

# Miami-Dade County Office of the Inspector General

# ANNUAL REPORT



# 2023





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## MESSAGE FROM YOUR INSPECTOR GENERAL



It is with great pleasure that I present to you our annual report for 2023. This report encapsulates our work over the past year, highlighting our efforts in the areas of investigations, audits, and contract oversight.

As you navigate through this report, you will discover the tangible outcomes of our efforts to hold Miami-Dade County government accountable, ensuring it continues to provide excellence every day. In this report we have highlighted several criminal investigations conducted jointly with our law enforcement partners, including a federal task force developed to investigate pandemic relief fraud. We have since expanded our efforts to address numerous fraud complaints involving the County's Emergency Rental Assistance Program. Our administrative investigations and audits have led to findings and recommendations to improve efficiency, mitigate risk, and curtail waste. Our contract oversight work encompasses many of the major projects and procurements undertaken by the County, which will impact our community for generations to come.

As we approach our 27<sup>th</sup> anniversary, I want to express my deepest gratitude to the employees of the OIG for their dedication and hard work. In the face of many challenges, our investigators, analysts, auditors, contract oversight specialists, attorneys, and administrative staff have consistently risen to the occasion, demonstrating resilience, creativity, and an unparalleled commitment to excellence. I am continuously impressed by their professionalism, teamwork, and willingness to go above and beyond to achieve our collective goals. It is truly a privilege to work alongside such a talented and dedicated group of individuals.

I am also thankful to Mayor Daniella Levine Cava, Chairman Oliver G. Gilbert III, and the members of the Board of County Commissioners for their continued trust and unwavering support. It is also reassuring to receive overwhelming departmental cooperation of our oversight efforts. Our goal at the OIG is to help make government better. As we continue to navigate the journey ahead, let us remember the power of collaboration, in combatting waste, fraud, and abuse and enhancing efficiency and trust in government. Together, there is no challenge too great, and no goal too ambitious.

Respectfully,

Felix Jimenez  
Inspector General



# ABOUT THE OIG

## ABOUT US

Autonomous and independent, the Miami-Dade County Office of the Inspector General (OIG) was created by the Board of County Commissioners, and now codified in the County's Home Rule Charter, to serve as a watchdog over County practices. Through three distinct yet overlapping functions – audits, investigations, and contract oversight – the OIG investigates fraud, waste, and abuse, rendering findings based on facts and evidence.

## MISSION

To detect, investigate, and prevent fraud, waste, mismanagement, misconduct, and abuse of power through independent oversight of County affairs, and seek appropriate remedies to recover public monies.

## VISION

To be recognized as the premier agency in holding Miami-Dade County government accountable, ensuring it continues to provide excellence every day.

# TABLE OF CONTENTS

<b>I. THE OIG EXECUTIVE TEAM</b> .....	3
<b>II. IG SHARES BEST PRACTICES</b> .....	4
<b>III. OPERATING BUDGET AND DELIVERABLES</b> .....	7
<b>IV. COMPLAINTS AND DISPOSITION OF COMPLAINTS</b> .....	9
<b>V. INVESTIGATIONS UNIT</b> .....	10
<b>A. ARRESTS, PROSECUTIONS, AND SENTENCINGS</b> .....	11
<b>B. INVESTIGATIONS UNIT CASES RESULTING IN IMPROVEMENTS, MODIFICATIONS, AND REFORMS</b>	16
<b>C. OTHER INVESTIGATIONS UNIT CASES AND REVIEWS</b> .....	19
<b>VI. AUDIT UNIT</b> .....	22
<b>A. REVIEW OF POOL CONTRACTS</b> .....	23
<b>B. FUTURE AUDITS</b> .....	29
<b>VII. CONTRACT OVERSIGHT</b> .....	29
<b>A. PROVIDING OVERSIGHT VALUE TO OUR MOU DEPARTMENTS &amp; MONITORING CAPITAL</b>	
<b>IMPROVEMENT PROGRAMS</b> .....	30
<b>B. CRIMINAL JUSTICE, THE COURTS, AND PUBLIC SAFETY</b> .....	37
<b>C. MONITORING AND OVERSIGHT ACTIVITIES IN OTHER AREAS</b> .....	38
<b>VIII. OIG PERFORMANCE, ACCOUNTABILITY, SAVINGS, AND EFFICIENCY</b> .....	42
<b>IX. APPENDIX: CODE OF MIAMI-DADE COUNTY Sec. 2-1076 OFFICE OF THE INSPECTOR GENERAL</b> .....	43



# I. THE OIG EXECUTIVE TEAM



*(left to right) Hector Ortiz, Marie Perikles, Felix Jimenez, Patra Liu, and James Schlotzhauer*

Inspector General Felix Jimenez is the head of the organization; his Executive Team includes Deputy Inspector General/General Counsel Patra Liu, Assistant Inspector General for Investigations Hector Ortiz, Deputy General Counsel Marie Perikles and Director of Data Analytics James Schlotzhauer.

Assistant Inspector General for Investigations Hector Ortiz leads the Investigations Unit. The Miami-Dade County OIG Investigations Unit consists of three squads of experienced Special Agents supported by a team of skilled Investigative Analysts. When investigations of fraud, waste, and abuse of authority reveal criminal wrongdoing, the Assistant Inspector General for Investigations coordinates with state

and federal criminal prosecutors to shepherd OIG cases to a successful legal resolution.

Ms. Liu manages the Legal Unit with Deputy General Counsel Marie Perikles and four additional attorneys. The Legal Unit provides continuous support to all OIG personnel from the moment a complaint is received to case closure, which oftentimes involves the issuance of public reports and memoranda. OIG attorneys provide counsel on jurisdictional questions and help assess the strengths and weaknesses of OIG cases for potential civil, administrative, or criminal implications, review all subpoenas issued by the Inspector General, and all public reports prior to release.

Ms. Liu also manages the OIG's Contract Oversight and Audit Units. Four Contract Oversight Specialists are deployed countywide. Their work includes active monitoring and random inspections of contracting and construction activities to ensure fairness in the procurement process and compliance with contract specifications. The Audit Unit consists of a team of certified professionals with a wide range of government and private sector experience. The Audit Unit frequently coordinates with the Investigations Unit and/or Contract Oversight Unit. All three units work together to advance the mission of the Office.

As the Director of Data Analytics, James Schlotzhauer has the primary responsibility to ensure the alignment, development, and integration of data analytics, business intelligence, and artificial intelligence necessary to support the mission, vision, strategies, objectives, and goals of the OIG. Mr. Schlotzhauer organizes, assembles and supports resources necessary to address the current and future analytical needs of the OIG.

## II. IG SHARES BEST PRACTICES



On May 15<sup>th</sup>, 2023, Inspector General Felix Jimenez was invited to discuss topics such as abuse, waste, fraud detection, and prevention, and a host of other matters of importance and interest to individuals serving as board members of The Children’s Trust. Mr. Jimenez also highlighted the work of the Office’s three distinct yet overlapping functions – audit, investigations, and contract oversight – rendering findings based on facts and evidence. The relationship between the Trust and the OIG was also

discussed.

### 4<sup>th</sup> Annual Procurement Expo



On August 23<sup>rd</sup>, 2023, the Office of the Inspector General’s Contract Oversight Specialists participated in the 4<sup>th</sup> Annual Procurement EXPO sponsored by the Strategic Procurement Division (SPD) of the Internal Services Department. OIG personnel participated in training sessions held throughout the day and were available to answer questions from the vendor community. SPD sponsored this event to benefit small and local businesses throughout Miami-Dade County.



*(left to right) Felix Jimenez, Patra Liu, Alfonso Ledo, Terry Murphy, and Peter Liu*

The mission was to share information on contracting opportunities with the County by hosting exhibitors from the procurement divisions of major departments. Training sessions during the EXPO provided vendors with free access to subject matter experts on best practices in the procurement process. The OIG looks forward to participating in future SPD forums.



*(left to right) Terry Murphy, Peter Liu, and Alex Rodriguez*



## Ethical Governance Day



Assistant Inspector General for Investigations Hector Ortiz and Ethics Commission Board member Nelson Bellido participated in the Ethical Governance Day at Hialeah Miami Lakes Senior High School. They spoke to senior high school students about the importance of good governance, public service, partnerships and about the Miami-Dade County OIG and Commission on Ethics. Many speakers participated in Ethical Governance Day 2023 and met with hundreds of students in over 60 high schools across Miami-Dade County.

## 2023 Take Your Child To Work Day



Take Your Child to Work Day is meant to familiarize children with the workplace, show them the value of their education, and provide an opportunity to share how they envision the future. The 2023 theme “Working Better Together” was most definitely demonstrated to our colleagues’ children on April 27, 2023. The children spent a day in our office exploring different career opportunities in investigations, audits, and contract oversight. Auditor Cristin Revilla looks forward to welcoming our children every year and plans an exciting day for them and our staff. We look forward to seeing them come back each year with enthusiasm and curiosity.



# MILESTONES



On December 16, 2022, the Miami-Dade County Office of Inspector General celebrated our 25-year anniversary of the creation of the office.

Established by County ordinance, approved by the Board of County Commissioners of December 16, 1997, the OIG is empowered to investigate, audit, and review allegations of waste, fraud, abuse, and mismanagement. The Miami-Dade County Board of County Commissioners determined that the oversight of such a large and diverse government required the organization and administration of the OIG to be independent and autonomous, to assure that no interference or influence external to the Office adversely affects the independence and objectivity of the Inspector General. At the time the ordinance passed, one commissioner stated, “the unanimous vote will send a powerful message across all lines of County government that we mean business—clean business, to the best interests of all the citizens.”

We at the OIG strive to enhance County operations. Since its creation, our office has conducted hundreds of audits; administrative and criminal investigations; inspections; and

reviews, including procurement and contract oversight engagements, resulting in the recovery of millions of dollars and the identification of millions more in questioned costs, damages, losses, overpayments, and cost savings. As a chartered, autonomous, and independent agency, our work often results in recommendations for improved integrity and efficiency of County services. The OIG provides both policy makers and administrative personnel with our independent assessment involving operational and contract compliance, and adherence to legal and administrative procedures. All our units contribute to our overall mission, which is to provide independent oversight of County affairs.

We value the relationship we have developed with our elected officials, the administration, and with the many department directors and their staff who recognize the value the Office of the Inspector General provides to Miami-Dade County. Lastly, we are grateful to our first two inspectors general, Chris Mazzella and Mary Cagle, for their stewardship of the office and to the very talented and dedicated staff of the OIG. We look forward to continuing to serve the citizens of Miami-Dade County.



# III. OPERATING BUDGET AND DELIVERABLES

## SELECTED ITEM HIGHLIGHTS AND DETAILS

Line-Item Highlights	(dollars in thousands)				
	Actual FY 19-20	Actual FY 20-21	Budget FY 21-22	Projection FY 21-22	Budget FY 22-23
Advertising	0	0	0	0	0
Fuel	0	0	0	0	0
Overtime	0	0	0	0	0
Rent	0	0	0	0	0
Security Services	2	1	2	2	3
Temporary Services	0	0	0	0	0
Travel and Registration	52	9	30	30	35
Utilities	30	18	17	18	20

## OPERATING FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 19-20	Actual FY 20-21	Budget FY 21-22	Adopted FY 22-23
<b>Revenue Summary</b>				
General Fund Countywide	1,631	862	2,177	1,141
Carryover	1,465	2,064	391	1,793
Departmental Oversight (MOUs)	778	663	1,032	1,032
Fees and Charges	4,874	5,194	4,050	4,335
Interest Earnings	27	4	0	0
Miscellaneous Revenues	11	12	0	0
<b>Total Revenues</b>	<b>8,786</b>	<b>8,799</b>	<b>7,650</b>	<b>8,301</b>
<b>Operating Expenditures Summary</b>				
Salary	4,967	5,086	5,442	5,942
Fringe Benefits	1,533	1,640	1,867	1,953
Court Costs	0	1	1	2
Contractual Services	0	78	2	4
Other Operating	109	109	207	230
Charges for County Services	78	59	72	95
Capital	35	31	59	75
<b>Total Operating Expenditures</b>	<b>6,722</b>	<b>7,004</b>	<b>7,650</b>	<b>8,301</b>
<b>Non-Operating Expenditures Summary</b>				
Transfers	0	0	0	0
Distribution of Funds In Trust	0	0	0	0
Debt Service	0	0	0	0
Depreciation, Amortizations and Depletion	0	0	0	0
Reserve	0	0	0	0
<b>Total Non-Operating Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(dollars in thousands)	Total Funding		Total Positions	
	Budget FY 21-22	Adopted FY 22-23	Budget FY 21-22	Adopted FY 22-23
Expenditure By Program				
<b>Strategic Area: General Government</b>				
Inspector General	7,650	8,301	40	42
<b>Total Operating Expenditures</b>	<b>7,650</b>	<b>8,301</b>	<b>40</b>	<b>42</b>



## FY 2022 - 23 Adopted Budget and Multi-Year Capital Plan

### DIVISION: INSPECTOR GENERAL

The OIG's principal objective is to promote honesty and efficiency in government and to prevent and detect misconduct, fraud and abuse in County programs and contracts. The OIG strives to ensure that taxpayers get a fair and honest accounting of their money and, where possible, seeks appropriate remedies to recover public funds.

