit findings to the School Board and M-DCPS Administration, along with our recommendations for their consideration. From inception through the end of FY 2014-2015, the SB OIG audits and investigations have resulted in over \$2,545,537 in averted losses, projected savings, financial recoveries, and increased revenue for the School District.

As the SB OIG finalizes its reviews, audits, and investigations, the appropriate reports of our findings and recommendations will be provided as promptly as possible. It is our pleasure to continue serving the community and Miami-Dade County Public Schools.

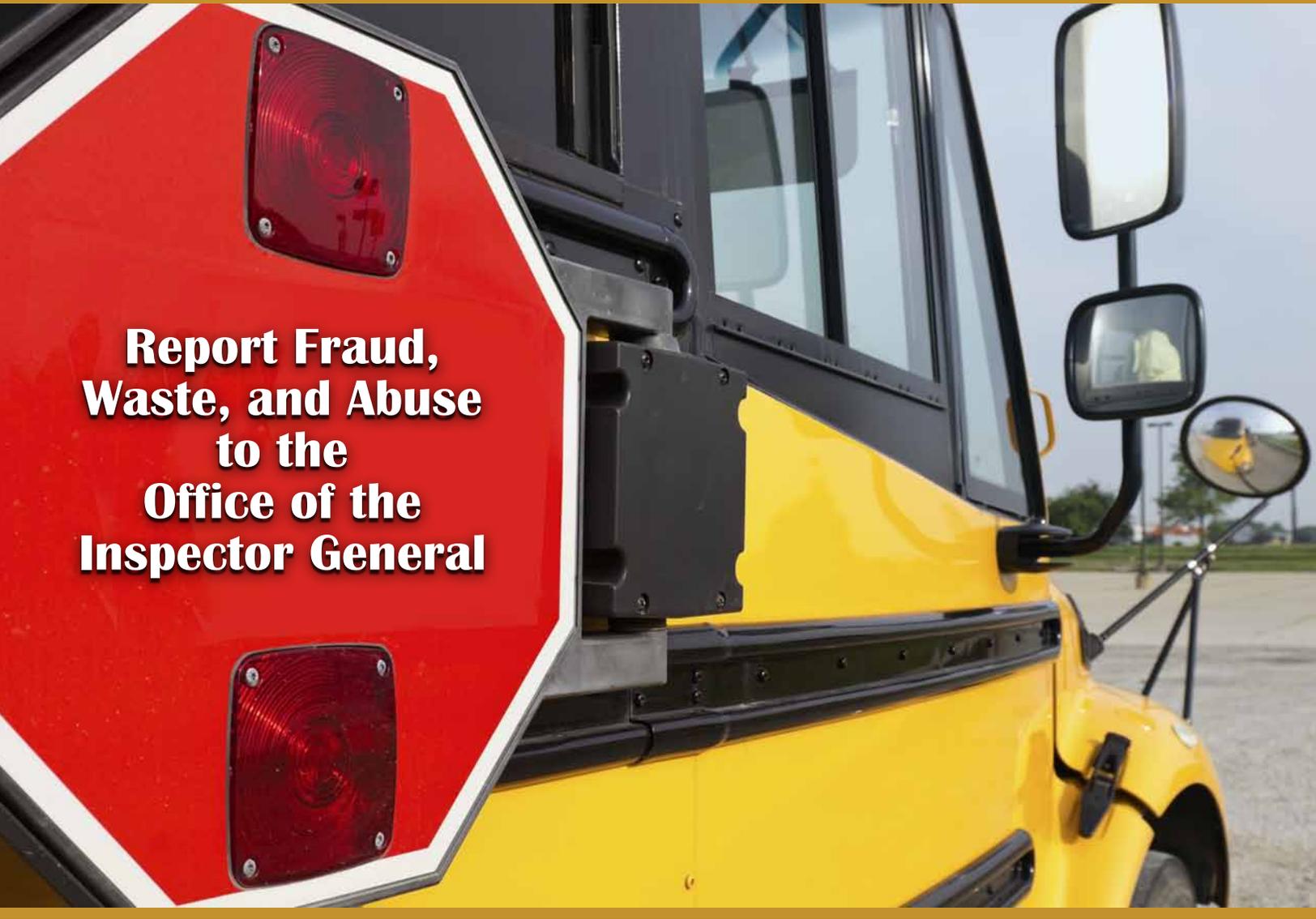


Study the 1 Primary 2 Numbers 3



M-DCPS is the 4th largest school district in the nation

M-DCPS Budget for 2015-2016	\$4,829,987,547
\$ Paid Out to M-DCPS Vendors	\$1,056,576,835
SB OIG Budget for 2015-2016	\$770,561
# of Students	355,913
# of Employees	39,557
# of Vendors	3,900
# of Public Schools	338
# of Charter Schools	126
INDEPENDENT WATCHDOG	1



**Report Fraud,
Waste, and Abuse
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Office of the
Inspector General**

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