



2022 ANNUAL REPORT

October 1, 2021 - September 30, 2022

Insight

Promoting efficiency
and effectiveness

Oversight

Holding government
accountable

Foresight

Preventing fraud,
waste, and abuse

“Enhancing Public Trust in Government”

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Citizens of Palm Beach County:



It is my pleasure to present our Office of Inspector General (OIG) Fiscal Year 2022 (FY2022) Annual Report, covering the activities of the OIG for the period of October 1, 2021 through September 30, 2022. This report summarizes our major efforts to promote integrity, efficiency, and effectiveness in government over the past year.

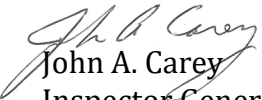
This report summarizes the full scope of work and other activities engaged in by the OIG during FY2022. With the persistence of the Coronavirus pandemic, much of our efforts went to reviews of County programs dispersing federal Coronavirus aid funding and investigating pandemic-related complaints.

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

- **Guarding taxpayers' dollars:** We discovered **\$3,287,050** in questioned costs and **over \$434,875** in potential cost savings to taxpayers or in future avoidable costs.
- **Promoting integrity in government:** We referred **274 matters** to law enforcement, or to the County or State Commissions on Ethics.
- **Preventing fraud, waste, and abuse/Providing oversight:** We monitored contract activities involving **millions of taxpayers' dollars**.
- **Making government better:** We made **41 recommendations** to government management to facilitate compliance with regulations, or to be more efficient or effective.

I want to thank the OIG staff for their commitment and professionalism in serving the citizens of Palm Beach County. This report reflects their great work. Additionally, I want to thank the Inspector General Committee for its continued encouragement and insight. Another factor in our success has been the support from leaders in the County and municipal governments, the Solid Waste Authority, and the Children's Services Council. Finally, you, the citizens of Palm Beach County, continue to be bedrock supporters of our office and mission. I am honored to serve as your inspector general.

Sincerely,


John A. Carey
Inspector General

Ultimately, an IG is a truth seeker, a finder of facts who measures those facts against standards. We're here to make government better.

FY2022 ACCOMPLISHMENTS BY THE NUMBERS

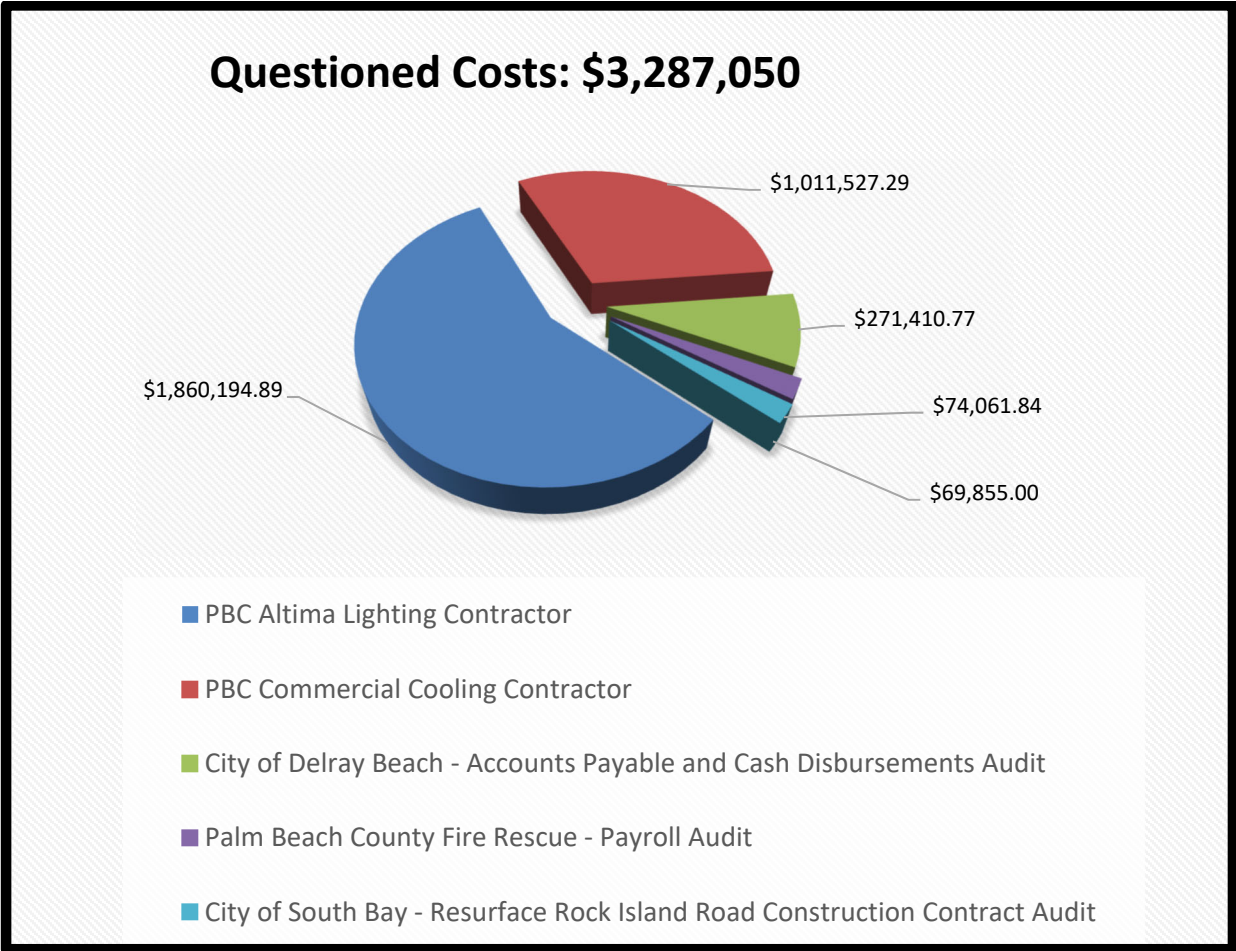


The American Inspector General concept is our contribution to democracy in creating a unique and independent government entity as a check and balance over other government entities.