- Communicates the Office's accomplishments through report distribution, website communication and public awareness initiatives
- Investigates, audits and inspects programs, projects and contracts to detect and prevent fraud, mismanagement, waste and abuse
- Provides all professional support to these functions including publicly reporting findings
- Publicly reports findings and initiates or makes civil, administrative and criminal referrals where necessary

### Strategic Objectives - Measures

- GG1-1: Support a customer-focused organization by providing convenient access to information and services, and by ensuring processes are easy to navigate

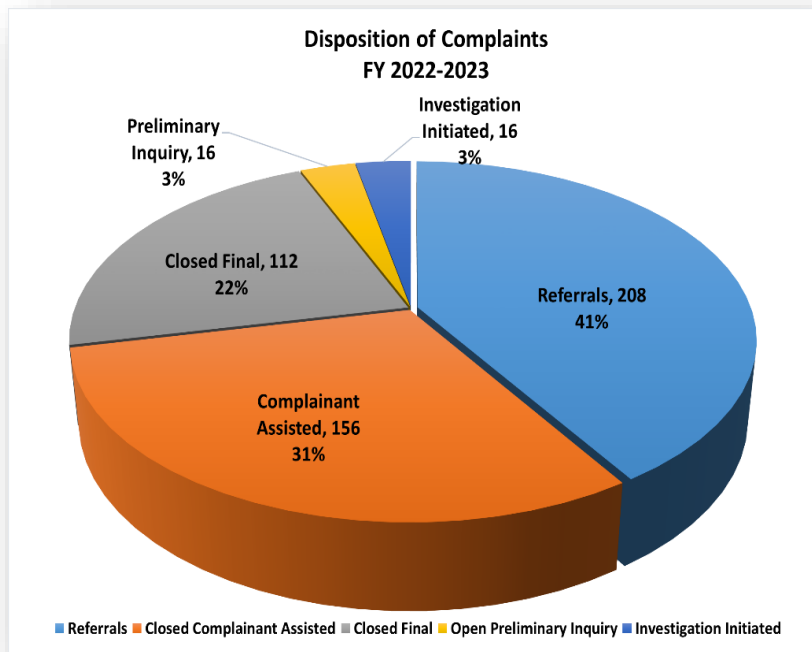
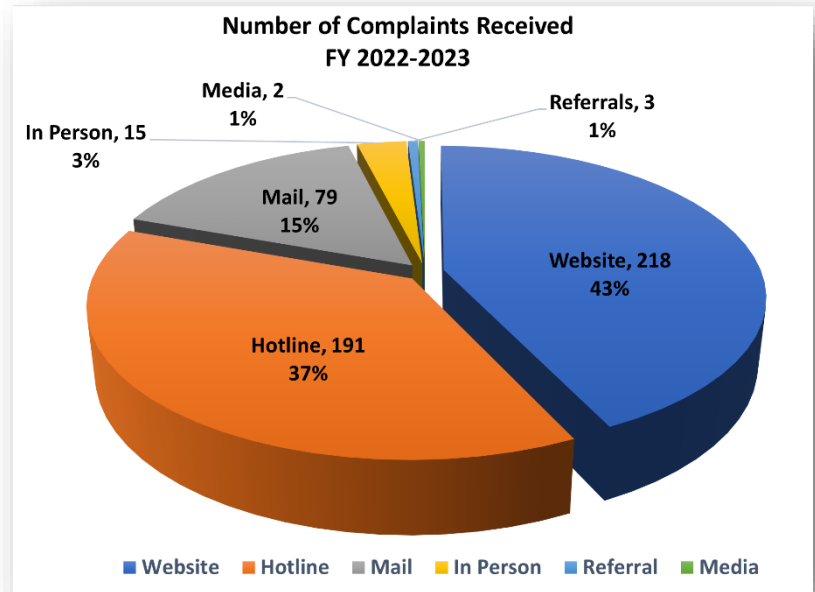
Objectives	Measures			FY 19-20	FY 20-21	FY 21-22	FY 21-22	FY 22-23
				Actual	Actual	Budget	Projection	Target
Promote honesty and efficiency in government	Complaints received*	IN	↔	296	272	300	325	300
	Percentage of complainants receiving feedback about initial disposition of complaint within 30 days*	OC	↑	97%	100%	95%	97%	100%
Increase the public's awareness of the OIG's findings by providing easy access to reports and information distributed by the OIG via the Internet	Reports issued*	OP	↔	12	12	20	15	20
	Advisory memoranda issued*	OP	↔	18	18	22	22	20
	Contracts/ programs audited and reviewed**	OP	↔	43	76	35	35	35

\*FY 2021-22 Projection revised for the FY 2022-23 Adopted Budget due to more up-to-date information

\*\*FY 2020-21 Actual included auditing 46 emergency construction contracts awarded through the Miscellaneous Construction Contract 7040 and 7360 programs

## IV. COMPLAINTS AND DISPOSITION OF COMPLAINTS

The Office received 508 complaints in Fiscal Year 2022-2023. Of these, 218 were made using our website's on-line complaint form, 191 were received through our Hotline, 79 by mail, 15 were received from individuals who came to the office and met with an investigator, three were referrals and two were initiated by media.



Of the complaints received, 41% were referred to appropriate County departments or other governmental agencies that could directly address the complaints, 31% were assisted by our office and/or the complaint warranted no further action, 22% were closed, and 3% of complaints resulted in Preliminary Inquiries and Investigations Initiated. The OIG requests responses for any action taken on the majority of complaints referred to County departments. Those responses are evaluated, and the complaint may be closed, the OIG may seek further clarification or may initiate its own investigation.



## V. INVESTIGATIONS UNIT

The Investigations Unit works toward accomplishing the OIG's mission by conducting investigations of fraud, waste, abuse, and misconduct related to County programs, operations, contracts, and employees. OIG Special Agents have a wide variety of experience from law enforcement and regulatory agencies. They are skilled in conducting investigations of white-collar crimes, financial fraud, and public corruption. The Investigations Unit coordinates with the Miami-Dade State Attorney's Office, the United States Attorney's Office, and other local, state, and federal law enforcement agencies to leverage resources and fraud-fighting efforts. The OIG is also a member of the Federal Bureau of Investigation's (FBI) South Florida Public Corruption Task Force. Our investigations often lead to criminal cases, administrative reports with recommendations, and monetary recoveries.

The Analyst Unit directly supports investigations conducted by the Investigation Unit, through intelligence gathering and analytical support. OIG Investigative Analysts are dedicated to maintaining relationships with organizations such as the Florida Department of Law Enforcement and the Financial Institution Security Association.

In addition to investigative support, the Analyst Unit conducts criminal history background checks of advisory board nominees as mandated by the Miami-Dade County Code. The Miami-Dade County Board of County Commissioners has created 98 advisory boards comprised of volunteers nominated by individual commissioners. As part of the appointment process, the OIG Analyst Unit conducts State of Florida criminal history background checks on advisory board nominees. In 2023, 131 criminal history background checks were conducted. The OIG Analyst Unit also manages the OIG Hotline that allows the public, stakeholders, and others to report suspected corruption, fraud, waste, and abuse.

During this past year, the Investigations Unit completed numerous investigations and reviews. The Investigations Unit's work has resulted in arrests and prosecutions, corrective actions, and reforms. The following pages highlight some of the Investigations Unit's cases.

## A. ARRESTS, PROSECUTIONS, AND SENTENCINGS

### Ten Individuals Charged with Scheme to Defraud and Cheating the State of Florida Elevator Safety Certificate of Competency Exam

A joint investigation by the OIG, the Miami-Dade Police Department's Airport District, and the Miami-Dade State Attorney's Office, resulted in the arrests and prosecution of ten individuals for Cheating and Organized Scheme to Defraud in connection with elevator safety examinations. The case stemmed from the OIG's review of elevator safety at Miami International Airport (MIA) based on a referral from the County's Internal Services Department regarding bypassed safety devices on moving walkways.

The Miami-Dade County Aviation Department contracted with a vendor to provide elevator maintenance and repair of the elevators, escalators, and moving walkways at MIA. During the review of the bypassed safety devices, the OIG received information alleging a cheating scheme. The joint investigation resulted in charges being filed against ten individuals (nine elevator mechanics and one supervisor). Eight defendants were former mechanics of the vendor, and two defendants were former mechanics of another company.

Many of the employees hired to work at MIA were recruited by the vendor from Puerto Rico, which does not require the licensing of elevator mechanics. The OIG learned that County elevator safety personnel began demanding proof of licensure from the vendor's mechanics working at MIA and found that some were unlicensed "helpers."

A former employee of the vendor, a warehouse employee with no experience in elevator

maintenance or repair, became a middleman between the mechanics and a supervisor who took the tests for the mechanics. The unlicensed mechanics registered with the exam administrator for the State of Florida and provided the username and password to the middleman. The supervisor took the exams using the identifiers provided by the mechanics. The middleman and the supervisor charged between \$250 and \$400 for each exam and split the fee. The OIG found that, at some point during the scheme, the supervisor cut out the middleman and pocketed the entire fees to take the exams.

The employees used the falsely obtained State certification to fraudulently acquire annual Certificates of Competency in elevator repair and maintenance from the Florida Department of Business and Professional Regulation. Not all the fraudulently licensed vendor mechanics were assigned to MIA.

Two employees, who had self-reported their fraud to the Department of Business and Professional Regulation, had charges dismissed as they agreed to cooperate, received civil sanctions, and invalidation of their licenses. Four defendants entered a program for first-time offenders and the remainder were sentenced to probation ranging from five months to two years. In addition, the defendants were required to pay costs of investigation and prosecution, stipulate that their mechanics license with the State of Florida are invalid, and stipulate that they are ineligible to take a new elevator mechanic exam for two years.



## **Miami-Dade County Vendor Charged and Sentenced for False Invoicing Scheme**

A joint investigation by the OIG and the Miami-Dade State Attorney’s Office resulted in the arrest, prosecution, and sentence of the owner/operator of a county vendor performing installation and repair of overhead doors and security gates for the Department of Corrections and Rehabilitation (Corrections). The investigation was referred to the OIG after an alert Corrections employee questioned an invoice.

The vendor provided services for the installation and repair of overhead doors and security gates. The investigation determined that from

September 2020 to December 2021, the vendor submitted over 90 fraudulent invoices totaling over \$69,000. These fraudulent invoices inflated the costs for parts and materials.

The vendor’s owner was charged and pled guilty to Organized Scheme to Defraud, a felony of the third degree, and was sentenced to five years of reporting probation. As a condition of probation, the owner and any other present or future company affiliated with the owner cannot sign any new contract to perform work on any County property as a prime or sub-contractor. In addition, the owner paid restitution to Corrections and costs of investigation to the OIG.

## **County Vendor Charged for Submitting False Information on Vendor Pool Application**

A joint investigation by the OIG and the Miami-Dade State Attorney’s Office (SAO), resulted in a criminal charge being filed against the owner of a company contracted with the Seaport Department which operates PortMiami. The owner was charged with one count of making False Official Statements with the intent to mislead a public servant in the performance of his or her official duty, a misdemeanor.

The company’s owner, employed by the Public Health Trust, Jackson Health System, was a former employee at PortMiami. The investigation found that he falsified work experience and qualifications of company personnel, such as listing a fictitious employee who actually worked for JHS on the company’s vendor pool application for services to passenger boarding bridges.

According to Miami-Dade County officials who maintained the pre-approved vendor pool, the company would not have been approved as a vendor had they known the company submitted false information in its application. As a pre-approved vendor, the company bid on projects solicited for PortMiami and obtained numerous contracts, including one valued at approximately \$3 million.

The owner entered into a Stipulated Settlement Agreement with the SAO. As part of the settlement, the owner entered a Pre-Trial Intervention Program and agreed to a two-year debarment from contracting with or otherwise doing business with Miami-Dade County. The owner also paid the costs of investigation and prosecution to the OIG and SAO.

