



OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

“ENHANCING PUBLIC TRUST IN GOVERNMENT”

SIX MONTH STATUS REPORT

SHERYL G. STECKLER,
INSPECTOR GENERAL

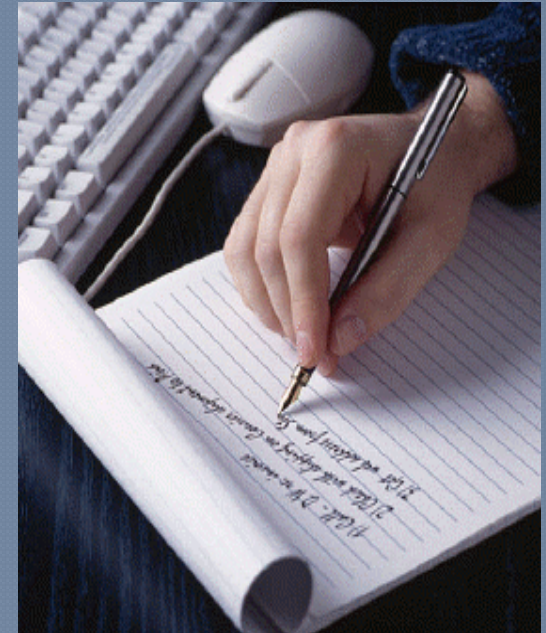
FEBRUARY 9, 2012

OUTLINE

- ANNUAL REPORT HIGHLIGHTS
- FISCAL YEAR 2012 BUDGET & STAFFING
- OIG ACTIVITIES (July 1, 2011-December 31, 2011)
 - Accreditation
 - Correspondence Handling
 - Issued Reports
- ADDITIONAL RESPONSIBILITIES
- PLANS & OBJECTIVES
- IMMEDIATE, ON-GOING & UPCOMING ACTIVITIES

INSPECTOR GENERAL RESPONSIBILITIES

- Publish Audit and Investigative Reports
- Meet with Inspector General Committee every six months
- Not later than December 31st of each year issues an Annual Report



ANNUAL REPORT HIGHLIGHTS



OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

“Enhancing Public Trust in Government”

ANNUAL REPORT

Inception (June 28, 2010) through September 30, 2011

Presented to the Citizens of Palm Beach County

December 7, 2011

STAFF ACADEMIC DEGREES, PROFESSIONAL CERTIFICATIONS & LICENSES

Professional experience includes, in part, Public and Private sectors:

Federal, State and City Inspector General Communities, Air Force Office of Special Investigations, US Treasury, Internal Revenue Service, Secret Service, Homeland Security, Federal Bureau of Investigation, US Postal Inspection Service, Not-for-profit Community Based Organizations, state, county and municipal government, Dun & Bradstreet, Insurance and Construction Industries.

STAFF ACADEMIC DEGREES, PROFESSIONAL CERTIFICATIONS & LICENSES

Certified Inspector General
Certified Fraud Examiner(s)
Certified Public Accountant(s)
Accreditation Manager(s)
Member of the Florida Bar
Certified Government Finance Officer
Certified Protection Professional
Certified Penetration Tester
Certified Forensic Interviewer
Certified Building Contractor
Certified General Contractor
Certified Plans Examiner
Civil Engineer
LEED AP Building Design & Construction Designation
Project Management Professional

Certified Inspector General Investigator
Certified Internal Auditor(s)
Certified Information Systems Auditor(s)
Accreditation & Peer Review Assessor

HIRING OF STAFF

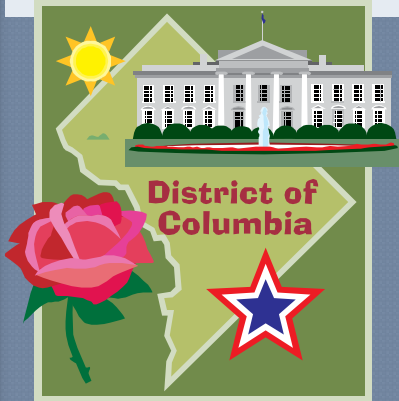


Florida: 18 (79%)

Palm Beach County: 10

Other Florida Counties: 8

Out of State: 5 (21%)



ANNUAL REPORT HIGHLIGHTS

BUDGET & STAFFING

A close-up photograph of a computer screen displaying a financial table. The table has several rows and columns. The visible numerical values are: 100,000, 10,000, 10,000, 75,000, \$205,000, and -290,000. The text is in a light blue font on a white background. The screen is slightly tilted, and the background is blurred.

ANNUAL REPORT HIGHLIGHTS

Article XII Section 2-429.1

(1)The funding base is a minimum level of funding, determined as a percentage of contract activity of the governmental entities subject to the authority of the inspector general. The purpose of establishing the funding base is to ensure the office is adequately funded. The funding base is currently set at an amount **equal to one quarter of one percent (0.25%) of the contracts** as described in section 2-429(2).

ANNUAL REPORT HIGHLIGHTS

Initial Start Period (June 2010 - September 2011)

Allocated: \$1,844,662
Spent: 1,307,369 (71%)
Under Budget: \$ 537,293 (29%)

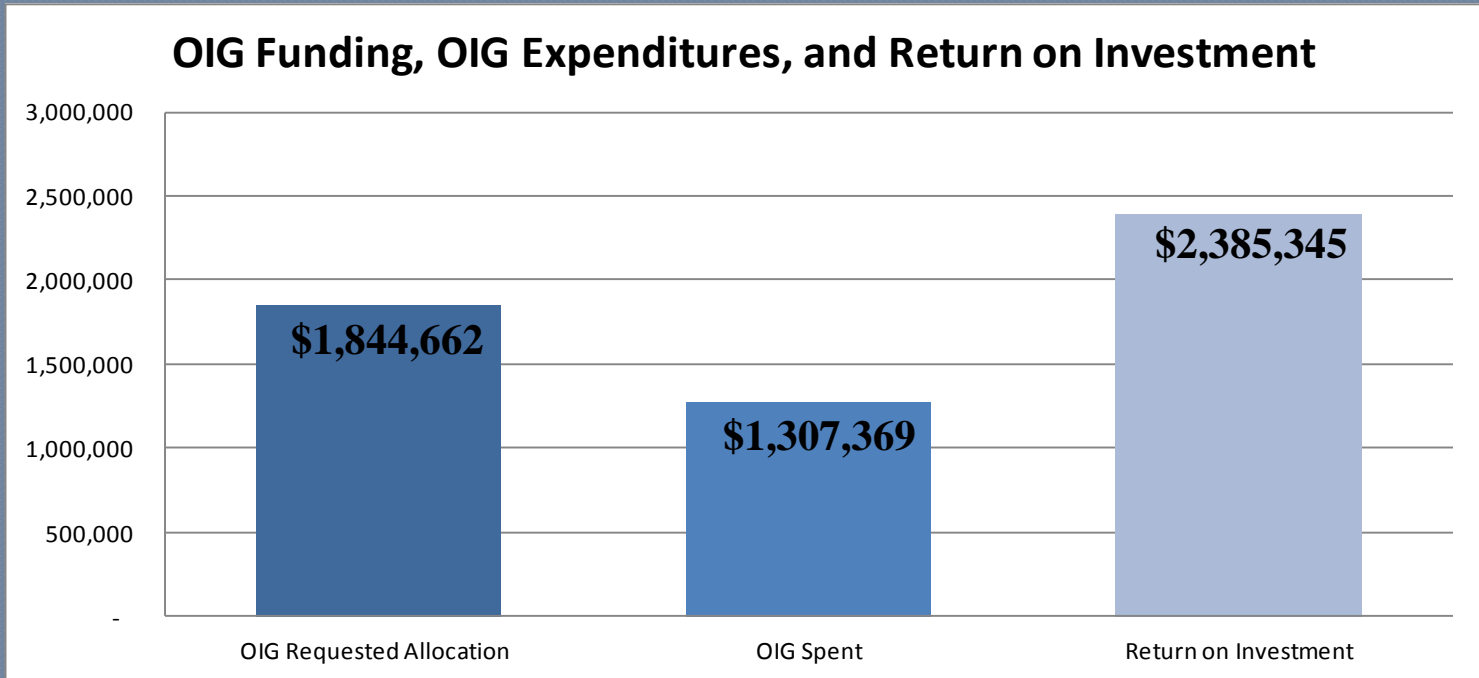
(County, Solid Waste Authority and 3 months 38 Municipalities)