FY2022 FINANCIAL DISCOVERY BREAKDOWN

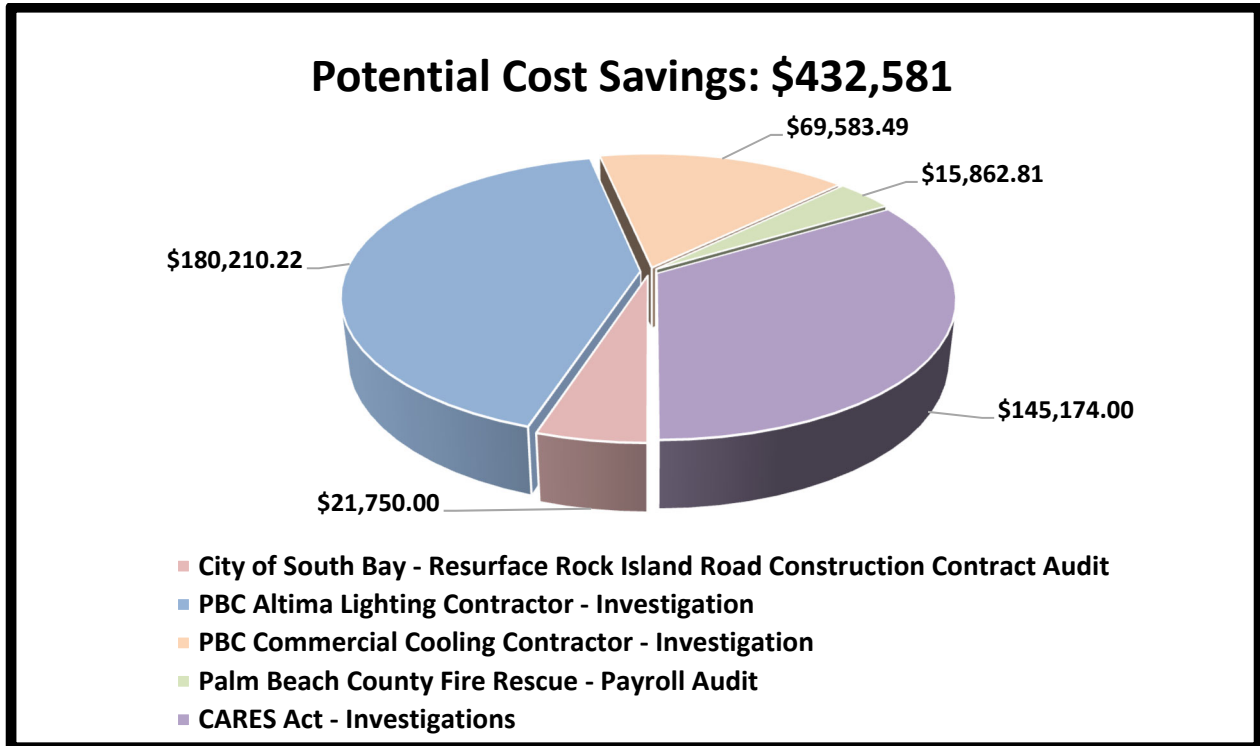
Guarding Taxpayers' Dollars

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



Potential Cost Savings Include:

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



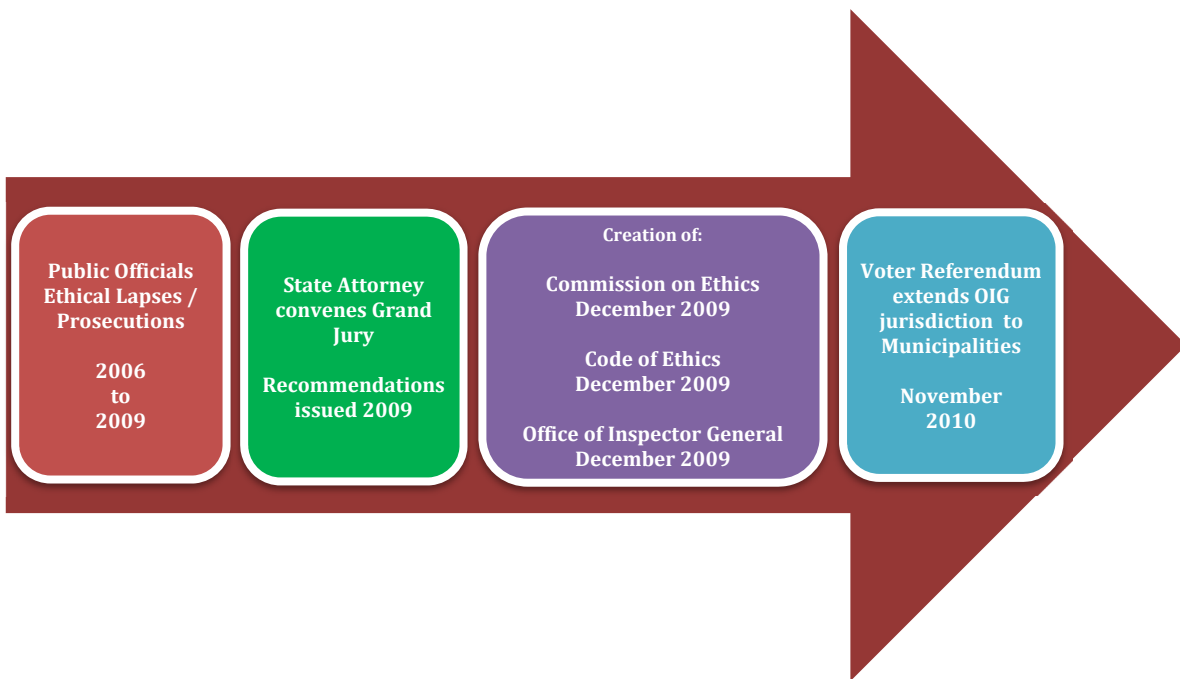
Detail of Potential Cost Savings:

Entity	Identified Costs	Avoidable Costs	Total
City of South Bay - Resurface Rock Island Road Construction Contract Audit	\$0	\$21,750	\$21,750
PBC Altima Lighting Contractor - Investigation	\$180,210	\$0	\$180,210
PBC Commercial Cooling Contractor - Investigation	\$69,583	\$0	\$69,583
Palm Beach County Fire Rescue - Payroll Audit	\$15,863	\$0	\$15,863
CARES Act - Investigations	\$145,174	\$0	\$145,174
Totals	\$410,831	\$21,750	\$432,581

HISTORY

Between 2006 and 2009, a series of federal public corruption prosecutions of elected officials from the Palm Beach County Board of County Commissioners and the West Palm Beach City Commission led the State Attorney to convene a state grand jury. In early 2009, the grand jury issued its report, which included recommendations to create a County Code of Ethics, Commission on Ethics, and OIG. In response to that report, the County began a comprehensive effort to develop an ethics initiative aimed at promoting public trust in government and establishing a more transparent operating model for its citizens. In December 2009, the County Commissioners adopted an ordinance that established the OIG to oversee County government. In November 2010, 72% of the voters approved a countywide referendum to amend the County Charter and permanently establish the OIG. A majority of voters in each of the 38 municipalities within the County that existed at the time approved an expansion of OIG jurisdiction to cover all municipalities within the county.

Palm Beach County Ethics Movement



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

MISSION, VISION, AND VALUES

Mission Statement (Why we exist and What we do)

Our purpose (why we exist) is to provide independent and objective insight, oversight, and foresight in promoting integrity, efficiency, and overall effectiveness in government.

Our promise (what we do) is to accomplish our purpose through audits, investigations, contract oversight, and outreach activities.

Vision Statement (Where we are going)

To promote positive change throughout local governments and public organizations in Palm Beach County with an inspired and skilled team that strives for continuous improvement.

Values (What we believe and How we behave)

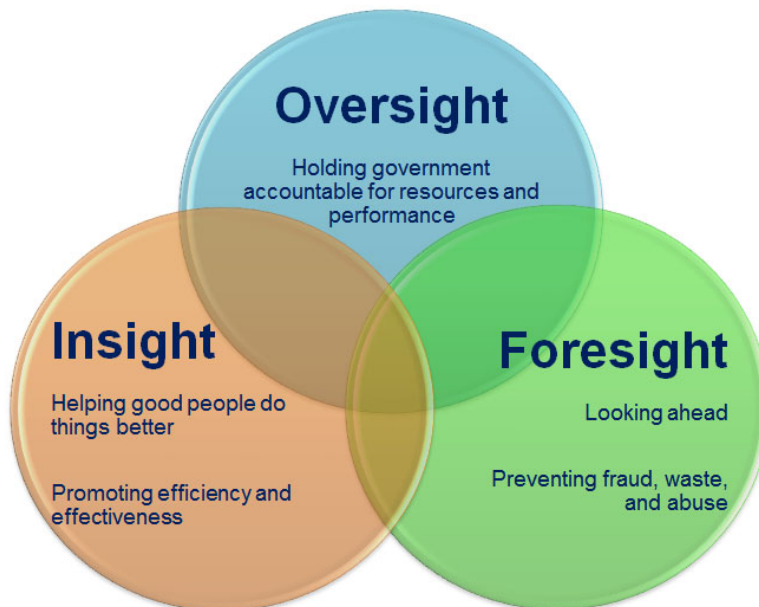
Professionalism – We take pride in our purpose, profession, products, results, and conduct.

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

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

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

Excellence – We strive for excellence in everything we do.



Our Motto

“Enhancing Public Trust in Government”

AUTHORITIES AND RESPONSIBILITIES

The purpose, duties, and responsibilities of the OIG are specified in the IG Ordinance (Article XII, Section 2-422 and 2-423, Palm Beach County Code). The IG Ordinance is available on our website at: [http://www.pbcgov.com/OIG/docs/ordinances/4 C ORD 2011-009 0517.pdf](http://www.pbcgov.com/OIG/docs/ordinances/4_C_ORD_2011-009_0517.pdf). Some of the functions, authority, powers, and mandated requirements include:

The Office of Inspector General Jurisdiction

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



The Office of Inspector General Authorities

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

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

¹ Excluding County Constitutional Officers, Judiciary, and Independent Special Districts unless contracted for services with the OIG.

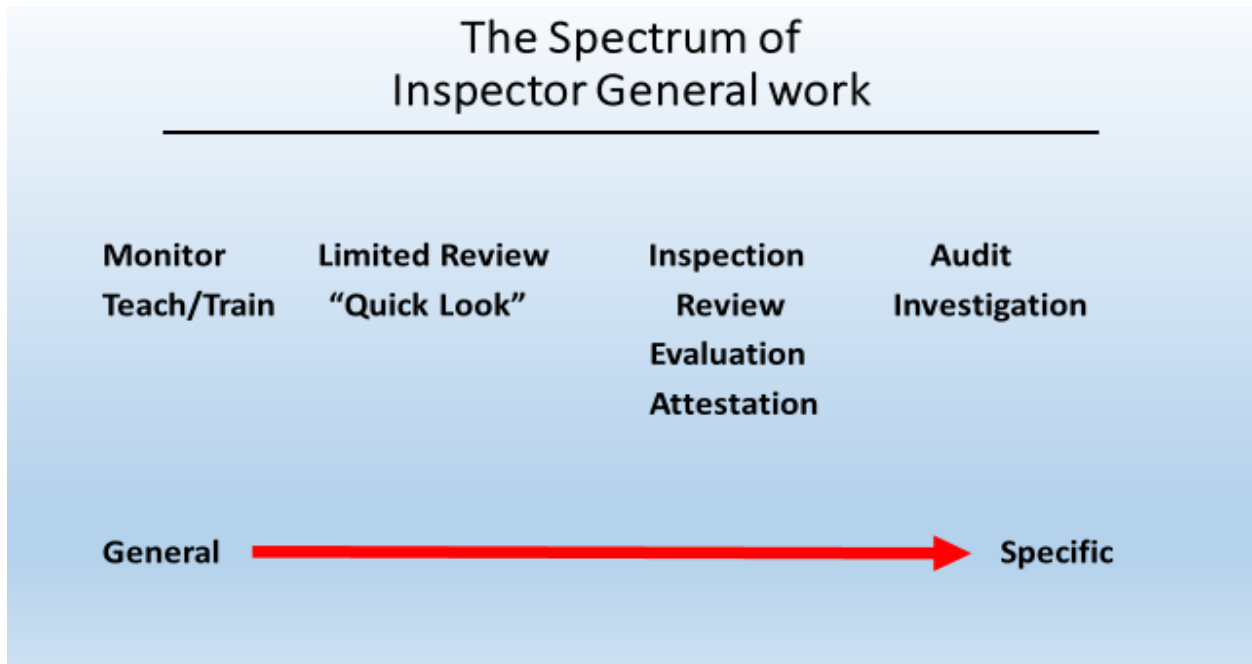
The OIG can require the production of documents and receive full and unrestricted access to records. The OIG has the power to subpoena witnesses and administer oaths. Additionally, the OIG is “an appropriate local official” for whistleblower reporting and protection. People may also submit anonymous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