## **Former Court Clerk Sentenced on Charges of Stealing Over \$100,000 in Filing Fees**

A former Miami-Dade County Clerk of Courts supervisor over the Family New Suits Unit arrested last year following an OIG and State Attorney’s Office investigation was sentenced. The employee pled guilty to an Organized Scheme to Defraud charge for stealing over 200 cash transaction filing fees totaling over \$80,000 and four bank deposit bags containing over \$28,000. The former employee was

sentenced to 24 months house arrest followed by 15 years of reporting probation and restitution of over \$100,000 to the Clerk’s office. Additionally, the former employee must pay costs of investigation to the OIG, forfeit any rights to the Florida Retirement System, and is banned from any future government employment.

## **OIG Coronavirus Aid, Relief, and Economic Security (CARES) Act Task Force Cases**

The OIG participates in the FBI’s Miami Area Corruption Task Force and has assisted in the investigation of CARES Act fraud cases committed by Miami-Dade County employees. The Task Force, in addition to the OIG, includes investigators from the U.S. Small Business Administration Office of Inspector General (SBA OIG), the Federal Bureau of Investigation’s Miami Field Office, and on some cases have also included the Internal Revenue Service Criminal Investigations (IRS CI).

The CARES Act, enacted in March 2020, provided emergency financial assistance to individuals and eligible small businesses, sole proprietorships, and independent contractors experiencing substantial financial hardships due to the COVID-19 pandemic.

Through the CARES Act, the SBA provided several types of loans such as the Economic Injury Disaster Loans (EIDLs), and Paycheck Protection Program (PPP) loans.

To obtain the loans qualifying businesses were required to submit applications and to provide information about its operations, such as the number of its employees, gross revenues, etc. Applicants were required to certify under penalty of perjury that all information in either the EIDL or PPP loan application was true and correct.

The following cases are a result of the OIG’s collaboration with the FBI Task Force and involved the investigation of Miami-Dade County employees who fraudulently applied for CARES Act funds.



## **Corrections Officer Fraudulently Applied for CARES Act Funds**

A Miami-Dade Corrections and Rehabilitation Department officer submitted an EIDL application stating she was the owner of a sole proprietorship. The investigation found that the SBA relied on her false statements to approve a loan totaling \$19,000. Although approved, the corrections officer's financial institution blocked disbursement of the funds. The case was reviewed by the United States Attorney's Office

for the Southern District of Florida but was not prosecuted. In addition to the fraudulent statements, the OIG found that the corrections officer had not requested approval for outside employment. The OIG brought this matter to the attention of Corrections and the Commission on Ethics and Public Trust for their review and action.

## **Corrections Corporal Entered into a Settlement Agreement with the Department of Justice in Connection with CARES Act Fraud**

A corporal at Corrections submitted an EIDL application stating she was the sole owner of a sole proprietorship under her name. The SBA approved a loan and an advance totaling \$22,000. The investigation determined that she used \$10,000 for business expenses and used the remainder for personal expenses. The corporal entered into a Settlement Agreement with the United States Department of Justice on behalf of the SBA. As indicated in the Settlement Agreement, the Corporal's application contained false statements relating to the gross revenues and cost of goods sold for her sole proprietorship. Per the Settlement Agreement the corporal will pay the United

States the sum of \$27,000 of which \$22,000 is restitution. The OIG reviewed Miami-Dade County records to ascertain if the corporal had requested approval for outside employment, and if she filed the required Outside Income Statements. The only record relating to outside employment filed by the corporal was a certification in 2019 that she was not engaged in outside employment.

The OIG brought this matter to the attention of Corrections and the Commission on Ethics and Public Trust for any action they deem appropriate.

## **Corrections Sergeant Arrested and Sentenced for CARES Act Fraud**

An investigation into a former sergeant at Corrections for CARES Act fraud concluded that the former sergeant submitted fraudulent applications for four CARES Act small business relief loans totaling over \$400,000.

The SBA provided the sergeant with two EIDLs, which included an EIDL advance of funds, and two PPP loans. The applications were made by the sergeant on behalf of two companies owned by him. The investigation found the applications contained false information, including overstatements of his company's gross revenues, number of employees, and payroll.

His participation in either company was not disclosed to his employer—Corrections—via a Request to Engage in Outside Employment. Further, he never filed the Outside Employment Statement, which is an annual requirement for those engaging in outside employment.

The sergeant was prosecuted by the United States Attorney's Office for the Southern District of Florida. He resigned as a result of the investigation, and later pled guilty to one count of Wire Fraud. He was sentenced to eighteen months in federal prison, followed by three years of supervised release. His sentence also includes the payment of over \$400,000 in restitution.

## **Miami-Dade County Police Officer Arrested and Sentenced for CARES Act Fraud**

An investigation into a former police officer at the Miami-Dade Police Department concluded that the officer submitted fraudulent applications for a PPP loan, an EIDL, and an EIDL advance. A month after submitting the applications, the officer requested Outside Employment.

The investigation found that the former officer submitted a PPP loan application falsely claiming that he was the owner and president of a company with 10 employees and a monthly payroll of over \$50,000. In support of this application, he submitted a fraudulent IRS Form falsely claiming that his company had paid 10 employees over \$600,000 in wages during 2019. The EIDL application, seeking both an EIDL and an EIDL advance falsely claimed his company had gross revenues of

over \$800,000 and had 10 employees. As a result of the fraudulent applications, he obtained over \$280,000 in CARES Act funds.

The former officer resigned and surrendered his law enforcement certification as a result of the investigation. He was prosecuted by the United States Attorney's Office for the Southern District of Florida, pled guilty to one count of Wire Fraud, and was sentenced to four months in federal prison, followed by three years of supervised release. His sentence also includes the payment of restitution of over \$280,000.

## **B. INVESTIGATIONS UNIT CASES RESULTING IN IMPROVEMENTS, MODIFICATIONS, AND REFORMS**

### **Investigation Results in Updated Policies and Training at the Animal Services Department**

An OIG investigation based on a confidential complaint revealed that the Animal Services Department (ASD) Director had the department's veterinarians perform a skin scraping and x-rays for the Director's pets. These services were only available to the public through ASD's Pet Retention Program—a program that provides specific services to individual pet owners who would otherwise surrender their pets. Medical services offered through the Pet Retention Program are not available to the public, even for a fee.

ASD employees, according to a Miami-Dade County Commission on Ethics and Public Trust advisory opinion on the matter, may not receive

any services, medical or otherwise, through the Pet Retention Program even if the employee reimburses the County for the service.

The investigation concluded with the OIG formulating several recommendations for ASD. The OIG recommended that ASD amend its policy on the Pet Retention Program; create a policy regarding employee pets at the office; and train its staff on department policies, including training veterinarians on the prohibition on providing care to the pets of department employees except through the same mechanisms afforded to members of the public. The Department's new Director adopted all of the OIG's recommendations.

### **Investigation of Public and Affordable Housing Property Management Contractor Results in Reforms to Succeeding Contract**

An OIG investigation of a Department of Public Housing and Community Development (PHCD) property management contractor resulted in findings of preferential bidding practices and providing free and reduced rent at a PHCD property to certain employees. The OIG initiated the investigation based on a referral from PHCD after it was copied on an anonymous complaint letter sent to the property management company's headquarters.

The property management company had been awarded multiple County contracts for the management of 17 affordable housing properties, part of PHCD's total portfolio. As part of its

contracts with the County, the property management company managed over 1200 residential units and was required to procure contracts to service those units. The OIG focused its investigation on the property management company's procurement of landscape maintenance services and landscape construction contracts, comprising some of its largest contracts.

The OIG investigation found that from 2014 to present, the property management company almost exclusively awarded these contracts to one specific landscaping company. The property management company's internal contracting



arrangement with this landscaping company for services rendered on County properties was the focus of the OIG's investigative findings.

Among those findings were that the property management company provided competing bidder information to the landscaping company; offered the landscaping company an opportunity to re-bid lower, and ultimately awarded it four contracts despite it not being the lowest bidder; allowed it to participate in developing a Statement of Work and bid for the work; and its managers – some of which were directly involved in the bid selection process – requested and received from the landscaping company financial donations to sponsor gifts and prizes at its meetings. Even if the landscaping company did not attend the meetings, the expectation of its advantage in the business relationship is a clear conflict and violates public procurement practices.

The OIG also found that certain employees of the property management company were allowed to reside either rent-free, or for a reduced rent, at a County owned affordable housing property it

managed. The free or reduced rent credits predated the contracts reviewed during this investigation and were never incorporated into those contracts or otherwise documented in writing. The OIG found that a retired former PHCD Project Manager was aware of the practice and allowed it to continue. The practice was stopped by the succeeding PHCD Project Manager.

During the course of the investigation, the property management contract was due to expire, and the County issued a new Request for Proposal (RFP). The OIG took the opportunity to review a copy of the draft RFP and make recommendations to prevent the reoccurrence of issues identified in the investigation. The OIG made recommendations regarding the housing allowances, tracking of the waitlist system, and defining prohibited and acceptable activities in line with ethics policies. The OIG recommendations were largely accepted and included in the RFP. The incumbent property management company did not submit a bid.

## **Investigation into Employee Use of County Equipment for Personal Use Concludes with Updated Policies by the Department of Transportation and Public Works**

The OIG initiated an investigation into a Department of Transportation and Public Works (DTPW) employee's alleged use of County equipment and personnel to perform work for the employee's private outside business. The investigation found that contrary to the allegations received, the employee did not use a county asphalt truck and employees to complete a driveway or a private pool.

The investigation did find that multiple DTPW personnel admitted having borrowed County equipment for personal use contrary to DTPW's

clear written policies specifying that personal use of County equipment is prohibited. The OIG found that the policies were reviewed with new hires, but DTPW did not have periodic reviews or training with employees to reaffirm the prohibitions.

The OIG investigation also found 50 non-capital equipment tools such as chain saws, pole saws, blowers, and weed trimmers, were missing from DTPW in April 2021. During the investigation, an incident report for the missing equipment was filed with the Miami-Dade Police Department.

DTPW has implemented a new Standard Operating Procedure for tracking non-capital equipment with a value of less than \$5,000. This new procedure mirrors Miami-Dade County Administrative Order 8-2, for capital equipment inventory. The new procedure establishes specific

oversight roles for the Division's Superintendents, Managers, and Chiefs. Supervisors now assume the responsibility as property custodians for all non-capital equipment assigned to their units. In addition, DTPW will train all management personnel on the new procedures.

## **Investigation of Public Works Supervisor Results in Re-Vamped Procedures Regarding Pest Control Practices**

The OIG investigated an anonymous complainant's allegations that a Department of Transportation and Public Works (DTPW) supervisor used County equipment and personnel to perform work for his personal pesticide business. The supervisor, who worked for DTPW's Road, Bridge and Canal Maintenance Division was responsible for the mechanical harvesting and herbicide spraying of canal banks and aquatic vegetation.

As a supervisor he regularly placed orders for pesticides for DTPW. It was alleged he used some of the County's pesticides and equipment for his personal pest control business and had a subordinate work for the personal business on County time. The OIG determined the DTPW supervisor did have a personal business for which he made the proper disclosures and reports pursuant to the County's Outside Employment policies. The allegations regarding the use of supplies, equipment, and personnel during working hours for the supervisor's personal business were unfounded.

During the investigation the OIG found that DTPW employees have, for at least ten years, been

conducting monthly pest control of County bridge houses and DTPW's Doral facility without the proper state licensing certification. The pest control was performed under the supervisor's Public Restricted-Use Pesticide Applicator License on file with the Florida Department of Agriculture & Consumer Services. The OIG found that the license does not permit treatment of structures such as bridge houses or the Doral facility. Moreover, the supervisor was improperly using the license for his personal business. The investigation also revealed lax inventory and storage controls of the chemicals used to spray canals and rights-of-way.

As a result of the investigation, DTPW discontinued its practice of Canal Section employees performing pest control at the bridge houses and Doral facility. DTPW has integrated pest control into a pest control contract with the Internal Services Department. In addition, DTPW implemented a new Standard Operating Procedure for procurement and inventory of Canal Section herbicide chemicals. Finally, the OIG referred the supervisor's licensing matter to the Florida Department of Agriculture & Consumer Services.

## C. OTHER INVESTIGATIONS UNIT CASES AND REVIEWS

### Former County Employee Violated the Gift Policy

Based on a referral from the Department of Regulatory and Economic Resources (RER), the OIG investigated whether a permit runner left a liquor bottle in the truck bed of an RER Pollution Control plan reviewer. The gift raised the concern that it was intended to influence the performance of the plan reviewer's duties, in violation of Section 2-11.1, Conflict of Interest Code of Ethics Ordinance.