Cost* to Citizens in Palm Beach County = **89 cents**
(2 postage stamps)

FY 2011 "Spent" reflects \$34,812 payroll accrual not reflected in Annual Report

*Excludes one-time start-up cost of \$150,000

ANNUAL REPORT HIGHLIGHTS



Return on Investment represents \$2,385,345 in identified and questioned costs.

ANNUAL REPORT HIGHLIGHTS

INVESTIGATIVE ACTIVITIES

July 2010-September 2011

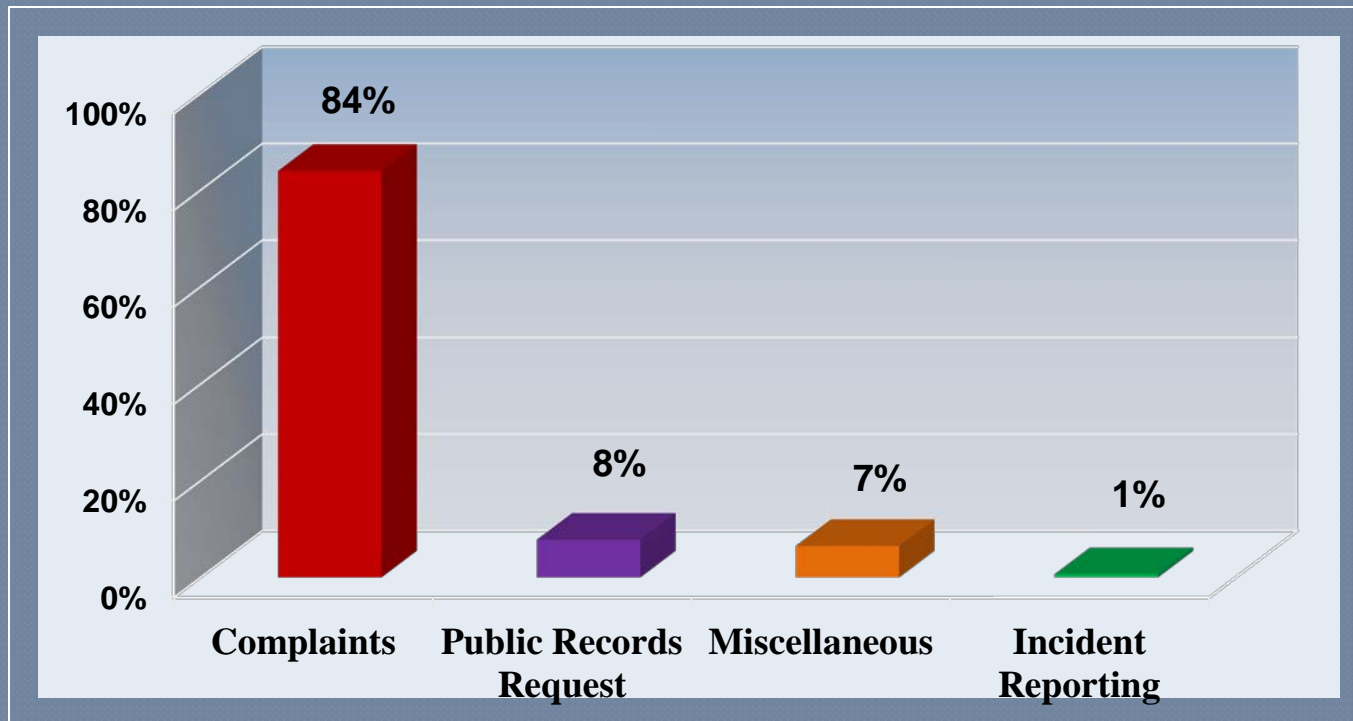
Intake:

- Telephone Calls: 1,478
- Written Correspondences: 307
- Investigations/Management Reviews: 9
 - Allegations: 18
 - Identified/Questioned Costs: \$611,841
 - Restitution Received: \$ 1,000
 - Restitution Pending: \$226,028
 - Corrective Actions Recommended: 46
 - Corrective Actions Implemented: 41 (24 Policy)

ANNUAL REPORT HIGHLIGHTS

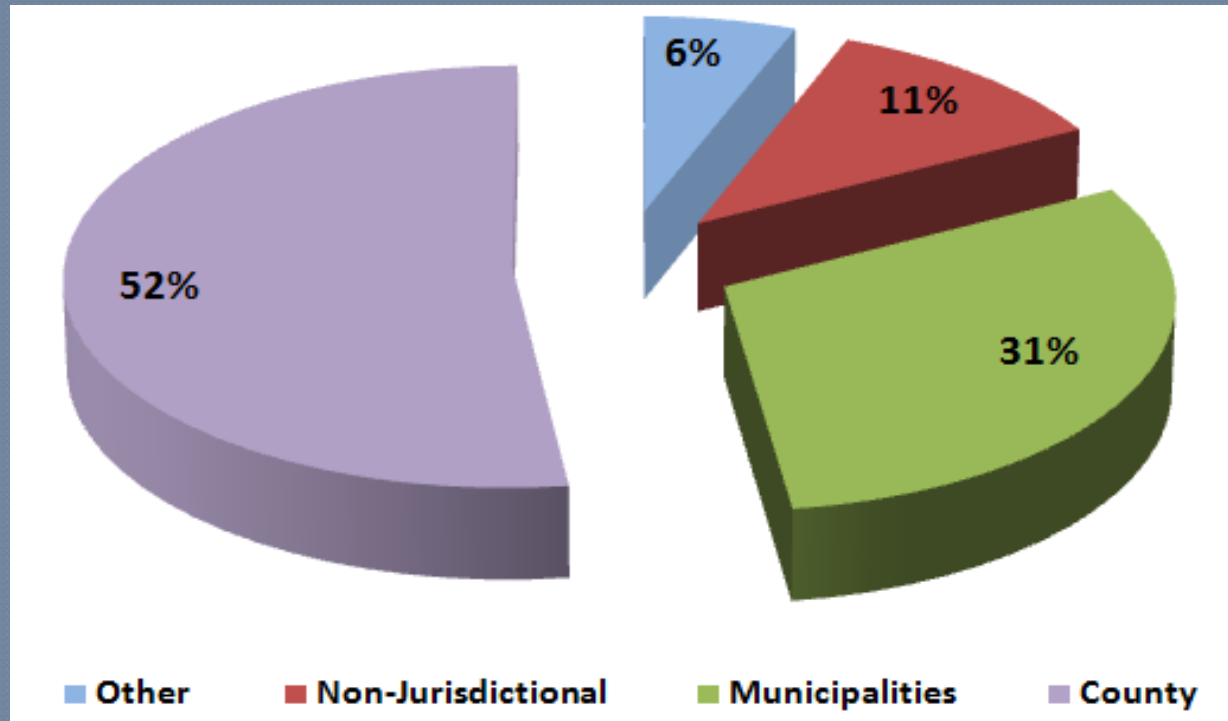
The 307 written correspondences processed can be categorized as follows:

- 261 Complaints
- 24 Public Records Requests
- 20 Miscellaneous
- 2 Incident Reporting



ANNUAL REPORT HIGHLIGHTS

307 written correspondences processed related to various entities as follows:

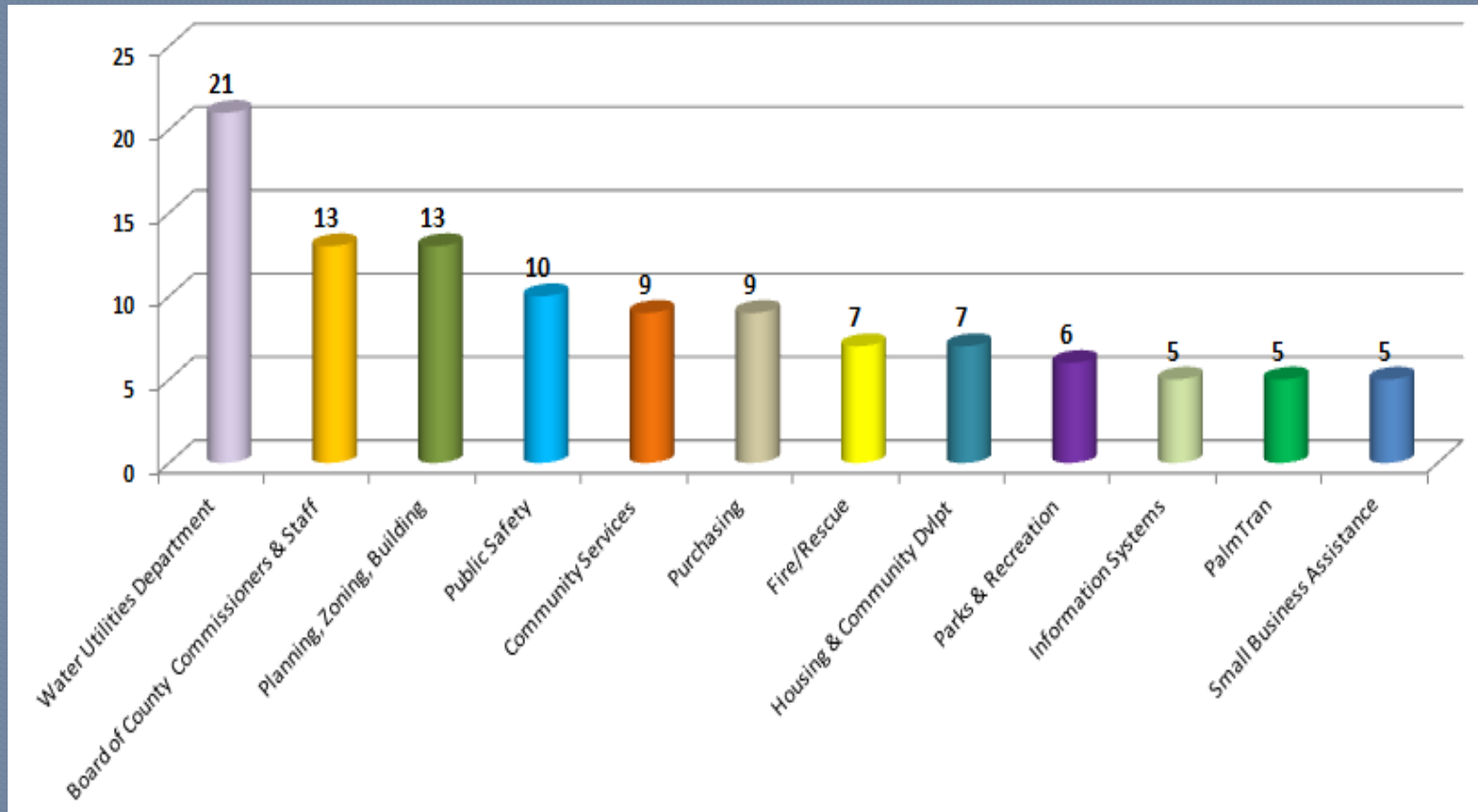


It is noted that the OIG's jurisdiction of the municipalities did not begin until June 1, 2011.

- County: 160
- Municipalities: 94
- Non-Jurisdictional: 35
- Other: 18

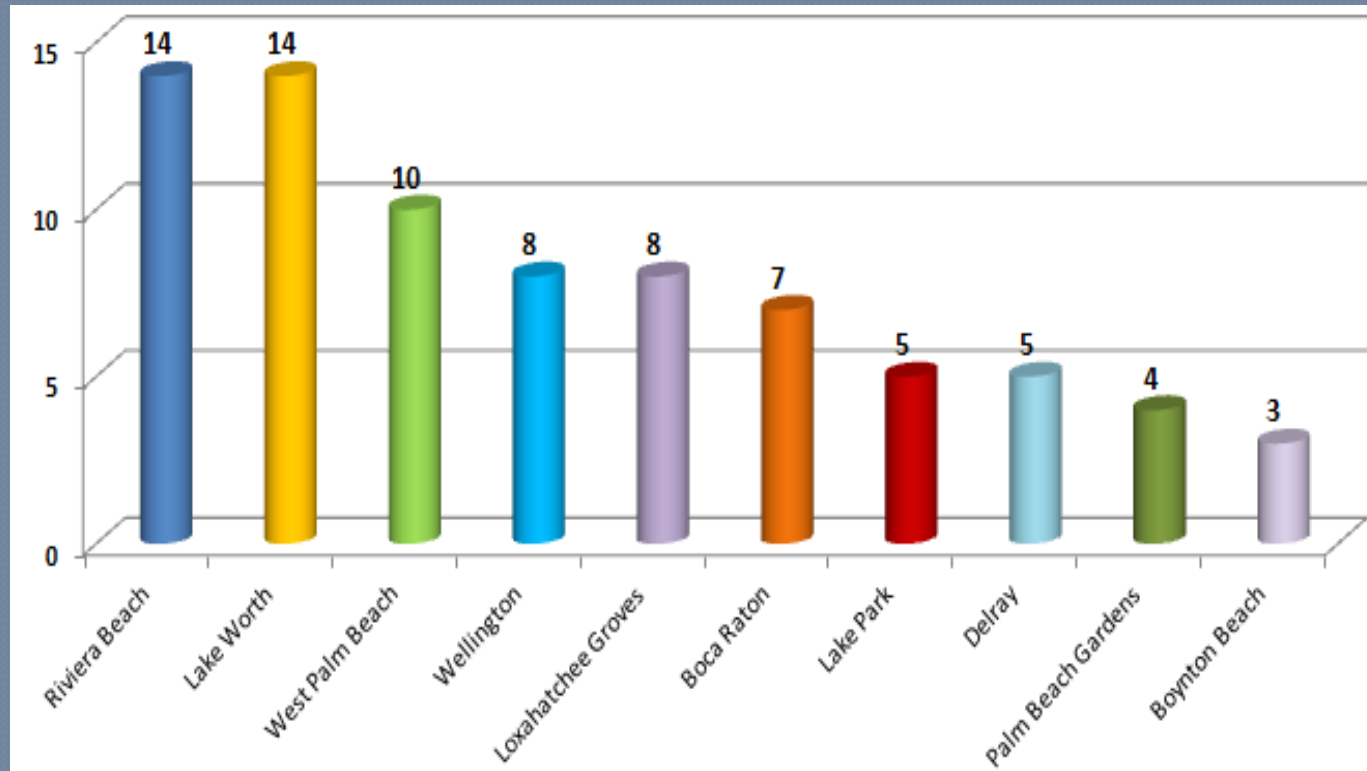
ANNUAL REPORT HIGHLIGHTS

CORRESPONDENCES BY COUNTY DEPARTMENT (TOP 12)