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

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

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

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



STANDARDS, ACCREDITATION, AND STAFF QUALIFICATIONS

Peer Reviews by the Association of Inspectors General



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

Commission for Florida Law Enforcement Accreditation

The Commission for Florida Law Enforcement Accreditation (CFA) is the designated accrediting body for law enforcement and OIGs within the State of Florida. Not every State law enforcement agency nor OIG obtains or maintains this high standard of accreditation. The OIG received its initial accreditation from the CFA in 2012, and was re-accredited in 2015 and 2018, and most recently in February 2021. **CFA Assessors noted the OIG was 100% in compliance with standards set by CFA.**



Inspector General Staff Qualifications

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

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

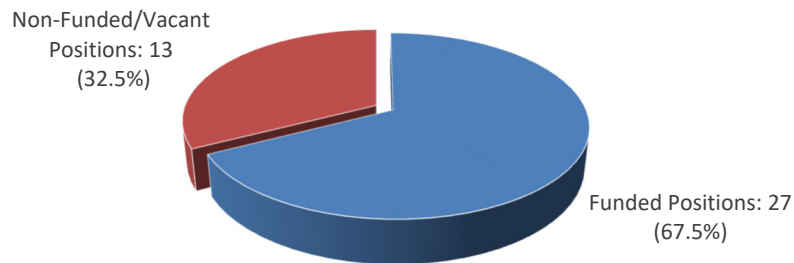
- Accounting
- Auditing
- Forensic Accounting
- Public Administration
- Business Administration
- Financial Analysis
- Grant Administration
- Investigations
- Law
- Law Enforcement
- Inspections
- Information Technology

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

STRUCTURE AND STAFFING OF THE OFFICE OF INSPECTOR GENERAL

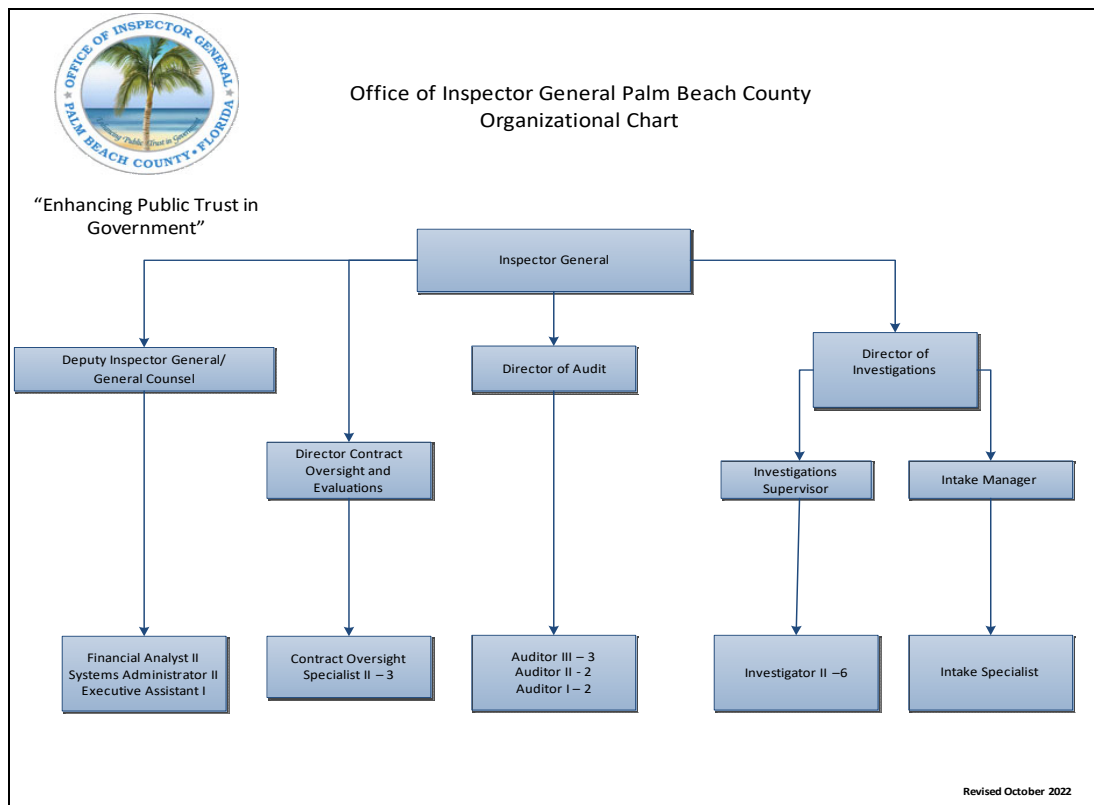
The Inspector General Structure

OIG Personnel Complement 40 Originally Approved Positions



Due to a lawsuit initiated by some of the municipalities within Palm Beach County regarding OIG funding and subsequent County Commission decisions, the OIG has never been fully funded. The OIG is currently funded at 27 (67.5%) of the originally 40 approved positions.