The OIG investigation substantiated that the plan reviewer received a bottle of vodka from the permit runner and found that he also received a rifle from the permit runner. The OIG investigation found no evidence that the gifts were made or received in connection with the official duties of the plan reviewer. Nevertheless, the gifts were in violation of RER's "No Gift" policy. The employee resigned from the County.

### Allegations of Abuse of Power, Nepotism, Favoritism

The OIG investigated an anonymous complaint that a Miami-Dade Aviation Department Division Director had committed violations of the County's Nepotism Policy, which "restricts the employment of relatives, prohibits the appointment, employment, promotion or advancement, of specified relatives by any public official..."

It was alleged that the MDAD Division Director had helped her husband obtain a new position, benefitted her brother-in-law who was involved in an accident with a County-owned vehicle, and promoted a cousin. The OIG interviewed numerous witnesses and reviewed pertinent documents and records. The allegations were, in each instance, deemed to be unfounded.

The Division Director was not involved in securing her husband's position in a separately operated division. Her brother-in-law's accident was documented and action requiring remedial action by the brother-in-law, taken as per policy. Finally, the alleged cousin was found not to be a blood relative. During the investigation, an additional, anonymous complaint was received that was investigated by the County's Human Resources (HR) Office and the Miami-Dade Commission on Ethics & Public Trust (COE). Neither entity found credible evidence to corroborate the allegations made in the anonymous complaint. A final closing report was submitted to MDAD's Director for review.

### Review of Former MDAD Employee's Security Access

The OIG conducted a due diligence review to determine if a former MDAD employee used his skills and knowledge of MDAD's network technology and computer systems to access MDAD's security network or provide unauthorized access to unapproved third parties. The former employee resigned when MDAD found he falsified a translation report relating to his degree that he

had submitted for a promotion. After resigning, the former employee secured multiple jobs as the network engineer or systems administrator for companies that did business with MDAD and required the former employee to attain MDAD ID credentials. The OIG found no evidence of inappropriate access by the former employee or provided to third parties.

## Suspected Collusion Between Bidders on Hazardous and Non-Hazardous Waste Services Contract

The OIG initiated an investigation based on concerns brought to the OIG's attention by the County's Chief Procurement Officer. The concerns involved suspected collusion between two vendors for a Hazardous and Non-Hazardous Waste Services contract.

The purpose of the Waste Services contract was to provide recycling and disposal services for hazardous (liquids, solids, gases, sludge) and non-hazardous material (substances that do not pose a risk to human health) in accordance with applicable laws, ordinances, and regulations. The awarded vendors were to provide labor, transportation, supervision, equipment, and materials necessary to perform those services.

The Internal Services Department's Strategic Procurement Division performed preliminary due diligence on both firms and discovered similarities

in the bid submittals by the two vendors. Neither company was awarded the contract. One vendor was deemed non-responsible, and the second vendor withdrew its bid.

The OIG reviewed banking records, corporate records, bid submittal documentation, and interviewed numerous employees of both companies. The OIG determined the two vendors had a business and familial relationship. The corporate records, and the bank signature authority of both companies, indicate a direct ownership relationship that would have required disclosure as related parties. The presumption of collusion between both vendors was substantiated. As a result of the investigation, both vendors have since corrected the entwined business and familial issues raised by the OIG.

## Automated Cash to Card Machines at MIA

The OIG investigated a complaint alleging that an airline placed two kiosks, used to convert cash to credit cards, at Miami International Airport without the Miami-Dade Aviation Department's knowledge, and without paying MDAD the required fees.

The investigation confirmed two stored value card kiosks were placed at MIA in April 2015 at the request of an airline. However, the airline did not own the kiosk which was owned and operated by an independent company. The card kiosk company was required to obtain an MDAD permit to operate at MIA and pay opportunity fees to MDAD. The OIG's review of records and interviews of both MDAD and company employees determined that

the company obtained an MDAD permit and has been paying opportunity fees on the kiosks since December 1, 2017.

The OIG noted that MDAD granted the company a permit without requiring payment of the outstanding opportunity fees. MDAD's response acknowledged that the opportunity fees, which it calculated to be under \$5,000, were not collected for the kiosks prior to the permit being issued. MDAD also acknowledged that every effort should have been made to collect the fees prior to issuing the permit. However, it attributed the failure to collect the fees to various staff changes in the Business Development and Retention Division.



## County Employee Falsifies Letter for Mortgage Application

Based on a referral from the County’s Human Resources (HR) Department, the OIG initiated an investigation into a Department of Solid Waste Management (DSWM) employee.

The allegation involved a letter purportedly from the County’s HR submitted by the employee in furtherance of a mortgage re-finance loan. The OIG investigation included a review of County employment records, mortgage documents, and

multiple interviews to substantiate that the employee had indeed submitted the fraudulent letter.

The OIG found that the employee created a document purporting to be a Miami-Dade County employment verification letter to qualify for a loan. The employee resigned his position with DSWM in lieu of disciplinary action, and the investigation was closed. The case was presented for prosecution but declined.

## Investigation of Hospitality Industry Employee Relief Grant Recipient

The OIG initiated an investigation following a referral from the Miami-Dade County Audit and Management Services Department regarding suspicious paychecks submitted by a recipient of a Miami-Dade County hospitality industry pandemic relief grant. The Florida International University Chaplin School for the South Beach Wine & Food Festival grant was established under a County Resolution (R-756-20) to assist the most economically affected industries during the pandemic. The funds were provided to the County from the U.S. Department of Treasury’s Coronavirus Relief Fund.

After investigation, the OIG was able to confirm that although the checks in question did contain the incorrect and misspelled name of the bank, the checks were issued on the company’s legitimate bank account payable to employees of the company. The errors had no impact on the processing of the checks and the employees were determined to have been employed by the company prior to the pandemic as required. The investigation found that the company met the grant eligibility requirements, and the investigation was closed.

## Violation of the Miami-Dade County Conflict of Interest and Code of Ethics Ordinance

Following a joint investigation by the OIG and the Commission on Ethics an ethics complaint was filed against a Miami-Dade Fire Rescue Department (MDFR) Lieutenant. The Lieutenant entered into a settlement agreement with the Commission on Ethics. The Lieutenant was charged with intentionally using his official position on four different occasions to purchase thousands of dollars in equipment for MDFR from a company for which he served as president. Additionally, the

complaint alleged that serving as president of the vendor company conflicted with his County employment and impaired his independence of judgement in the performance of his public duties when he repeatedly caused MDFR to purchase products from his company. Furthermore, the complaint alleged that the Lieutenant failed to file, under oath, an annual report indicating the source of his outside employment and any amounts or type of money or other consideration received as

required by the Ethics Code. Under the terms of the settlement agreement, the Lieutenant will be required to pay a fine, investigative costs, and will be issued a Letter of Reprimand.

## **VI. AUDIT UNIT**

The OIG Audit Unit supports the mission of the OIG by conducting audits, inspections, and evaluations to detect fraud, waste, and mismanagement. Audit engagements generally conclude with the issuance of a Final Audit Report that communicates the OIG’s findings, observations, and recommendations involving the audited subject matter. The Final Report also includes the auditee’s response to those findings and recommendations. When questioned costs, opportunities for savings, and other financial impacts are uncovered, OIG auditors will make targeted recommendations to mitigate identified risks and recover public monies as appropriate. Most importantly, the OIG Audit Unit follows up with the County entities responsible for implementing those recommendations to ensure that appropriate action is taken to address any noted deficiencies and adverse conditions.

Most of the audits performed are derived from complaints received by the OIG or initiated at the direction of the OIG Executive Team when, in the course of other oversight work performed by the OIG, an area of interest is discovered warranting an in-depth audit of the subject. The OIG’s audit authority is guided by Section 2-1076(d)(6) of the Code of Miami-Dade County that enables the OIG to conduct random audits of county contracts. The Audit Unit also assists other OIG units by providing financial, accounting, or analytical research as needed.

The Audit Unit conforms with the Association of Inspectors General (AIG) Principles and Standards for Offices of Inspector General (Green Book) and the Generally Accepted Government Auditing Standards (GAGAS aka Yellow Book). The Association of Inspectors General conducted its most recent Peer Review of our office in October 2022, to determine compliance with the Green Book and the Yellow Book. The peer review was passed satisfactorily, meeting all relevant qualitative standards for the period under review.

The Audit Unit is comprised of a team of diverse individuals with various backgrounds, and all members hold the AIG’s Certified Inspector General Auditor designation. Additional designations held by Audit Unit members include that of Certified Public Accountant, Certified Fraud Examiner, Certified Internal Auditor, Certified Construction Auditor, Certified Risk Management Assurance Auditor, Certified Government Auditing Professional and Certified Government Financial Manager. The following summarizes our audit activities completed in 2023.

## A. REVIEW OF POOL CONTRACTS

Through a solicitation for qualifications, potential contractors, suppliers, and vendors, are screened to develop a pool of qualified firms who will then compete to render goods and/or services, on an as-needed basis. One of the main objectives for establishing pool contracts is to make the process for buying regularly accessed items or services simpler and faster to procure. Pools also provide more contracting opportunities to a larger number of firms, and based on the estimated

value of the procurement, pools allow for sheltered contracting opportunities to certified small business enterprises (SBEs). The largest pool contract is for construction services—the Miscellaneous Construction Contracts (MCC) Program. Departments are able to access the MCC’s pools to award construction contracts up to \$5 million without having to go before the Board of County Commissioners (BCC).

### The MCC Program 7040 and 7360 Plans

The OIG Audit Unit has initiated several audits involving the MCC Program. The MCC Program was historically administered as two separate renewable contracts to competitively bid smaller construction projects. In November 2009, the BCC, via passage of Ordinance No. 09-101, codified the contracts into a permanent program establishing a procurement vehicle to expedite construction contracting and to further enhance contracting opportunities for certified Small Business Enterprise (SBE) – Construction firms. Projects valued up to \$5 million may be procured through the MCC Program.

The MCC Program is comprised of the 7040 Plan and the 7360 Plan. The 7040 Plan is a 100% set-aside pool for SBE construction firms. The 7360 Plan is an open non-restricted pool for all construction firms that can be used when funding sources prohibit procurement restrictions, such as set-aside procurements, or when there are not sufficient firms available in the 7040 Plan. The Office of Small Business Development (SBD) is responsible for promoting and administering the MCC Program. County Code Section 2-8.2.7.01 and Section 10-33.02, as well as Implementing Order 3-53, establish the guidelines and requirements for the overall MCC Program.

The MCC Program works as a pool contract where

pre-qualified contractors—whether they are general contractors or trade-specific contractors—bid on construction projects. County departments accessing either the 7040 or 7360 plans solicit bids via Requests for Price Quotes. The MCC Program is the primary contracting vehicle to award contracts for new construction, renovations, repairs, and maintenance projects with a maximum value of up to \$5 million. The MCC Program is used for both emergency and non-emergency projects, both of which are tracked using the County’s Capital Improvement Information System (CIIS).

The Emergency Response Team (ERT) Pool is accessed on an emergency basis when there are unforeseen, unanticipated, or urgent construction service needs where the protection of life, health, safety, and welfare of the community or preservation of public property would not be possible using any of the County’s standard contracting methods. Once an emergency request has been identified and approved, the department contacts and subsequently awards the project to an ERT Pool contractor in CIIS in accordance with SBD’s Contractor Rotational Policy, which requires that departments accessing the pool to contact and award the emergency project to the next available contractor in the ERT rotation.

For non-emergency projects, both the 7040 and the 7360 plans may be accessed for projects up to \$5 million. The County department seeking construction services prepares a Request for Price Quote (RPQ) that sets forth the work scope, plans and specifications, project name and location, contractor requirements, and the estimated construction cost. The RPQ also includes a bid form and the request to submit prices and other necessary information. Prior to the issuance of the RPQ, SBD reviews the RPQ for compliance with County guidelines, Florida Statutes, SBE measures, and the required contractor licenses (trade category). Subsequent to SBD's review and approval, SBD creates a bidders list in CIIS. The bidders list, which is attached to the RPQ, is based on the contract requirements, contractor rotational position, and CSBE goals, if applicable. RPQs issued under the 7040 Plan are not publicly advertised and only SBE firms registered under the

7040 Plan are eligible to bid. The number of SBE contractors solicited to bid on a project is based on the estimated dollar value. The MCC 7360 plan is usually used when federal funding is involved or the funding source does not allow for a set-aside or a 100% SBE goal is not attainable. These RPQs are advertised publicly and are open to all contractors; however, to be awarded, the contractor has to be registered within the MCC Program.