ANNUAL REPORT HIGHLIGHTS

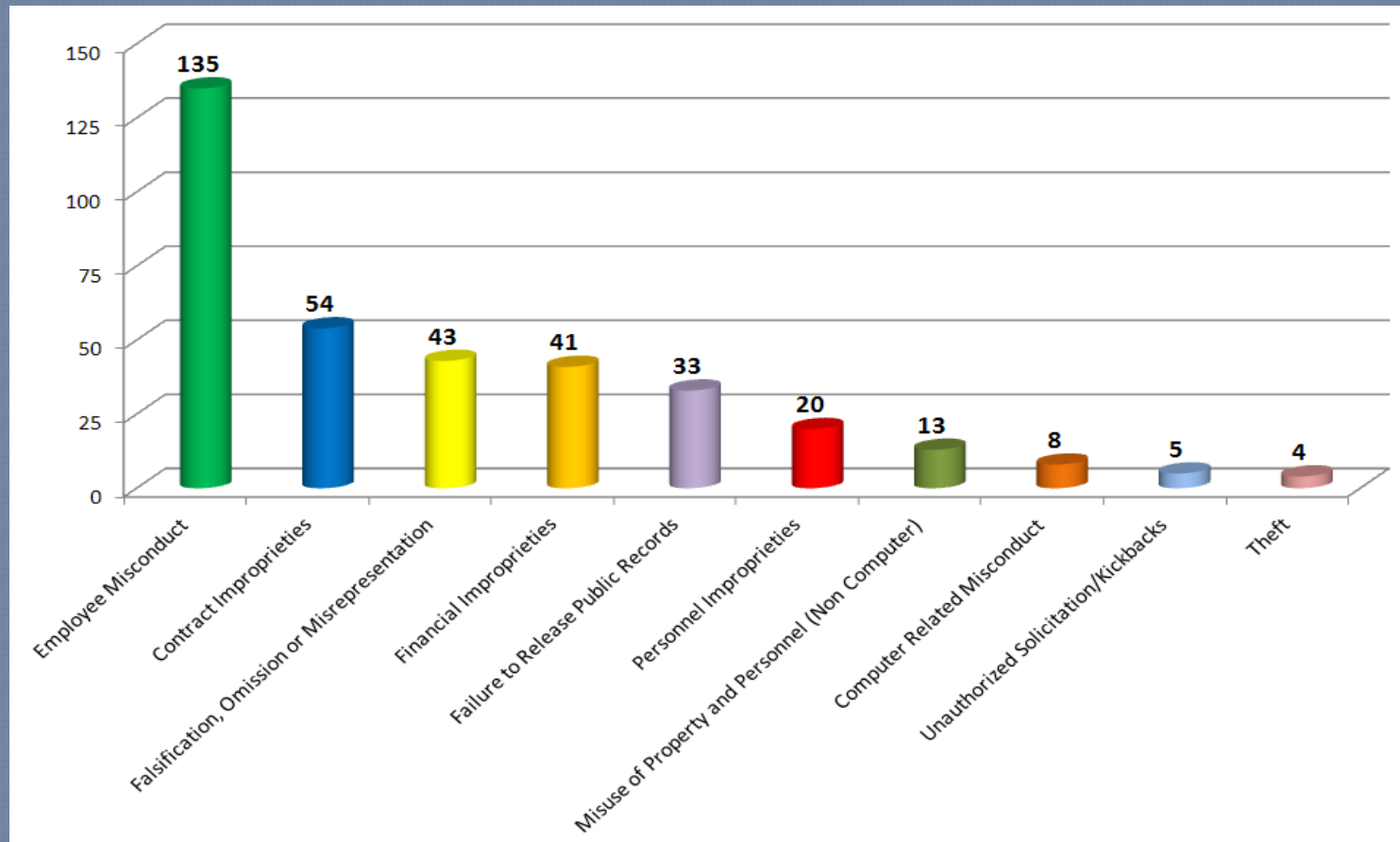
CORRESPONDENCES BY MUNICIPALITY (TOP 10)



ANNUAL REPORT HIGHLIGHTS

ALLEGATION TYPES

261 written complaints containing 444 individual allegations of potential wrongdoing were processed. The breakdown by the top ten allegation types is listed below:



ANNUAL REPORT HIGHLIGHTS

The **nine** Investigative Reports with **18 allegations** that were released during this reporting period resulted in the following:

➤ **9 Supported** findings.

- **3** Arrests resulted from these investigations (*1 conviction, 2 pending*).
- **2** Investigations resulted in the initiation of pension forfeiture proceedings.
- **3** Dismissals
- **3** Resignations
- **1** Suspension

➤ **9 Not Supported** findings. (Includes exoneration of employees)

- **1** Reinstatement

➤ **6** Investigations/Management Reviews resulted in a total of **\$611,841** in identified or questioned costs incurred by the entities under the jurisdiction of the OIG, of which, **\$226,028** in restitution is pending.

➤ **1** Investigation identified an unlawful payment of **\$1,000** from a resident to a County employee, which resulted in a criminal conviction and subsequent restitution to the victim.

ANNUAL REPORT HIGHLIGHTS

RECOMMENDED CORRECTIVE ACTIONS

The final report summary is forwarded to the appropriate manager, administrator, etc., along with a copy of the recommended CAP. A response is requested from management, due within 20 days, identifying what actions have or will be taken. Subsequent follow-up occurs on an as-needed basis.

46 CAPs were recommended by the Investigations Unit, resulting in the following personnel actions and/or policy and procedural changes:

- **41** CAPs were implemented (*5 recommended CAPs were not implemented by the respective entities*).
- **24** Policy or procedural changes were either created and/or updated.

ANNUAL REPORT HIGHLIGHTS

CONTRACT OVERSIGHT ACTIVITIES

- Attended **173** contract selection committees.
- Issued **6** Contract Oversight Reports since July 2011 questioning costs of **\$1,773,504**.
- Recommended six (**6**) improvements to the contracting procedures and/or controls reviewed (four (**4**) implemented or in process).

ANNUAL REPORT HIGHLIGHTS

SUMMARY OF RESULTS

- Corrective Actions (CA) recommended: **53**
- CA implemented or in process: **48 (91%)**
 - **26 (54%) of 48** were policy/procedure changes (created or updated)
- Total Identified and Questioned Costs
\$2,385,345

FISCAL YEAR 2012

BUDGET & STAFFING



BUDGET – FISCAL YEAR 2012

County Budget:	\$3.9 Billion
38 Municipal Budgets:	<u>5.9 Billion</u>
Total :	\$9.8 BILLION

County & Municipalities contract activity: **\$1,599,671,058***

Minimum Funding base 0.25% = \$3,999,178

OIG reduced budget to 0.18% = **\$ 2,799,643**

(Difference between 0.18% and the 0.25% is **\$1.2 Million**)

*(per LOGER)

STAFFING

	<u>Approximate</u>
Number of County Personnel:	6,300
Number of Municipal Personnel:	<u>8,900</u>
Total:	15,200

This DOES NOT include:

Contractors/Vendors who do business with the County and/or Municipality(s) and their employees.