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



YOUR INSPECTOR GENERAL

John Carey became Inspector General on June 23, 2014. He has more than 46 years of government service in the areas of intelligence, operations, law enforcement, and Inspector General oversight. He is a retired Marine colonel. Mr. Carey served as the Director of Intelligence for a Joint Task Force in Operation ENDURING FREEDOM/IRAQI FREEDOM.



For the last 22 years, Mr. Carey has served in the Inspector General field. He was the Deputy IG of the Marine Corps; the Deputy IG for Director of National Intelligence; and finally, the Inspector General for the Defense Intelligence Agency before coming to Palm Beach County. Mr. Carey is on the national Executive Board of the Association of Inspectors General and the Chair of its Professional Certification Board. He is a Certified Inspector General, Certified Inspector General Auditor, and Certified Inspector General Inspector/Evaluator.

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

OUR GENERAL COUNSEL AND DEPUTY IG

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



Ms. Dillard currently serves as Vice President of the Forum Club of the Palm Beaches and Co-Chair of the PBC Bar Association's Professionalism Committee. Ms. Dillard is an alumni of Leadership PBC and Leadership Florida Cornerstone- Class 39.

Ms. Dillard is a past president of the F. Malcolm Cunningham, Sr. Bar Association; West Palm Beach (FL) Chapter of The Links, Incorporated; YWCA of PBC; and Virgil Hawkins-Florida Chapter National Bar Association. Additionally, she is a past Chair of The Florida Bar's Law Related Education, Education Law, Professional Ethics, and Grievance (15th Judicial Circuit-Division A) Committees. She was recognized by Florida Trend Magazine as a Legal Elite and received the PBC Chamber Athena Award and the PBC Women' Chamber Giraffe Award.

\$ OFFICE OF INSPECTOR GENERAL FY2022 BUDGET \$

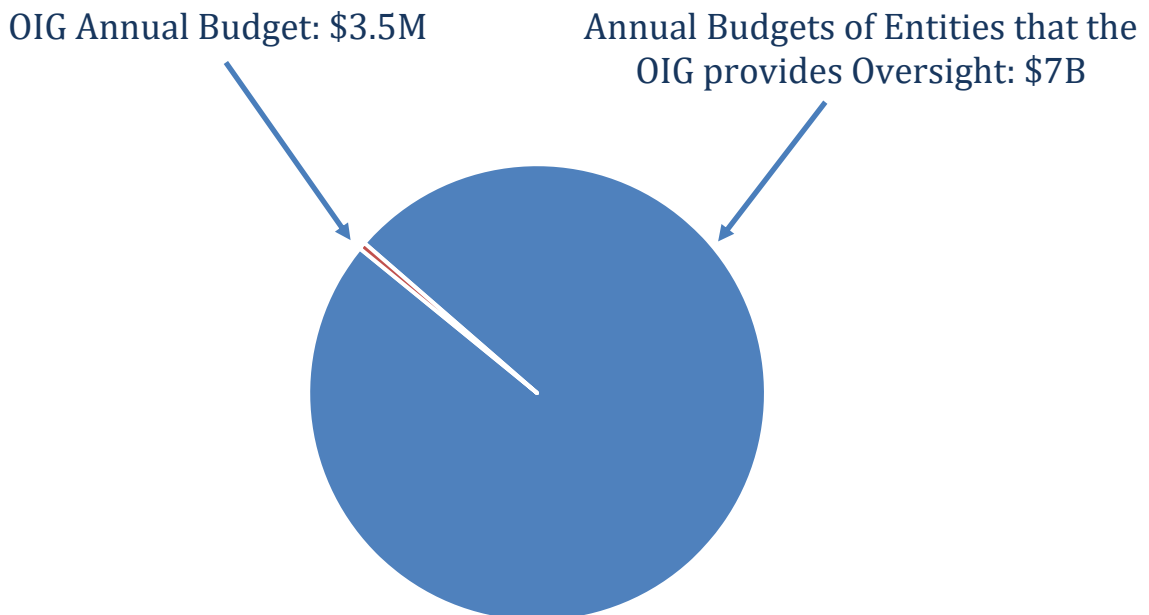
The OIG strives to use taxpayer dollars frugally. In FY2022, the OIG expended \$2.96 million (85%) of its approved \$3.5 million budget. **The financial resources dedicated to the OIG are .04% of the estimated \$7 billion in the annual budgets of the government entities of which the OIG provides independent oversight.**

At a cost of **\$2.96 million** with **27** funded positions, OIG oversight responsibilities include:

- PBC, Municipalities, SWA, and CSC with total annual budgets of approximately **\$7B**
- PBC, Municipalities, SWA, and CSC employees numbering approximately **14,500** people (excluding part-time, seasonal, and contract employees)
- PBC, Municipalities, SWA, and CSC auditable units identified: **1,062**
- Oversight of **billions of dollars** of contracting activities