This past year the OIG issued an audit report on the County's Parks, Recreation and Open Spaces (PROS) Department's utilization of the MCC Program as well as received a requested status report on the Miami-Dade Public Housing and Community Development Department (PHCD) utilization of the MCC ERT Pool. Both items are discussed below.

## **Audit of Miami-Dade Parks, Recreations and Open Spaces Department's Utilization of the County's Miscellaneous Construction Contracts Program**

The OIG issued an audit report on the Miami-Dade County Parks, Recreation and Open Spaces (PROS) utilization of the County's Miscellaneous Construction Contracts (MCC) Program for emergency and non-emergency construction projects. Specifically, we evaluated PROS' compliance with the solicitation and award processes, its adherence to the ERT rotational policy, its compliance with the contract change order submission and approval process, and its compliance with the County's Prompt Payment Policy. The audit also focused on SBD's monitoring for departmental compliance.

Overall, PROS' utilization of the MCC Program generally complied with the MCC policies, procedures and requirements. Based on our testing of the project files, we noted that the scope of work described in the RPQs had sufficient detail for pricing the jobs, change

order justifications and applicable approvals were noted, and the contractor invoices tied to the actual work performed and matched the request/PO for the contractor services. The OIG did not find any deficiencies with contractor registration and election to participate in the ERT Pool. Additionally, PROS timely contacted SBD on the award of emergency contracts, notified all required bidders of non-emergency contract awards, and copied the Clerk of the Board, where applicable.

The audit resulted in two findings, two recommendations, and one observation. Finding No. 1 noted the absence of proper documentation in the PROS' emergency project files that indicates compliance with the ERT rotational policy. While three of the five project files tested did contain a copy of the Capital Improvement Information System (CIIS) rotation list, the awarded contractors were not



selected from the top of the list. For the remaining two projects, the CIIS rotation list was not evident. While the inclusion of the CIIS rotation list in the project files is not a requirement of Implementing Order (IO) 3-53, it is the most authoritative document that can demonstrate that the rotational policy was adhered to. PROS agreed and responded that saving a copy of the rotation list in the files is a good practice. PROS also advised that it has and will adhere to the ERT rotational policy by contacting the contractors in the order listed on the CIIS rotation list.

Finding 2 addresses PROS' blanket contract procurements and awards. In one of the five contracts reviewed, the awarded contractor's bid was incomplete in that no sub-totals were provided, and its grand total was approximately off by \$50,000 (\$84,606.00 vs. \$24,044.53). Two months after the award date, 43 of the 54 line items were revised through negotiation and the grand total bid amount was revised to \$23,606. PROS Contract Administration Manager explained that the awarded contractor's bid was considered complete since each line item had a unit price listed. As for the

lower bid amount after the awarded date, the Manager stated that the bid was unbalanced, thus staff negotiated for lower unit prices. The OIG believes that an incomplete and unbalanced bid should have been cause to reject the bid in the first place. PROS advised that it will ensure its Contracts Administration staff continue to comply with both the IO and RPQ requirements, that bid forms are complete, and that awards are made to the lowest priced, responsive, and responsible bidder.

Observation 1 addresses PROS' noncompliance with the County's Prompt Payment Policy, which requires payment to SBE contractors be within 14 days of receipt of the invoice on amounts not in dispute for services procured from the 7040 Plan. Over half of the 7040 projects' invoices tested were paid between 15 days and 69 days. PROS advised that it is reinforcing payments to be made within 14 days and it will focus on accessing and enhancing the construction payment requisition turnaround process.



# Follow-up of Miami-Dade Public Housing and Community Development’s Utilization of the MCC Emergency Response Team Pool for Emergency Construction Projects

After issuing a final audit report on the Miami-Dade Housing and Community Development Department’s (PHCD) utilization of the MCC Emergency Response Team (ERT) Pool in September 2022, the OIG requested a status report from the department regarding its implementation of the OIG’s recommendations.

We received PHCD’s status update in February 2023. Based on the status report, the OIG was pleased with the progress PHCD made towards fully implementing the recommendations, however there was one recommendation where PHCD’s response needed clarification. This involved the OIG’s recommendation that PHCD work with SBD to establish dedicated ERT pools for PHCD’s most needed emergency repairs. As described in our report, there had been discussions to implement this years ago, but those efforts had stalled. The February 2023 status

report was not clear as to any new efforts. As such, the OIG requested clarification and a second status report.

In August 2023, PHCD’s new administration provided the OIG with its follow-up status report. PHCD’s new administration highlighted that it will no longer focus on a dedicated emergency vendor pool but will instead focus on vendor solicitations via the bidding process and quotes based on dollar value. PHCD advised that it is in the process of finalizing a vendor pool, with a total value of \$5 million, to address vacant units, maintenance work, and true emergencies. PHCD emphasized that it will continue to address emergencies that may threaten residents’ health and safety via the ERT Pool. The OIG acknowledged this new direction and requested to be apprised of this new vendor pool once it is established.

# Review Regarding the Outsourcing of Miami-Dade County Bus Routes Operated Using Circulators

This review focused on the Department of Transportation and Public Work’s (DTPW) outsourcing of certain county bus routes to a vendor. These routes are operated as circulators, and the services were initially procured by the County accessing (aka “piggy-backing”) a City of Miami contract with the vendor. This review was predicated on information brought to the OIG’s attention concerning route selection, cleanliness of the circulators, and safety issues, such as accident reporting protocols and driver work shifts. The OIG also learned there have been several citizen complaints about the outsourcing of bus routes, as voiced by the public at the County’s Board of County Commissioners (BCC) meetings. Some of the public’s complaints

involved the failure to pick up passengers (skipped stops), overcrowding, cleanliness, and safety of the circulators.

The OIG’s review of this matter was sidelined by the COVID-19 pandemic that had a considerable impact on transit ridership. Around the same time, the OIG learned that DTPW was developing a Better Bus Network that would modify routes, including some of the routes operated as circulators. The County was continuing to piggy-back on the City of Miami’s contract as the County developed its own procurement to solicit Contracted Bus Route Services. In addition to meeting with DTPW staff to address the alleged concerns over cleanliness, overcrowding, accident

reporting, etc., the OIG review transitioned to that of monitoring the County’s procurement of its own contract for outsourced bus routes to replace its reliance on the City’s agreement.

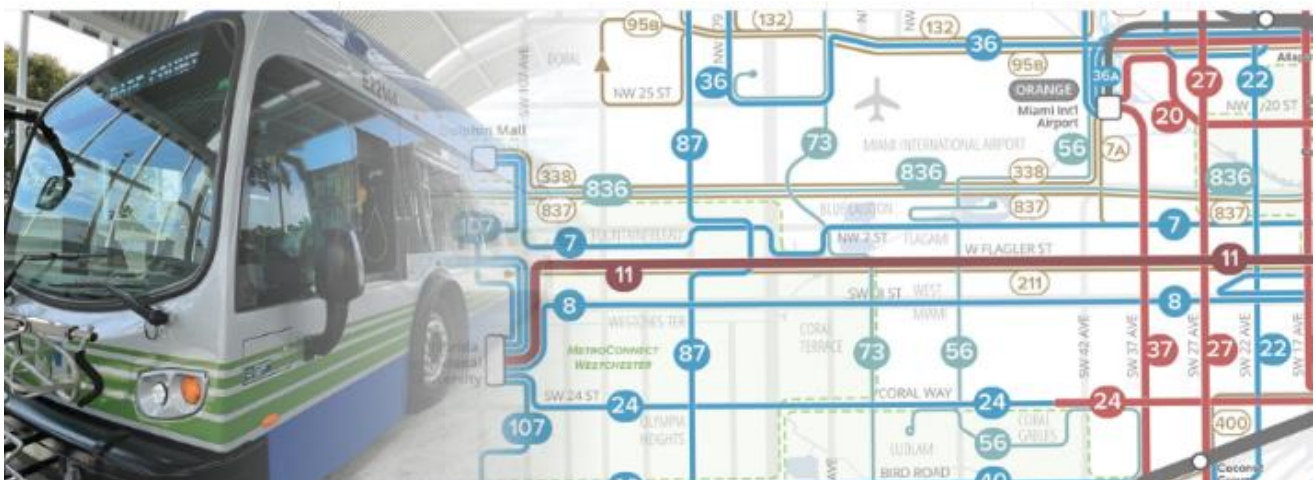
The County’s Invitation to Bid for Contracted Bus Routes Services (FB-02081) was advertised on September 28, 2021, with a submittal deadline of November 16, 2021. Two bids were received. In June 2022, the top-ranked responder (lowest bid price) withdrew its bid due to increased fuel costs, and the second lowest—and now only—bidder was later recommended for award. This bidder is the same vendor that provided services under the City of Miami contract.

A detailed review of the terms and conditions of FB-02081 shows that the concerns raised in the complaint were addressed as follows: overcrowding, accident protocols, and bus cleanliness are addressed in Sections 3.1.1 and 3.1.2 (Fixed Bus Routes & Life-Line Routes), 3.13 (Service Interruptions), and 3.4 (Cleaning & Sanitizing of Buses), respectively. Driver safety and maximum driving hours are addressed in Section 3.71(F) – Driver Training Program, which fully describes the training program. The new contract’s terms and conditions address the issues

that were earlier identified to the OIG.

Operational and Driving Requirements (i.e., the maximum driving hours per operator) is governed by Florida Department of Transportation Rule 14-90.006(3). The OIG was made aware that the awarded vendor is using a software program that will track the working hours of its drivers. Furthermore, the successful vendor provided a written acknowledgement of “compliance with FDOT Rule 14-90 and all related and applicable provisions regarding the for-hire transportation industry.”

The OIG found no exceptions to the procurement process for invitation to bid FB-02081 Contracted Bus Routes Services. On November 15, 2022, the contract was awarded for a five-year term in the amount of \$64.5 million to operate 28 routes. The Better Bus Project, which was initially planned to be implemented in June 2022, was delayed in 2023 due to a shortage of bus operators. On January 9, 2023, the OIG issued our closure report on this matter to DTPW management. We advised DTPW that, from time to time, the OIG may periodically request performance data related to this contract.



# Review of Construction Engineering Inspection (CEI) Services Utilized by the Department of Transportation and Public Works (DTPW)

In February 2022, the OIG initiated an inspection to evaluate the potential impact of a proposed resolution that would have directed the County Administration to procure construction engineering inspection (CEI) services on a lump-sum/fixed-fee basis. CEI activities include project administration, monitoring, and inspection of the construction work to ensure that the project is constructed in conformance with the plans, specifications, and any special provisions. CEI is a budgeted item in all construction projects and can be performed in-house by County staff or can be sourced from established County contracts. The proposed resolution intended to better control CEI project billings and minimize purported delays being attributed to consultant inspectors on public works-type construction projects. As such, the OIG review focused on DTPW's CEI utilization.

The objectives were to determine if outsourced CEI services contracted on a time and material basis are less efficient than if contracted on a lump-sum basis, and how a requirement to only contract on a lump-sum basis would affect project administration. The OIG also wanted to determine the level of outsourced CEI services versus the level of in-house resources. To accomplish these objectives, OIG reviewed current practices, policies, procedures, and appropriate records. We also interviewed County staff and contacted other parties, as needed. OIG also reached out to the Florida Department of Transportation (FDOT) and spoke to engineering personnel knowledgeable about FDOT's Lump Sum Pilot Program that bears resemblance to the proposed resolution. The OIG spoke to representatives at FDOT District 4 (Broward and surrounding counties north of Broward) and FDOT District 6 (Miami-Dade County).

Our review revealed that DTPW inspectors do not have the authority to stop or delay a project. If a project experiences circumstances that warrant a temporary stoppage, the inspector, whether a DTPW employee or an employee of the CEI consultant firm, must first notify the project manager. Our review of twelve active roadway resurfacing projects (identified by DTPW) and three site-specific projects (identified by contractors) did not reveal that any of the project delays were prolonged or caused by the inspectors. The most common reasons for project work stoppage included asphalt temperature, weather, equipment failure, and issues with utilities. In all these circumstances, the inspector is not autonomous and must inform the project manager of the situation.

DTPW has a moderately-sized contingent of inspectors (43 budgeted positions). DTPW also has varying levels of project management and administrative support personnel in its construction division although there are some vacant positions. Based on the work orders reviewed by the OIG, DTPW contracts with CEI consultant firms to obtain extra inspectional and project support. The time and material method that is currently in use for increasing CEI capacity provides a degree of transparency and control not seen in lump-sum contracting. Under a lump-sum contract, risk could result in the CEI firm providing less services. Even FDOT engineers conceded that lump-sum contracts were only used for straightforward, less complicated projects that had a very clear project schedule without risk of utility conflicts. The OIG supports the requirement of certified timesheets showing that the listed personnel actually worked the hours being billed.