County/Municipal OIG Staff:	15
Anticipated Staff:	32

ALLOCATION IS DETERMINED BY THE LOGER SYSTEM

The LOGER system was chosen by the drafting budget sub-committee (made up of municipal and county representatives) and subsequently approved by both the drafting committee and the Board of County Commissioners to be the basis used to determine the OIG's minimum funding, known as the "Funding Base".

HOW TO PAY IS UP TO EACH MUNICIPALITY AND THE COUNTY

How each municipality and the county opt to pay for their share of the 0.25% (0.18% for FY 2012) is up to each individual government entity.

Municipalities as well as the County can either:

1. Charge their vendors/contractors
2. Take from general revenue
3. Charge to various accounts/funds

SIX MONTHS OIG ACTIVITIES

July 1, 2011 – December 31, 2011

ISSUED AUDIT

December 31, 2011

PALM TRAN CONNECTION – COUNTY

- Improper Segregation of Duties
- Un-inventoried surplus computer equipment (\$18,934)
- Incomplete surveillance camera coverage & building access security controls weakness
- Employee timecards and payroll timesheets were not certified as true and correct; four (4) non-exempt employees were not maintaining an approved daily time record
- Pattern of using vacation leave with overtime inflated overtime costs (one employee average annual OT = \$16,195)

CONTRACT OVERSIGHT ACTIVITIES

July 1, 2011 – December 31, 2011

- Attended 33 contract selection committees.
- Issued 10 Contract Oversight Reports; questioning costs of **\$1,773,504**.
- Recommended nine (9) improvements to the contracting procedures and/or controls reviewed of which seven (7) have been implemented or in process.

INVESTIGATIVE ACTIVITIES

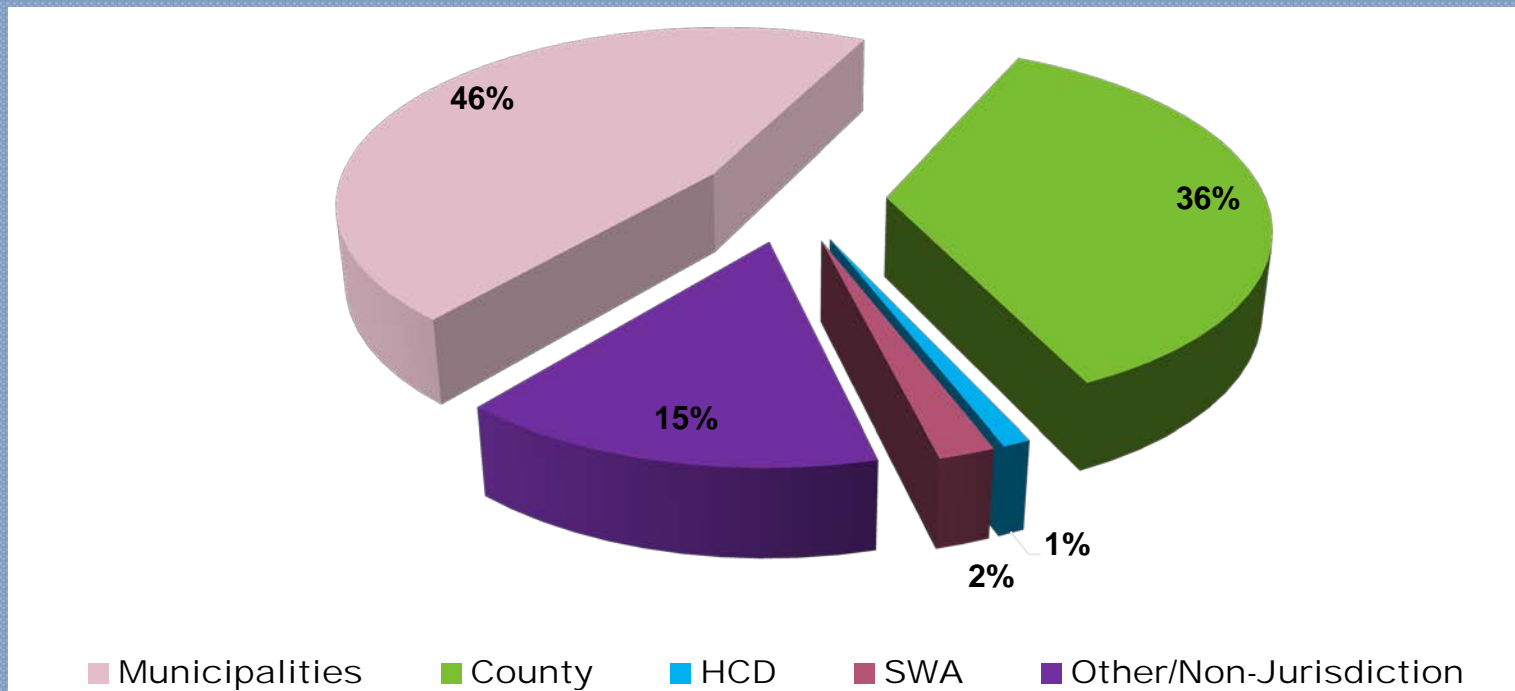
July 1, 2011 – December 31, 2011

Intake:

- Telephone Calls: **964**
- Written Correspondences: **185**
- Investigations/Management Reviews: **7**
 - Allegations: **14**
 - Identified/Questioned Costs: **\$289,424**
 - Restitution Received: **\$1,581**
 - Restitution Pending: **\$224,448**
 - Corrective Actions (CA) Recommended: **17**
 - CAs Implemented/In Progress: **17**