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

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



\$3.5M = Approx. \$2.30 per Citizen or =

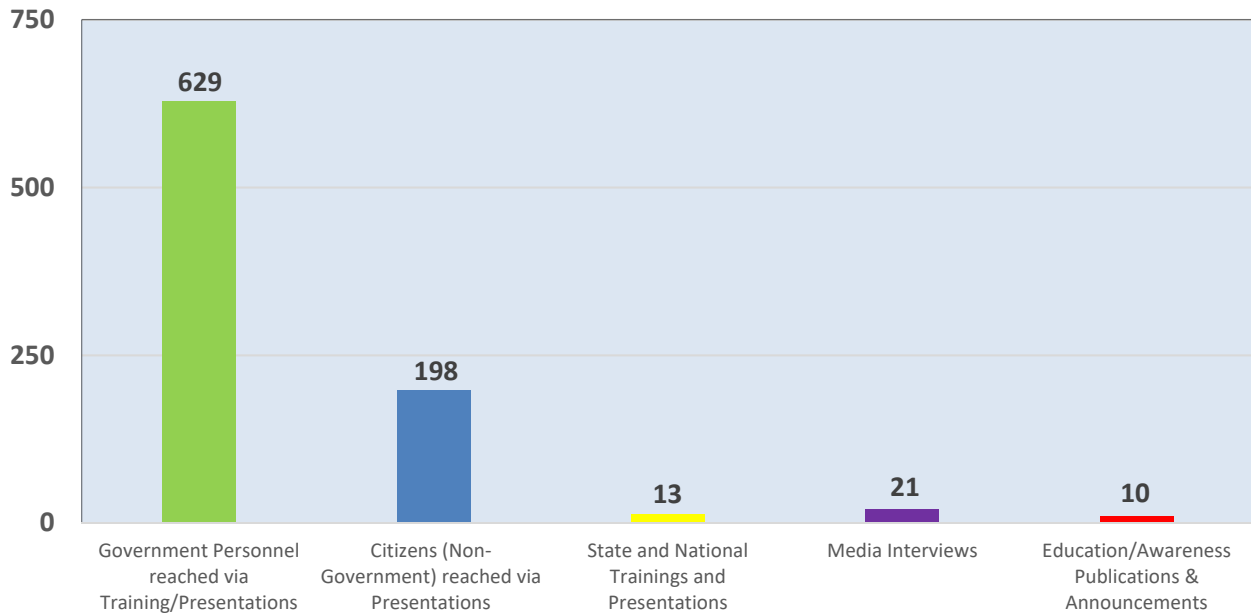


OUTREACH, EDUCATION, AND PREVENTION

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

TRAINING AND OUTREACH

An ounce of outreach is worth a pound of enforcement.



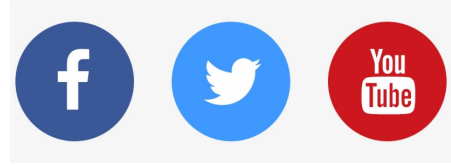
Outreach/Coordination in Palm Beach County

Promoting integrity, accountability, and transparency in government is a “team sport” that goes beyond the bounds of the OIG. Accordingly, the IG attends and participates in several local forums, including the PBC Internal Auditor/Inspector General Forum and the South Florida Inspectors General Council. Other local key partners in promoting integrity in government include the PBC IG Committee, the PBC Commission on Ethics, the PBC Ethics Coalition, and Florida Atlantic University’s LeRoy Collins Public Ethics Academy.

During the year, the IG has provided presentations to community businesses and service organizations, and in academic classes and forums on such topics as ethics in government and the role of inspectors general. Our Director of Audit serves on the Board of Directors as a Vice President for the PBC Chapter of the Institute of Internal Auditors and our Investigations Supervisor is the Vice President for the PBC Chapter of the Association of Certified Fraud Examiners.

Social Media

Citizens can follow us on Facebook, Twitter, YouTube, or through our website, and can subscribe to receive emailed notices of OIG reports and other items of interest.



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

Click links and check us out!

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

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

Visit our website at: <http://www.pbcgov.com/OIG/>

Outreach/Impact Beyond Palm Beach County



The OIG does not stop at the borders of Palm Beach County in promoting integrity, effectiveness, and efficiency in government. Of particular note, the IG is on the executive board of the national Association of Inspectors General. The Association is a non-profit organization that promotes excellence in the inspector general community by establishing

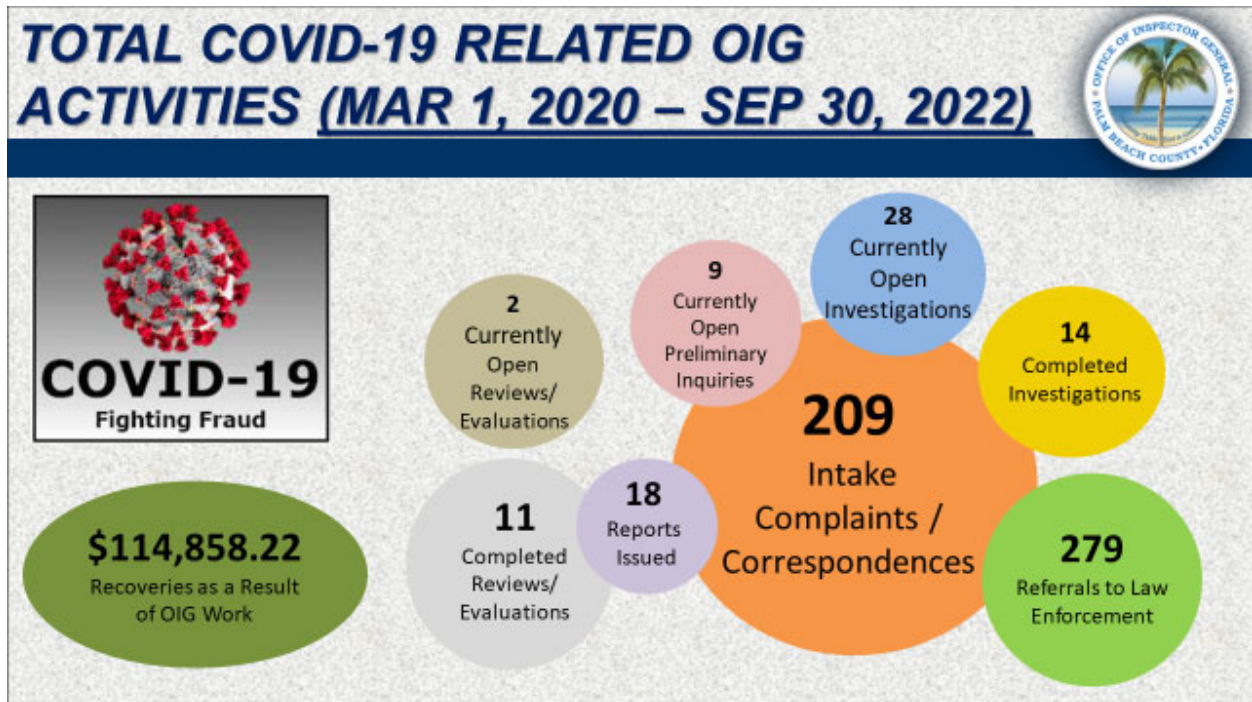


and encouraging adherence to quality standards, sponsoring professional development, and certifying individuals in IG-specific disciplines.