The proposed resolution would have required all county departments to obtain external CEI services on a lump-sum basis. This directive would have hamstrung project administrators by impeding their flexibility of managing their construction projects—and the CEI component—with the appropriate level of resources.

Other than a perception that CEI firms would inspect more expeditiously under lump-sum

contracts, the OIG’s review could not substantiate that projects would actually be completed more quickly.

The proposed resolution has been deferred indefinitely. The OIG’s observations should suffice to make clear that the proposed resolution’s impacts on project administration would have outweighed the purported benefits.

## **B. FUTURE AUDITS**

In addition to the aforementioned completed MCC audits, the OIG’s Audit Unit intends to initiate similar reviews of other departments’ utilization of the MCC Program. The OIG also intends to audit departmental procurement of architectural and design services under the County’s Equitable Distribution Program.

## **VII. CONTRACT OVERSIGHT**

The Contract Oversight Unit (COU) provides real-time monitoring over the entire spectrum of procurement activities, from their inception to the final award of contracts. The duties and responsibilities of the contract oversight function are codified in Section 2-1076 of the Code of Miami-Dade County.

Oversight includes reviewing the advertised solicitations and all addenda issued; observation of the evaluation, selection, and negotiation meetings; monitoring of related communications; and tracking the due diligence assessments of participating vendors. Our office works to ensure that vendors, contractors, and firms interested in doing business with Miami-Dade County compete on a level playing field.

The COU is comprised of a supervisor and three specialists and overseen by the Deputy Inspector General. Contract oversight specialists have diverse professional backgrounds ranging from budget and finance, policy and public administration, to construction project management, and architecture. All members of the COU have attained the designation of Certified Inspector General Inspector/Evaluator (CIGE).

Input from the unit’s contract oversight specialists, whether verbal or in writing, may occur at any step in the process. Contract oversight specialists, exempt from Cone of Silence’s restrictions that limit communications once a solicitation has been advertised, are uniquely positioned to timely address concerns that may arise during a bid process.

Vendors may contact the OIG to complain about bid specifications or qualifications, process irregularities, or to question selection criterion that appear to provide an unfair advantage to a competitor. To protect the public’s interest throughout the term of a contract, the COU may monitor contract implementation and contractor performance to ensure compliance with the contract’s terms and conditions, to validate expenditures, and verify that contracted deliverables have been received. For construction contracts, the

COU may monitor adherence to specifications, threshold inspections, construction progress, the possibility of schedule delays, expenses from the contingency allowance account, and potential change orders. The impact of the COU may not be immediately evident, but it is realized through proactive engagement in meetings and discussions with County staff.

OIG contract oversight specialists will advise County administrators or issue memoranda documenting any observations and recommendations of inappropriate, unsuitable, or non-compliant procurement practices or contract activities. Contract oversight observations can aid in identifying savings or cost avoidance; however, the primary purpose of the COU is to promote integrity, transparency, and accountability in the County's procurement processes and contracting activities.

## A. PROVIDING OVERSIGHT VALUE TO OUR MOU DEPARTMENTS & MONITORING CAPITAL IMPROVEMENT PROGRAMS

Miami-Dade County's Department of the Transportation and Public Works (DTPW), Water and Sewer Department (WASD), Aviation Department (MDAD), and Department of Solid

Waste Management (DSWM) have entered into Memorandums of Understanding (MOUs) with the OIG. The following pages highlight some contract oversight activities performed during 2023 relating to these four departments.

### The Miami-Dade Aviation Department (MDAD)



The OIG's first MOU was entered into with MDAD in 2000. Since then, MDAD has provided space for the OIG to maintain a fully staffed satellite office at the Miami International Airport (MIA).

MDAD manages and operates MIA and four general aviation airports. MDAD is responsive to a wide range of stakeholders, including the elected county officials, airline executives, federal authorities, the traveling public, airport workers, cargo operators, concessionaires, and ground services permittees. In this dynamic milieu of competing interests, routine procurement of goods and services is often not routine. For this reason, the OIG invests considerable time on MDAD procurement and the programmed projects of the department's capital improvement program. Below are some of the more high-profile projects monitored by the COU.

*(left to right) Antonio Castañeda, Terry Murphy, Cesar Cerecedo, Hector Ortiz, Lorraine Moore, Rick Montero and Felix Jimenez at the MDFR Aviation Unit during a review of the Miami Executive Airport*

## Coming Soon: A New Hotel at Miami International Airport

This Public-Private Partnership (P3) solicitation had been monitored by the COU from the time of advertising, through negotiations. Following several years of monitoring, the OIG issued a [memorandum](#) to the Mayor and the Board of County Commissioners on May 9, 2023, noting that the procurement process for this P3 complied with all County procedures.

On July 18, 2023, the BCC adopted Resolution No. R-700-23 authorizing an agreement with FDR Miami Hotel LLC (FDR), a joint venture of

Fontainebleau Development, LLC and The Related Companies, to design, build, finance, operate, and maintain a new 451-room Marriott Westin brand hotel at MIA. Over the term of the 50-year lease, MDAD anticipates receiving approximately \$240,000,000 through rent payments and a percentage of gross revenues. FDR began paying land rent in August of 2023 and anticipates opening the hotel in early 2027, during the fourth year of the agreement.

## Baggage Handling System Operations and Maintenance Agreements

The BCC approved the recommendation to award this Operations and Maintenance Agreement for baggage handling services at MIA to John Bean Technologies Corporation (JBT) on November 15, 2022. The OIG issued a [memorandum](#) prior to the award by the BCC that took no exception to the procurement process. In the memorandum, the OIG's analysis of JBT's staffing plan showed JBT would need to pay overtime to meet the minimum bid requirements for staffing. It was this staffing plan that allowed JBT to outscore the competition.

Throughout 2023, OIG contract oversight specialists have met with MDAD and JBT to ensure compliance with staffing commitments. There were unexpected delays in the upload of payroll information to the County's Office of Small Business Development's wage review software. This problem has been resolved. The COU also reminded JBT of their obligation to submit regular staffing reports to MDAD. The proper management of the agreement by MDAD requires both the payroll uploads and the staffing reports from JBT to assess fines and penalties fairly and consistently. The COU is continuing to monitor this aspect of the agreement.

## The Water and Sewer Department (WASD)



WASD became the OIG's second strategic partner when, in March 2000, WASD provided the OIG office space for a permanent on-site oversight presence at its administrative headquarters building. An MOU with the department was executed in January 2001.

The OIG has one contract oversight specialist designated as our primary representative in all

matters relating to WASD’s Capital Improvement Program (CIP) as well as other construction, goods, and services contracts. The OIG has also dedicated investigative resources for WASD issues as needed. OIG staff have participated in meetings with the WASD CIP leadership team, procurement

staff, operations personnel, and external program managers to stay abreast of the multiple and shared goals within WASD. The following summaries highlight some of our more notable oversight activities.

## Multi-Year Capital Improvement Program (CIP)

The \$1.9 billion EPA/FDEP Consent Decree Program identified 81 capital projects to be completed by WASD. Five projects were completed during 2023, bringing the total number of completed projects to 61. These five will be integrated and maintained within the WASD Department Asset Management System. The COU is continuing to track the progress of the remaining 20 Consent Decree projects.

Similarly, the COU continues to monitor the \$2.1 billion Ocean Outfall Legislation (OOL) Program. The program is composed of fourteen capital projects located at the North and Central Districts Wastewater Treatment Plants. The OOL Program now has two completed projects, four in the construction phase, and eight in the design/permitting phase. Almost half of the funding for the OOL Program is being provided by the federal government through low-interest loans.

WASD has also prioritized expanding the capacity of the South District Wastewater Treatment Plant to address the future needs of the community. There are eight critical infrastructure projects planned to increase the permitted capacity, as well as the peak flow capacity of the plant.

Currently, two of the projects are completed and the remaining six projects are under construction.

In 2023, with assistance from a State of Florida grant, the septic to sewer conversion program took its’ first steps to advertise projects for construction and completed 83 separate property conversions in the process. There are 330 more property conversions that will be completed with this grant.

OIG contract oversight specialists are monitoring the procurement of an advanced metering system, as well as multiple architectural/engineering professional service agreements for countywide water and wastewater infrastructure upgrades, including treatment plants.

OIG contract oversight specialists attended four quarterly Construction Industry Forums wherein WASD announces future projects. The forums are aimed at encouraging greater interest and competition within the industry with the ultimate goal of lowering costs. The OIG’s COU maintained a presence at these meetings to continue supporting our partners at WASD and the integrity of the progress of future projects.



# The Department of Transportation and Public Works (DTPW)



During 2023, the COU continued to monitor various components of the SMART Plan. The COU’s monitoring ensured the terminated Beach and North Corridor projects were properly closed out. Activities focused on ensuring that

authorized progress payments, stipends, and termination compensation were properly documented, reviewed, and paid to the appropriate parties. The COU continued to monitor the various components related to the South Dade TransitWay. These included construction of bus stations along the TransitWay, acquisition of the 60-foot battery-electric buses (BEB) and charging equipment, and planning for the BEB charging facility adjacent to the Homestead Air Force Reserve Base. Below, is a sampling of oversight and monitoring activities performed during 2023.

## Rapid Mass Transit Solution for the Beach Corridor Trunk Line (SMART)

Having monitored this project from the initial unsolicited proposal in 2019 through its expiration without a Project Agreement in late 2022, the COU continued to monitor the project’s

close-out process. The OIG is satisfied that all payments and reimbursements were properly documented, reviewed, and paid.

## Rapid Mass Transit Solution for the North Corridor (SMART)

The COU began monitoring this P3 procurement in June 2020. On January 12, 2023, the BCC adopted Resolution No. R-26-23 that authorized stipends, up to a maximum of \$2 million, to each of the proposers. In return, proposers are required to turn over all work products, including

all geo-technical studies, design, concepts, etc. and the documented cost for each. The work products would become the property of the County to use, without encumbrance. The OIG is satisfied that all stipends were properly documented, reviewed, and paid.

## South Dade Rapid Transit Corridor (SMART)



In 2021, OHLA USA was awarded a contract to design and build 14 Bus Rapid Transit (BRT) Stations strategically located along the 20-mile South Dade TransitWay. OIG contract oversight

specialists regularly attend virtual construction progress meetings and visit the construction sites along the route. The contract duration was extended by Resolution No. R-940-22 until April 7, 2024. The OIG will continue monitoring this project through completion.

The County is scheduled to accept delivery of the 60-foot battery-electric buses that will operate on this route. In order to expedite passenger boarding, the buses and the station platforms are designed for level boarding. Fares will be collected at the entrance of the BRT stations.

## Acquisition of 60-foot Electric Buses



In 2020, the OIG began monitoring the procurement of battery-electric articulated buses and charging systems. On January 17, 2023, the BCC passed Resolution No. R-30-23, awarding the contract to New Flyer Industries (New Flyer) to manufacture and deliver 100 battery-electric articulated buses. Unlike the County's first acquisition of 40-foot battery-electric buses from Proterra that rely exclusively on a manual plug-in charging system, these buses can be charged automatically with overhead pantograph systems, in addition to ground-level plug-ins. New Flyer's \$175,594,365 contract includes 50 depot-based chargers for overnight charging and two on-route pantograph charging systems, to provide quick-charge boosts at each end of the South Dade BRT.

A South Dade Transit Operations Center is proposed to be built on a 20-acre site near Homestead Air Reserve Base to service the

County's electric bus fleet. In addition to the 50 charging stations, the Operations Center will include a maintenance facility for the electric buses, an employee parking garage, and amenities for bus drivers on the second floor above the shop.

A supplemental agreement (Resolution No. R-25-23) with WSP USA, Inc. in the amount of \$19,800,000 for the design of the Operations Center was also approved by the BCC on January 17, 2023. Immediately following completion of the design by WSP, a solicitation for construction services was advertised. A pre-bid meeting was held on October 11, 2023. The construction bids were opened on December 20, 2023, and are still under review.

The construction bid included optional pricing for connectivity devices (plug-in dispensers and overhead pantographs) to deliver the charge to the buses from the charging stations at the depot. DTPW solicited these pricing options in order to compare them with prices provided by New Flyer.

The competitive pricing results in the construction bids for the devices revealed that the pricing and

warranty provisions offered by New Flyer were advantageous to the County. On December 12, 2023, a Supplemental Agreement with New Flyer in the amount of \$15,938,574.49 was unanimously approved by the Board to acquire the charging connection devices for the depot

chargers and the on-route chargers (R-1111-23). The OIG will continue monitoring the delivery and acceptance of these 60-foot BEBs, as well as the award and construction of the new Operations Center.