TYPES OF CORRESPONDENCES

185 Total Written Correspondences Received
July 1, 2011- December 31, 2011



Municipalities: **86**

County: **67**

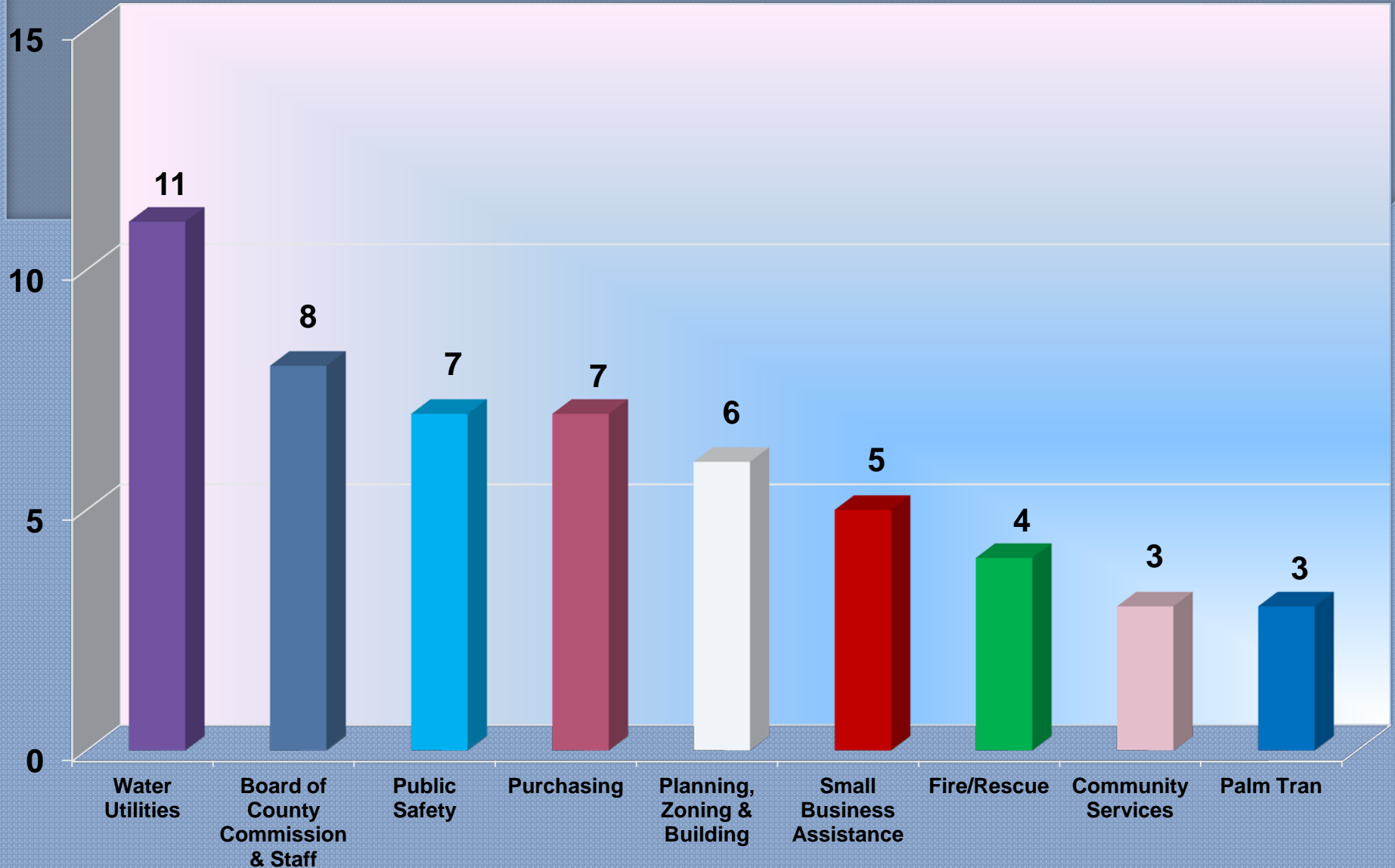
Health Care District: **1**

Solid Waste Authority: **4**

Other/Non
Jurisdiction: **27**

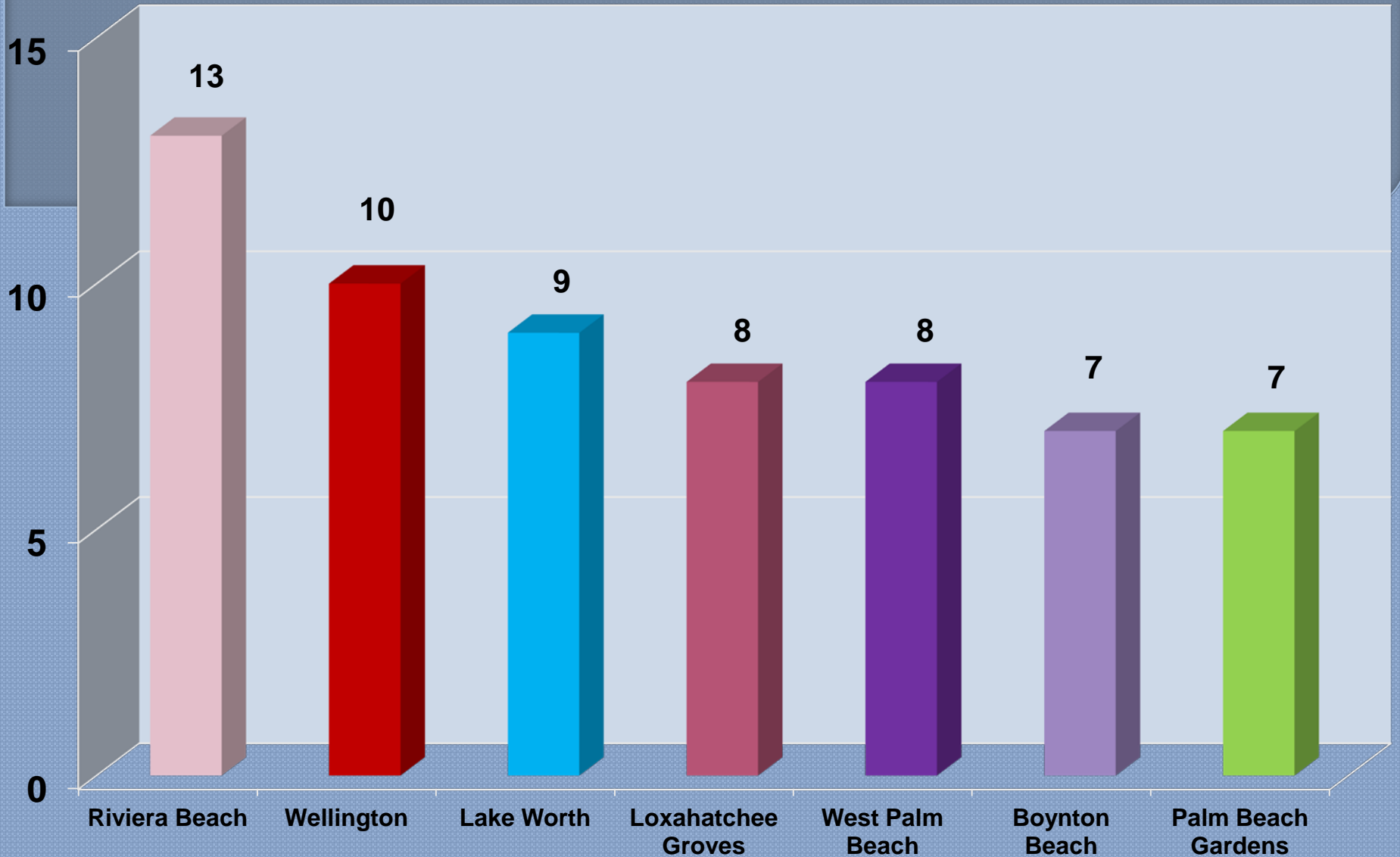
COUNTY PROGRAMS – TOP 9

July 1, 2011- December 31, 2011



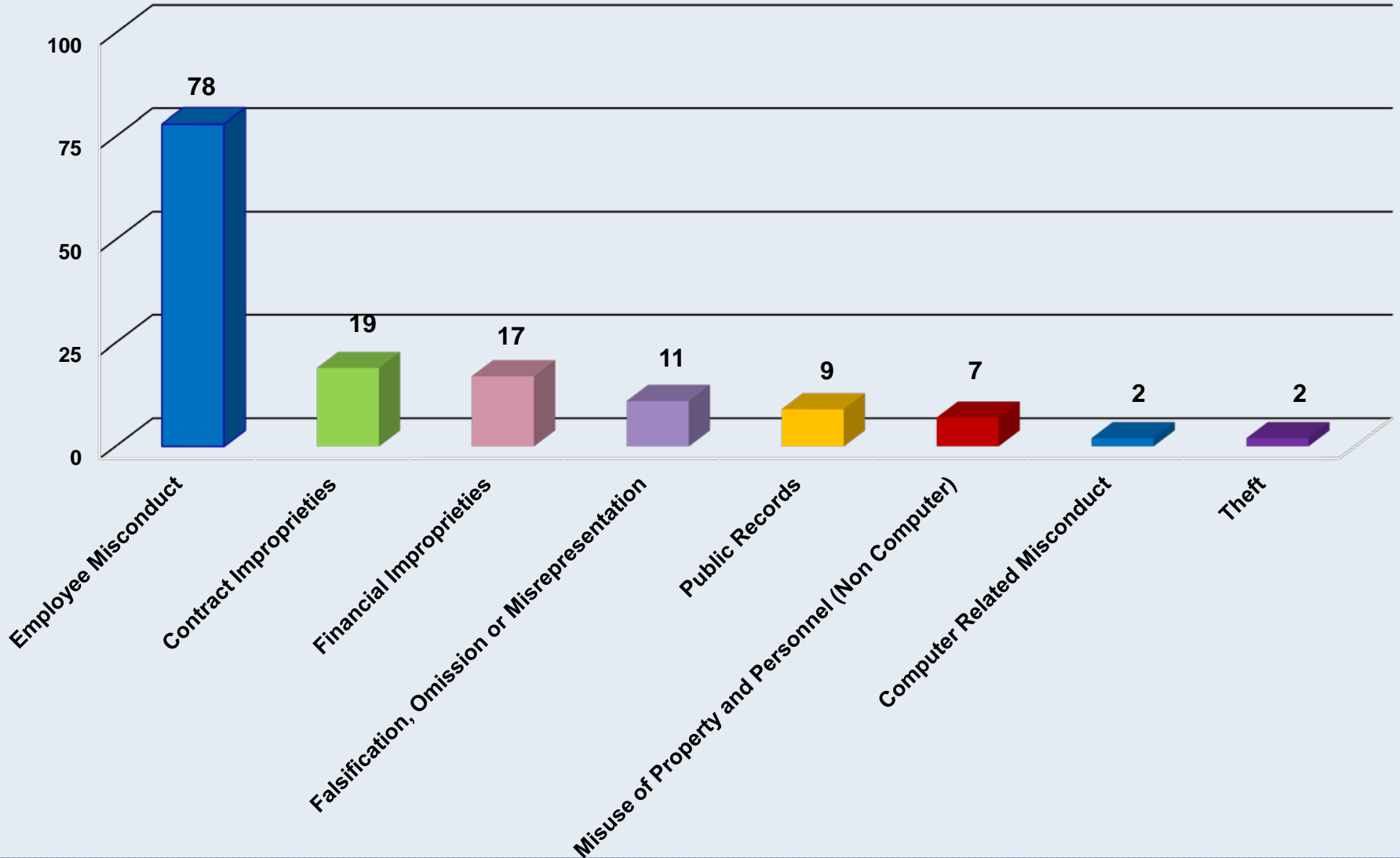
MUNICIPALITIES- TOP SEVEN

July 1, 2011- December 31, 2011



TOP 8 ALLEGATIONS

July 1, 2011- December 31, 2011



Housing and Community Development

2010-0001

Criminal Referral to the SAO, Public Integrity Unit

Employee Arrested

- 1 Count – Scheme to Defraud.
- 1 Count – Mortgage Fraud.

Conviction is Pending

\$212,800.00

FINDINGS:

- Employee obtained financial assistance she was not entitled to by submitting a falsified application to HCD.

CORRECTIVE ACTIONS:

- Take corrective personnel action – Employee resigned.
- Seek recoupment for costs associated with ineligible loans received – Currently being reviewed by County.

Office of Small Business Assistance

2010-0010

- **Line-Tec contracts were reviewed by the County, at which time the County identified awards in which Line-Tec utilized SBE credits.**

\$63,395.70

- **Line-Tec was later suspended as a County vendor for 2 years and de-certified in all areas of procurement.**

FINDINGS:

- **A SBE provided misleading and/or falsified documentation in order to attain SBE certification.**
- **OSBA failed to adequately address concerns related to the certification/re-certification of a SBE.**

CORRECTIVE ACTIONS:

- **Consider de-certification and debarment/suspension of Line-Tec.**
- **Assess current contract awards where utilization of Line-Tec's SBE credits affected the outcome of the selection.**
- **Review Prime Contractor's representative's involvement and take corrective action as warranted.**
- **Review SBE Ordinance, previously recommended.**

Community Services and Development

2011-0004

It was alleged that employees of the Palm Beach County Head Start program were not properly credentialed.

FINDINGS:

- Employees were properly credentialed as required by the State of Florida and Palm Beach County.

CORRECTIVE ACTION:

- No Corrective Action warranted.

Risk Management

2011-0009

- Employee entered into a repayment plan with the County.

Identified Costs:

\$2,031.71

Recovered Costs

to date:

\$1,580.56

- The Declaration of Domestic Partners form was updated in coordination with the Clerk of Court.

FINDINGS:

- An employee falsified County health insurance coverage documents in order to obtain health insurance coverage for individuals who were not eligible.