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

OIG ADDRESSING THE CORONAVIRUS PANDEMIC

With the persistence of the Coronavirus (COVID-19) pandemic, significant efforts continued to be devoted to reviews of County programs dispersing federal Coronavirus aid funding and investigating pandemic-related complaints. The County received \$750 million in federal and state Coronavirus aid and relief funding. It continues to expend these funds in a broad spectrum of relief activities and programs to fill gaps and meet the needs of the community during this emergency. We have continued to work with the County in providing independent oversight and accountability in disbursing these funds.



INVESTIGATIONS DIVISION

The Investigations Division investigates allegations of fraud, waste, abuse, mismanagement, and misconduct. It manages the OIG Intake program, including email and telephone complaints, and social media.

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



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

LEADERSHIP TEAM

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



Section B – Activities



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

Christopher Dyckman is the Investigations Supervisor. He is responsible for supervising OIG Investigators; managing investigations; and ensuring the OIG adheres to established statewide professional standards. Mr. Dyckman joined the OIG in April 2016, and has over 27 years of experience conducting inspections and investigations for federal, state, and local government agencies. Prior to joining the OIG, he spent seven years as a Financial Investigator for the North Carolina Secretary of State, and previously served as a Special Agent with both the U.S. Department of Justice and the U.S. Department of Homeland Security.

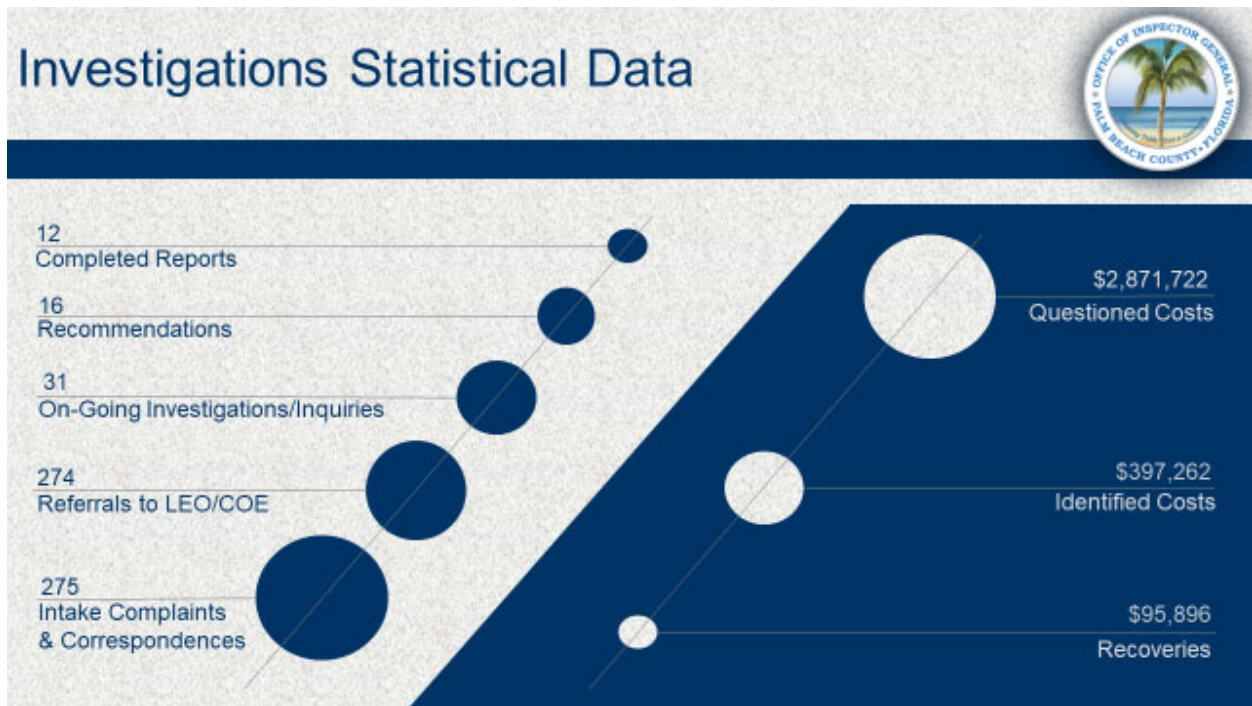


Mr. Dyckman holds a Bachelor's degree in Criminal Justice from the University of Scranton. He is a Certified Fraud Examiner and a Certified Inspector General Investigator. Mr. Dyckman is also a founding member and the current Vice President of the Palm Beach County Chapter of the Association of Certified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