## Allocation of County Transportation Surtax Funds for the Tri-Rail Downtown Miami Link



*(left to right) Terry Murphy and IG Felix Jimenez*

On April 5, 2022, the OIG issued a final report entitled [Review of Factors Delaying Initiation of the Tri-Rail Downtown Miami Link Commuter Service](#). The OIG’s review was predicated on a request from the Executive Director of the

Citizens’ Independent Transportation Trust to review the circumstances delaying the introduction of Tri-Rail commuter service into downtown Miami at the MiamiCentral Station.

The OIG probe resulted in public disclosure of the issues impacting the delay, restoration of the County’s 15% financial retainer, and increased communications among the principals of the multi-party project agreement.

Since the OIG’s review and public disclosure of causes affecting the delay, there have been leadership changes at the South Florida Regional Transportation Authority (“SFRTA” the organization operating Tri-Rail.) SFRTA also increased its project management resources and provided more timely progress reports and updates to stakeholders.

On January 13, 2024, the first Tri-Rail commuter train arrived to begin service to Downtown Miami. The OIG applauds the leadership of the SFRTA, the CITT, Mayor Levine Cava, and the Board of County Commissioners for making this new service possible.

## Advanced Traffic Management System

The Advanced Traffic Management System (ATMS) involves upgrading traffic controllers and installing new video detection systems in the County's 2,900 intersections. Assisting DTPW in the management of this project, is A & P Consulting Transportation Engineers (APCTE), which was awarded a \$20 million Professional Services Agreement. APCTE has been providing project and construction management services, traffic engineering support, and plans review.

OIG contract oversight specialists attend meetings with DTPW and its consultant, project meetings with the contract awardee, and periodic site visits. OIG contract oversight specialists continue to be included in and provide input in conversations that cover contract performance, field conditions and observations, and their potential impact on the project's schedule. In 2023 the testing and installation of the project controllers began. The OIG will continue to be involved in the monitoring of this extensive traffic coordination project.

## Department of Solid Waste Management

Throughout 2023, the OIG closely tracked two significant solicitations issued on behalf of the Department of Solid Waste Management (DSWM). The solicitation for the retention of a Bond Engineering Services (Bond Engineer) and

the contemporaneous solicitation for the selection of a firm to serve as the Design Criteria Professional for a new Waste-to-Energy (WTE) plant. A summary of the oversight and monitoring activities performed during 2023 follows.

## Bond Engineering Services and Design Criteria Professional for the Waste to Energy Plant

The solicitation for the retention of a Bond Engineer became complicated by the contemporaneous solicitation for the selection of a firm to serve as the Design Criteria Professional for a new WTE plant. The role of Bond Engineer is to protect the interest of investors in revenue bonds issued by local governments by ensuring the maintenance and condition of facilities are sound and operational to support revenue generation and that bond proceeds are invested to support projected revenue sources. Firms selected to be the Bond Engineer are generally discouraged from pursuing other departmental work that may have an impact on bondholders. The incumbent firm providing Bond Engineering services to DSWM had actively pursued both

contract awards: Bond Engineer and Design Criteria Professional.

When DSWM advertised the solicitation for the WTE Plant Design Criteria Professional, DSWM did not identify a potential organizational conflict of interest in the event that its Bond Engineer was selected to prepare the design criteria package for the new WTE plant.

On July 6, 2023, the BCC approved the recommendation to award the Bond Engineer contract to the incumbent firm (Resolution No. R-604-23). After the award of this contract, staff at the Strategic Procurement Department (SPD) decided to act based on the language of the newly

awarded agreement, as the potential organizational conflict was no longer hypothetical. On August 23, 2023, representatives of the firm awarded the Bond Counsel contract were advised they were “eliminated from further participation” in the Design Criteria Professional solicitation. The OIG monitored the evaluation and scoring for the remaining two firms. On December 12, 2023, the Professional Services Agreement for a Design

Criteria Professional and Owner’s Representative Services for Miami-Dade County’s New Waste to Energy Plant was awarded (Resolution No. R-1096-23). The OIG was satisfied with the outcome and has encouraged SPD to include explicit language pertaining to organizational conflicts of interests in all future bond engineering services solicitations.

## The Seaport Department and PortMiami

The OIG has been actively involved in monitoring various construction projects taking place at PortMiami.

The construction of new cruise terminals and renovations to other facilities are progressing. These oversight activities have included attending

the various weekly progress meetings, internal County coordination meetings, and construction site visits. The open communication with the involved parties continues to allow the OIG to have a positive presence in the project development and has prompted the continued requests from the Seaport staff for involvement in other projects.

## B. CRIMINAL JUSTICE, THE COURTS, AND PUBLIC SAFETY

The County’s financial obligations and responsibilities for maintaining safety, security, and justice within our community extends beyond funding and operating the County Police Department, Fire Rescue, Code Enforcement, environmental and resilience efforts. Pursuant to the Constitution of the State of Florida, and as stated in Section 29.008, Florida Statutes, the County is also responsible for funding many of the services required to maintain our justice system.

### Construction of the New Civil and Probate Courthouse



The OIG has been actively monitoring the construction of a new Civil and Probate Courthouse in downtown Miami since its inception through the design and construction phases. Contract oversight specialists have participated in numerous meetings with County project

managers, designers, construction teams, attorneys, and agencies with jurisdiction over the project.

Such proactive engagement with stakeholders allowed the OIG to suggest coordination between departments during a scheduled transition of the County’s procurement platform avoiding affecting the procurement timeline for furniture, fixtures, and equipment. The OIG remains committed to monitoring this project through completion.



# Computer Aided Dispatch System for the Miami-Dade Fire Rescue Department

In June 2021, the OIG issued a memorandum to SPD commenting on the long-delayed procurement for a Computer Aided Dispatch (CAD) System for the Miami-Dade Police Department and the Miami-Dade Fire Rescue Department. That memorandum provided a detailed analysis of the process and options available; the most viable of which was to withdraw the RFP and to re-issue a new one. Subsequently, the Administration opted to withdraw that RFP and to issue a new RFP (RFP-02199), solely for the Fire Rescue Department as

the Police had already implemented upgrades to its own platform. The COU monitored this procurement process beginning from the Industry Day (a prior OIG recommendation) followed by the procurement process. The OIG attended all Competitive Selection Committee meetings and subsequent negotiation meetings. There were no exceptions noted during this process. On February 2, 2023, the BCC adopted R-88-23, authorizing the award of contracts to Intergraph Corporation and CentralSquare Technologies.

## C. MONITORING AND OVERSIGHT ACTIVITIES IN OTHER AREAS

### Homestead Town Center Container Park

Beginning in early 2022, the COU began monitoring the negotiations between the County and Homestead Town Center, LLC (HTC) for the sale and purchase of 24 acres of vacant County land, in the vicinity of the southwest corner of SW 280th Street and SW 127th Avenue. HTC wished to use this land for a Container Park entertainment center. In order to open in time for the October 2022 NASCAR event at the Homestead-Miami Speedway, a temporary use permit was issued while negotiations continued for the sale. However, despite approval of the temporary use permit by the County and assurances by HTC, the temporary container park never materialized.

Due to the uncertainty as to when the final transaction would have been presented to the BCC for consideration, the OIG issued a memorandum on February 6, 2023, entitled

[Potential Add-On Agenda Item to the Board of County Commissioners Meeting, February 7, 2023 – Proposed Sale and Purchase of 23.85 Acres of County Land to Homestead Town Center, LLC; IG 22-0004-O.](#)

This memorandum encouraged compliance with the entirety of Implementing Order 8-4 (Guidelines and Procedures for the Sale, Lease, and Conveyance of County Real Property). The OIG issued a final report on April 26, 2023, entitled [OIG Final Report Regarding the Proposed Sale and Purchase of 23.85 Acres of County Land to Homestead Town Center, LLC; IG 22-0004-O.](#)

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Excerpt from the OIG’s Memorandum,  
April 26, 2023

The OIG concludes that the promise and potential of this site could be maximized through a competitive process that engages developers with a history of successful development projects. To ensure a successful development is delivered for the people of South Dade, the OIG recommends that the County secure new market appraisals and advertise a competitive economic development process for conveyance of the subject property.

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In that memorandum, the OIG concluded: On July 6, 2023, the BCC adopted Resolution No. R-665-23 to approve and authorize the sale of the vacant County land to HTC. The contract for the sale automatically terminated when HTC failed to timely pay the deposit required by the contract terms.

## The New Mental Health Diversion Facility

The County invested over \$50 million to transform the former South Florida Evaluation & Treatment Facility, a forensic hospital located near downtown Miami, into a Mental Health Diversion Facility to provide appropriate care for individuals in crisis or awaiting adjudication. The Public Health Trust of Miami-Dade County allocated \$8 million to support the project. The South Florida Behavioral Health Network (SFBHN) has overseen the renovation of the facility. The OIG has been monitoring the weekly conference calls and is confident that a Certificate of Occupancy will be approved in early 2024.

The future governance of the facility has yet to be determined. A solicitation issued in late 2023 seeking interested parties to manage and operate the facility did not generate viable proposals.

The OIG has met with senior administrative officials and expressed serious concerns that no County agency has assumed sponsorship of this project. The economic models all require substantial public subsidies to fulfill the promise of this facility – a reduction in the number of citizens with mental health conditions being hospitalized or incarcerated due to a lack of proper treatment. The COU will continue to engage with the Administration to ensure this substantial public investment is properly managed to benefit the taxpayers of Miami-Dade County.

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## Meetings at a Glance

During the past 12 months, Contract Oversight Specialists attended and monitored over 286 procurement-related meetings that included Competitive Selection Committee Evaluation meetings, internal strategy meetings, and negotiations meetings.

For major procurements and capital projects that the OIG monitored through procurement and award, Contract Oversight Specialists continued monitoring through design and implementation/construction phases. In this latter group, we were able to increase our presence by monitoring over 59 construction progress meetings, ensuring that performance is consistent with the terms and conditions of the contracts.

The ability of Contract Oversight Specialists to monitor 345 meetings during 2023 has been a continuing benefit of the work transitions forced on us during the 2020 COVID lock-down. Although, public meetings being held in-person, other meetings, where permitted, continue to be conducted virtually and have allowed our personnel to eliminate travel time between meetings and so be able to monitor a greater number of meetings, as necessary.

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## Bids and Contracts at a Glance

In addition to the mega projects, i.e. the construction of the New Civil and Probate Courthouse, over the past 12 months, the Contract Oversight Unit has reviewed, inspected, and monitored a broad array of bids, contracts, and projects. These bids and contracts range from routine Invitation to Bid for goods and services to Request for Design Build Services for complex, multi-million-dollar construction projects and development deals. Contracts being monitored range from department-level purchases from pre-established, qualified vendor pools to multi-year installation projects including diversification of the bus fleet from diesel to CNG and battery-electric.

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## Educational Outreach

The OIG continued its educational outreach through active involvement in the training for Competitive Selection Committee (CSC) pool members. This training is mandated by Implementing Order 3-34 (Formation and Performance of Competitive Selection Committees) as a pre-requisite for all pool members (employees and non-employees) prior to actual service on a selection committee. During this training, contract oversight specialists present the OIG's role, authority, and responsibilities consistent with Sec. 2-1076 of the Code in ensuring that the procurement process will be open, fair, transparent, equitable and in compliance with all rules and regulations governing that process.

During the past year, the OIG participated in:

- 12 CSC virtual workshops for 716 employees representing all departments.
- 2 CSC in-person workshops for 259 MDAD employees.
- 1 Procurement Academy virtual workshop for 136 employees that are directly involved in the procurement process.

In addition, the OIG participated in the Annual Procurement Expo sponsored by SPD. This Expo was designed to showcase the different types of goods and services needed by various departments in the County and how local vendors might access these opportunities. The OIG's presence reinforced our objective for an equitable, fair, and transparent procurement process.

## VIII. OIG PERFORMANCE, ACCOUNTABILITY, SAVINGS, AND EFFICIENCY

### Identified Financial Impacts

In Fiscal Year 2022-2023, OIG investigations, audits, inspections, and other reviews identified \$442,599 in damages and losses due to theft, fraud, and abuse and \$633,604 in questioned costs. As a result of these cases, and others that began in earlier years, OIG cases in Fiscal Year 2022-2023 have given rise to over \$170,971 savings and funds put to better use, and have brought \$362,746 in recoveries, repayments, and court-imposed restitution.