- Two other employees were cleared of the same allegation.

CORRECTIVE ACTIONS:

- Take corrective personnel action. – Employee was suspended for 6 days.
- Seek recoupment costs associated with ineligible claims made by the Employee.
- Update Declaration of Domestic Partnership form to include elements outlined in County Ordinance.

Facilities Development and Operations

2011-0010 WB

➤ It was alleged that an employee of the Fleet Maintenance Division handled an on-call emergency over the phone, even though he was not physically in the area.

➤ It was alleged that employees of the Fleet Maintenance Division failed to make the proper notifications after being involved in a vehicular accident.

FINDINGS:

- Although on-call policies dictate that an employee must be “in the area,” there were no specifications what constitutes “in the area.”
- Although daily vehicle operator’s checks are required per policy, there were no requirements to document such checks.

CORRECTIVE ACTIONS:

- Develop written procedures to outline roles or duties of on-call personnel and include specifications as to what constitutes “in the area.”
- Develop procedure to document vehicle inspections by the operator and supervisor.

Housing and Community Development

2011-0001

Criminal Referral to SAO, Public Integrity Unit

*5 Persons Arrested
5 Individual & 1 Company
Emergency Suspension of OFR
Licenses*

- 5 Counts – Grand Theft.
- 1 Counts – Scheme to Defraud.
- 1 Count – Florida Money Laundering Act.

*Convictions and Suspensions are
Pending*

\$16,640.00

FINDING:

- In at least 11 out of 20 applications submitted to the County by REACH, Guardian fraudulently obtained excess funds for REACH by advising and/or alluding to the buyer that the sale would not finalize without a “donation” to REACH.

CORRECTIVE ACTION:

- Take immediate corrective action to review all pending applications submitted by REACH and/or Guardian.

Loxahatchee Groves

2011-0013

The Town Manager requested the OIG's assistance in a review of issues affecting the Town that involved a breach of computer security & possible improper storage payments.

FINDINGS:

- The Town had no computer security policies, which would prevent terminated employees from accessing the Town's databases.
- No improper storage payments were found to have been made by the Town.

CORRECTIVE ACTION:

- Create and implement computer security policies, which include, but are not limited to a policy that addresses immediate termination of access to the Town's computer systems and/or databases upon the conclusion of a staff member's employment.