### Criminal Charges Filed

In Fiscal Year 2022-2023 resulted in ten arrests and five sentencings and criminal charges filed that include: Organized Fraud/Scheme to Defraud, Criminal use of Personal Identification, Uttering a Forged Document, and Making False Official Statements with the Intent to Mislead a Public Servant.

### Publications

The OIG issued twenty-five public reports and nineteen advisory memoranda during Fiscal Year 2022-2023. The reports include audit reports, contract oversight reports, and reports of investigation. Advisory memoranda include notifications regarding the closure of OIG cases, including arrests and dispositions of criminal cases.



## **IX. APPENDIX: CODE OF MIAMI-DADE COUNTY Sec. 2-1076 OFFICE OF THE INSPECTOR GENERAL**

(a) Created and established. There is hereby created and established the Office of Miami-Dade County Inspector General. The Inspector General shall head the Office. The organization and administration of the Office of the Inspector General shall be sufficiently independent to assure that no interference or influence external to the Office adversely affects the independence and objectivity of the Inspector General.

(b) Minimum Qualifications, Appointment and Term of Office.

(1) Minimum qualifications. The Inspector General shall be a person who:

(a) Has at least ten (10) years of experience in any one, or combination of, the following fields:

- (i) as a Federal, State or local Law Enforcement Officer;
- (ii) as a Federal or State court judge;
- (iii) as a Federal, State or local government attorney;
- (iv) progressive supervisory experience in an investigative public agency similar to an inspector general's office;

(b) Has managed and completed complex investigations involving allegations of fraud, theft, deception and conspiracy;

(c) Has demonstrated the ability to work with local, state and federal law enforcement agencies and the judiciary; and

(d) Has a four-year degree from an accredited institution of higher learning.

(2) Appointment. The Inspector General shall be appointed by the Ad Hoc Inspector General Selection Committee ("Selection Committee"), except that before any appointment shall become effective, the appointment must be approved by a majority of the whole number of members of the Board of County Commissioners at the next regularly scheduled County Commission meeting after the appointment. In the event that the appointment is disapproved by the County Commission, the appointment shall become null and void, and the Selection Committee shall make a new appointment, which shall likewise be submitted for approval by the County Commission.



The Selection Committee shall be composed of five members selected as follows:

- (a) The State Attorney of the 11th Judicial Circuit for Miami-Dade County;
- (b) The Public Defender of the 11th Judicial Circuit for Miami-Dade County;
- (c) The Chairperson of the Miami-Dade Commission on Ethics and Public Trust;
- (d) The President of the Miami-Dade Police Chief's Association; and
- (e) The Special Agent In Charge of the Miami Field Office of the Florida Department of Law Enforcement.

The members of the Selection Committee shall elect a chairperson who shall serve as chairperson until the Inspector General is appointed. The Selection Committee shall select the Inspector General from a list of qualified candidates submitted by the Miami-Dade County Employee Relations Department.

(3) Term. The Inspector General shall be appointed for a term of four years. In case of a vacancy in the position of Inspector General, the Chairperson of the Board of County Commissioners may appoint the deputy inspector general, assistant inspector general, or other Inspector General's office management personnel as interim Inspector General until such time as a successor Inspector General is appointed in the same manner as described in subsection (b)(2) above. The Commission may by majority vote of members present disapprove of the interim appointment made by the Chairperson at the next regularly scheduled County Commission meeting after the appointment. In the event such appointment shall be disapproved by the County Commission, the appointment shall become null and void and, prior to the next regularly scheduled Commission meeting, the Chairperson shall make a new appointment which shall likewise be subject to disapproval as provided in this subsection (3). Any successor appointment made by the Selection Committee as provided in subsection (b)(2) shall be for the full four-year term.

Upon expiration of the term, the Board of County Commissioners may by majority vote of members present reappoint the Inspector General to another term. In lieu of reappointment, the Board of County Commissioners may reconvene the Selection Committee to appoint the new Inspector General in the same manner as described in subsection (b) (2). The incumbent Inspector General may submit his or her name as a candidate to be considered for selection and appointment.

(4) Staffing of Selection Committee. The Miami-Dade County Employee Relations Department shall provide staffing to the Selection Committee and as necessary will advertise the acceptance of resumes for the position of Inspector General and shall provide the Selection Committee with a list of qualified candidates. The County Employee Relations Department shall also be responsible for ensuring that background checks are conducted on the slate of candidates selected for interview by the Selection Committee.

The County Employee Relations Department may refer the background checks to another agency or department.

The results of the background checks shall be provided to the Selection Committee prior to the interview of candidates.

(c) Contract. The Director of the Employee Relations Department shall, in consultation with the County Attorney, negotiate a contract of employment with the Inspector General, except that before any contract shall become effective, the contract must be approved by a majority of Commissioners present at a regularly scheduled Commission meeting.

(d) Functions, Authority and Powers.

(1) The Office shall have the authority to make investigations of County affairs and the power to review past, present and proposed County and Public Health Trust programs, accounts, records, contracts and transactions.

(2) The Office shall have the power to require reports from the Mayor, County Commissioners, Manager, County agencies and instrumentalities, County officers and employees and the Public Health Trust and its officers and employees regarding any matter within the jurisdiction of the Inspector General.

(3) The Office shall have the power to subpoena witnesses, administer oaths and require the production of records. In the case of a refusal to obey a subpoena issued to any person, the Inspector General may make application to any circuit court of this State which shall have jurisdiction to order the witness to appear before the Inspector General and to produce evidence if so ordered, or to give testimony touching on the matter in question. Prior to issuing a subpoena, the Inspector General shall notify the State Attorney and the U.S. Attorney for the Southern District of Florida. The Inspector General shall not interfere with any ongoing criminal investigation of the State Attorney or the U.S. Attorney for the Southern District of Florida where the State Attorney or the U.S. Attorney for the Southern District of Florida has explicitly notified the Inspector General in writing that the Inspector General's investigation is interfering with an ongoing criminal investigation.

(4) The Office shall have the power to report and/or recommend to the Board of County Commissioners whether a particular project, program, contract or transaction is or was necessary and, if deemed necessary, whether the method used for implementing the project or program is or was efficient both financially and operationally. Any review of a proposed project or program shall be performed in such a manner as to assist the Board of County Commissioners in determining whether the project or program is the most feasible solution to a particular need or problem. Monitoring of an existing project or program may include reporting whether the project is on time, within budget and in conformity

with plans, specifications, and applicable law.

(5) The Office shall have the power to analyze the need for, and the reasonableness of, proposed change orders. The Inspector General shall also be authorized to conduct any reviews, audits, inspections, investigations or analyses relating to departments, offices, boards, activities, programs and agencies of the County and the Public Health Trust.

(6) The Inspector General may, on a random basis, perform audits, inspections and reviews of all County contracts. The cost of random audits, inspections and reviews shall, except as provided in (a)-(n) in this subsection (6), be incorporated into the contract price of all contracts and shall be one quarter (1/4) of one (1) percent of the contract price (hereinafter "IG contract fee").

The IG contract fee shall not apply to the following contracts:

- (a) IPSIG contracts;
- (b) Contracts for legal services;
- (c) Contracts for financial advisory services;
- (d) Auditing contracts;
- (e) Facility rentals and lease agreements;
- (f) Concessions and other rental agreements;
- (g) Insurance contracts;
- (h) Revenue-generating contracts;
- (i) Contracts where an IPSIG is assigned at the time the contract is approved by the Commission;
- (j) Professional service agreements under one thousand dollars;
- (k) Management agreements;
- (l) Small purchase orders as defined in Administrative Order 3-2;
- (m) Federal, state and local government-funded grants; and
- (n) Interlocal agreements;
- (o) Grant Agreements granting not-for-profit organizations Building Better Communities General Obligation Bond Program funds.

Notwithstanding the foregoing, the Commission may by resolution specifically authorize the inclusion of the IG contract fee in any contract. Nothing contained in this subsection (c)(6) shall in any way limit the powers of the Inspector General provided for in this section to perform audits, inspections, reviews and investigations on all County contracts including, but not limited to, those contracts specifically exempted from the IG contract fee.

(7) Where the Inspector General detects corruption or fraud, he or she shall notify the appropriate law enforcement agencies. Subsequent to notifying the appropriate law enforcement agency, the Inspector General may assist the law enforcement agency in concluding the investigation. When the Inspector General detects a violation of one (1) of the ordinances within the jurisdiction of the Ethics

Commission, he or she may file a complaint with the Ethics Commission or refer the matter to the Advocate.

(8) The Inspector General shall have the power to audit, investigate, monitor, oversee, inspect and review the operations, activities and performance and procurement process including, but not limited to, project design, establishment of bid specifications, bid submittals, activities of the contractor, its officers, agents and employees, lobbyists, County staff and elected officials in order to ensure compliance with contract specifications and detect corruption and fraud.

(9) The Inspector General shall have the power to review and investigate any citizen's complaints regarding County or Public Health Trust projects, programs, contracts or transactions.

(10) The Inspector General may exercise any of the powers contained in Section 2-1076 upon his or her own initiative.

(11) The Inspector General shall be notified in writing prior to any meeting of a selection or negotiation committee where any matter relating to the procurement of goods or services by the County is to be discussed. The notice required by this subsection (11) shall be given to the Inspector General as soon as possible after a meeting has been scheduled, but in no event later than twenty-four (24) hours prior to the scheduled meeting. The Inspector General may, at his or her discretion, attend all duly noticed County meetings relating to the procurement of goods or services as provided herein, and, in addition to the exercise of all powers conferred by Section 2-1076, may pose questions and raise concerns consistent with the functions, authority and powers of the Inspector General. An audio tape recorder shall be utilized to record all selection and negotiation committee meetings.

(12) The Inspector General shall have the authority to retain and coordinate the services of Independent Private Sector Inspectors General (IPSIG) or other professional services, as required, when in the Inspector General's discretion he or she concludes that such services are needed to perform the duties and functions enumerated in subsection (d) herein.

(e) Physical facilities and staff.

(1) The County shall provide the Office of the Inspector General with appropriately located office space and sufficient physical facilities together with necessary office supplies, equipment and furnishings to enable the Office to perform its functions.

(2) The Inspector General shall have, subject to budgetary allocation by the Board of County Commissioners, the power to appoint, employ, and remove such assistants, employees and personnel and establish personnel procedures as deemed necessary for the efficient and effective administration of the activities of

the Office.

(f) Procedure for finalization of reports and recommendations which make findings as to the person or entity being reviewed or inspected. Notwithstanding any other provisions of this Code, whenever the Inspector General concludes a report or recommendation which contains findings as to the person or entity being reported on or who is the subject of the recommendation, the Inspector General shall provide the affected person or entity a copy of the report or recommendation and such person or entity shall have 10 working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation. The requirements of this subsection (f) shall not apply when the Inspector General, in conjunction with the State Attorney, determines that supplying the affected person or entity with such report will jeopardize a pending criminal investigation.

(g) Reporting. The Inspector General shall annually prepare and submit to the Mayor and Board of County Commissioners a written report concerning the work and activities of the Office including, but not limited to, statistical information regarding the disposition of closed investigations, audits and other reviews.

(h) Removal. The Inspector General may be removed from Office upon the affirmative vote of two-thirds (2/3) of the whole number of members of the Board of County Commissioners.

(i) Abolition of the Office. The Office of the Inspector General shall only be abolished upon the affirmative vote of two-thirds (2/3) of the whole number of members of the Board of County Commissioners.

(j) Retention of the current Inspector General. Notwithstanding any provision to the contrary, the incumbent Inspector General, Christopher R. Mazzella [<sup>1</sup>], shall serve a four year term of office commencing on December 20, 2009, as provided in the Memorandum of Understanding approved by Resolution No. R-1394-05, and shall not be subject to the appointment process provided for in Section 2-1076(b)(2).

(Ord. No. 97-215, § 1, 12-16-97; Ord. No. 99-63, § 1, 6-8-99; Ord. No. 99-149, § 1, 10-19-99; Ord. No. 00-105, § 1, 7-25-00; Ord. No. 01-114, § 1, 7-10-01; Ord. No. 05-51, § 1, 3-1-05; Ord. No. 06-88, § 2, 6-6-06, Ord. No. 07-165; § 1, 11-6-07)

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<sup>1</sup> Mr. Chris Mazzella, the County's first Inspector General and the incumbent when this subsection was enacted, retired in April 2013. In August of 2020, an Ad Hoc Selection Committee recommended Felix Jimenez to the Board of County Commissioners as the new Inspector General succeeding Inspector General Mary Cagle who served from February 2014 until her retirement in September 2020.



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

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