PUBLIC OUTREACH

July 1, 2011 – December 31, 2011

- Number of public speeches/training - **22**
 - Attendees - **885**

- Media Contacts - **58**
 - News Print - **49**
 - Television – **8**
 - Radio - **1**

ADDITIONAL RESPONSIBILITIES

EFFECTIVE JANUARY 1, 2012

HEALTH CARE DISTRICT (HCD)

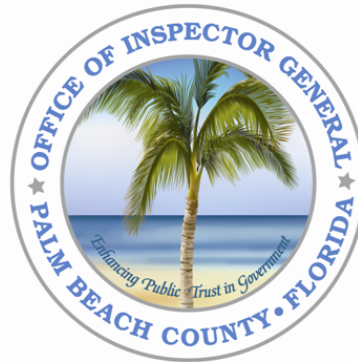
HCD's Budget: \$443,114,887

CHILDREN SERVICES COUNCIL (CSC)

CSC Budget: \$114,169,229

PLANS & OBJECTIVES

OFFICE OF INSPECTOR GENERAL *PALM BEACH COUNTY, FLORIDA*



STRATEGIC PLAN

Fiscal Years 2012 – 2016

January 31, 2012

PLANS & OBJECTIVES

- Conducted strategic planning session with OIG management team – November 2011.
- Developed 4 Program Goals with Strategies and Activities assigned.
- Issued OIG Strategic Plan January 2012.
(Available on our website)

PERFORMANCE GOALS

Goal 1: Conduct independent audits, reviews and investigations that detect, deter and prevent fraud, waste, mismanagement, misconduct, and other abuses; that increase efficiency and effectiveness; and strengthen internal controls in County and municipal government.

Goal 2: Maintain a high quality, effective and objective organization.

Goal 3: Provide OIG staff with the support and direction necessary to achieve the OIG mission.

Goal 4: Inform and educate all affected persons and entities as to the role, benefit and value of the OIG.

STRATEGIES FOR PROGRAM GOAL 1

- Continuously assess risk in order to concentrate OIG resources and efforts on issues that have the greatest impact and usefulness to the stakeholders with emphasis on safeguarding public resources, strengthening contract processes and improving internal controls.
- Conduct audits, inspections and other contract oversight activities and reviews in order to evaluate program results, identify indicators of fraud, waste, and abuse; review internal controls; provide technical assistance; identify systemic weaknesses; and make recommendations for improvement in programs and operations.
- Establish an effective system for encouraging the reporting of fraud, waste and abuse.
- Conduct objective investigations and reviews that result in timely, factual, and accurate reports that contain pertinent information, which identifies misconduct and/or internal control deficiencies, and make recommendations that will prevent or mitigate employee wrongdoing and the risk of future losses.

PERFORMANCE MEASURES

GOAL 1

- Return on investment into the OIG as determined by recoveries, questioned costs and cost avoidance.
- Number of audits, investigations, reports, contract reviews issued.
- Number of recommendations made compared to number implemented.
- Number of corrective actions recommended compared to number taken.
- Percentage of audits, investigations, reports, contract reviews completed within a specified time frame.

STRATEGIES FOR PROGRAM GOAL 2

- Hire, develop, and retain highly qualified, diverse workforce with the knowledge, skills and abilities to meet current and emerging mission requirements.
- Support the integrity of the OIG operations by maintaining an effective quality assurance system that adheres to established standards.
- Foster an environment of open communication, respect for ideas, and understanding of the value of each individual's contribution to promote employee satisfaction and motivation.

PERFORMANCE MEASURES

GOAL 2

- Assessment of employee annual performance review.
- Results of peer reviews and accreditation status.
- OIG staff survey.

STRATEGIES FOR PROGRAM GOAL 3

- Maintain the OIG ethical standards and core values.
- Ensure the availability of adequate budget and resources to accomplish the OIG mission.
- Provide timely, state of the art information technology support.

PERFORMANCE MEASURES

GOAL 3

- Percentage of staff completing annual ethics training.
- Number of supplemental budget requests made during the year.
- Percentage of time network and/or OIG systems were unavailable.

STRATEGIES FOR PROGRAM GOAL 4

- Enhance the communication and access to and from the OIG by continuously making improvements to website.
- Conduct proactive initiatives to detect, deter and prevent fraud, waste and abuse.
- Develop public relations capacity to facilitate accomplishment of OIG mission.
- Communicate to citizens the value and accomplishments of the OIG.

PERFORMANCE MEASURES

GOAL 4

- Increase in the number of visits to OIG website.
- Number of presentations and trainings provided.
- Increase in number of contacts/interactions with citizen groups.
- Increase in citizens' understanding of OIG's value.

PREVENTION & REFORM MEASURES

- **HOW DO WE MEASURE A POSITIVE CULTURE SHIFT?**
- **HOW CAN OUR STAKEHOLDERS CHAMPION OIG RESULTS?**

PLANS & OBJECTIVES

- Held “Stakeholders/Champions” meeting with the business community regarding measuring Ethics Reform and Prevention and link to the Six Pillars – December 2011.
- Developing an Implementation Plan.
- Follow-up meeting for assigning activities to the “Champions” and OIG.

STAKEHOLDER'S/CHAMPIONS

DISCUSSION POINTS

- Focus on OIG's impact on ethics reform rather than dollars recovered.
- An overarching strategy should be to involve the public in the process.
- Promote value added by OIG to businesses, citizens, government, vendors, and academia.
- Track and report Best Practices.
- Project and report impact of OIG on economy, community, government, vendors, etc.

STRATEGIC ACCOMPLISHMENT



Office of Inspector General Palm Beach County

Sheryl G. Steckler
Inspector General

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Mission Statement

"ENHANCING PUBLIC TRUST IN GOVERNMENT"

OIG Dashboard --- 6/28/2010 - 12/31/2011

[Questioned](#) , [Identified](#) and [Recovered](#) Costs: **\$2,622,523**

Total Phone [Calls](#) Received: **1,872**

Total [Correspondences](#) Initiated: **535** [Details](#)

This Dashboard is a snapshot of some OIG workload and results indicators. Included are questioned, identified and recovered costs, total number of calls received, and total correspondences received and details by entity type.

What's New

Hot job

- [Inspector General Committee Meeting February 9, 2012 at 9:30 a.m.](#)
- [2-6-12 Lake Worth-Lake Worth Community Development Corporation Lease-Management Review](#)
- [2-3-12 Boynton Beach-Invitation to Bid Regional Lift Station](#)
- [1-31-12 OIG Strategic Plan Fiscal Years 2012 - 2016](#)
- [1-24-12 IG Advisory-Government Official Compensation](#)
- [1-20-12 South Bay-Employment Agreement-Limited Review](#)
- [1-18-12 Wellington-Wellington Patriot Memorial Project-Contract Oversight](#)

IMMEDIATE, ON-GOING & UPCOMING ACTIVITIES

- Inspector General Information Management System (IGIMS).
- February 23, 2012 – Florida Association for Law Enforcement Accreditation.
- Continue to hire qualified staff.
- Continue to be responsive to those we serve within our budgetary constraints.

OIG OUTREACH (In Progress)

- Each entity under OIG jurisdiction has linked to Inspector General website.
- Presentations on “Introduction to the Inspector General” to the County’s leadership program.
- Created posters and pamphlets outlining the role of the OIG for employee break rooms and other common meeting areas.

OIG OUTREACH (In Progress)

- Filming a presentation that can be utilized for all entities under OIG jurisdiction to include: New County Employee On-Board.
- Quarterly presentation to current County Employees.

QUESTIONS???

Visit our website at:

<http://www.pbcgov.com/OIG>

THANK YOU

Sheryl G. Steckler,
Inspector General