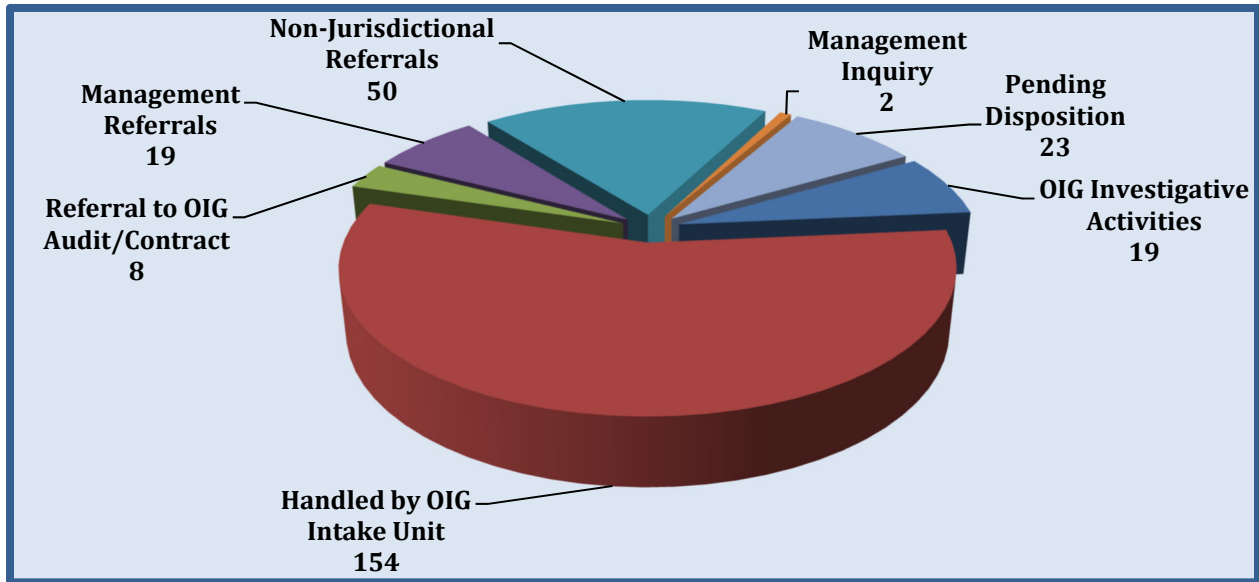
INVESTIGATIONS HIGHLIGHTS

During FY2022, the Investigations Division issued **twelve** reports. When allegations were substantiated, we referred these matters to county, municipal, and/or contracted entities for appropriate administrative or disciplinary actions. Additionally, we referred **274** investigative matters to the Federal Bureau of Investigation, the State Attorney’s Office, the Palm Beach County Sheriff’s Office, municipal police departments, the Internal Revenue Service Criminal Investigations, and the County and State Commissions on Ethics. These reports and management responses can be found at <http://www.pbcgov.com/oig/archreports.htm>. A brief summary of the recommendations is also contained in Section D Appendix 2 of this report.



INTAKE ACTIVITIES

The OIG received **416** “Intake Activities” during FY2022. Intake Activities include letters, emails, phone calls, and/or walk-ins that covered a wide variety of areas including comments, suggestions, questions, and complaints. Of the 416 Intake Activities, **275** prompted OIG actions. These actions are depicted below:

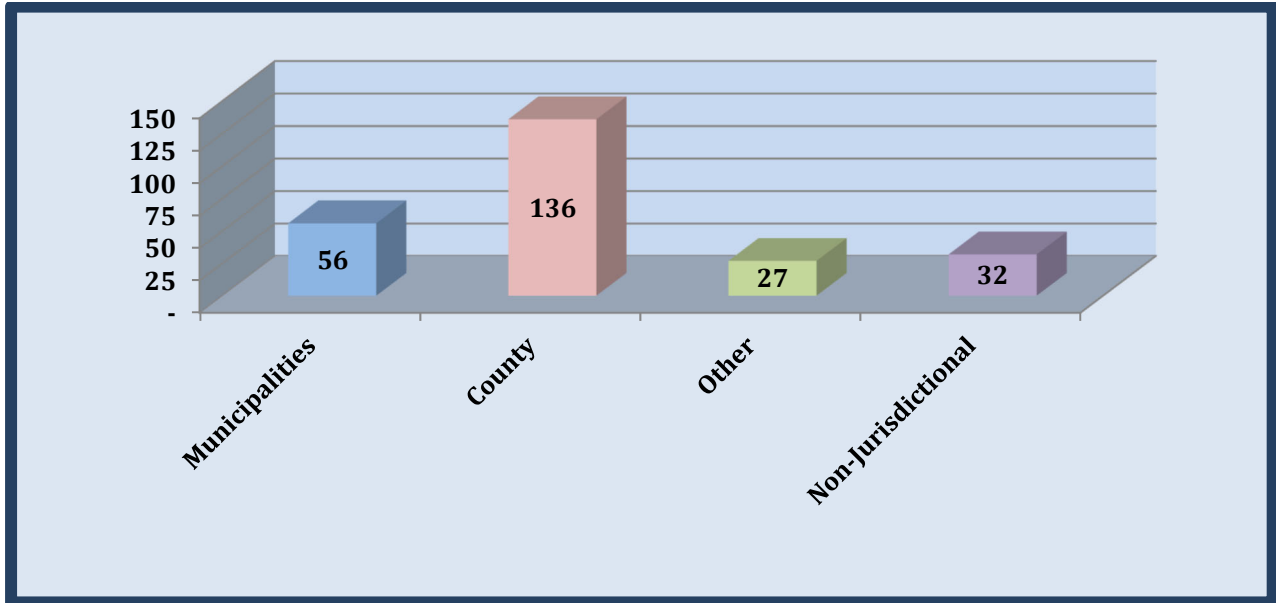


- **Handled (Addressed) by OIG Intake Division (154 or 56%):** Correspondences that are handled by the OIG, Information Only, and/or Closed with No Action.
- **Management Referrals (19 or 7%):** Correspondences forwarded to respective management for handling. No response to the OIG is required.
- **Non-Jurisdictional Referrals (50 or 18%):** Correspondences that do not fall within the jurisdiction of the OIG.²
- **OIG Investigative Activities (19 or 7%):** Correspondences that are assigned to the Investigations Division.
- **Referral to OIG Audit or Contract Oversight (8 or 3%):** Correspondences forwarded to OIG Audit and/or Contract Oversight Divisions for further review.
- **Management Inquiries (2 or 1%):** Correspondences forwarded to respective management for handling. A response to the OIG is required.
- **Pending Disposition (23 or 8%):** Correspondences that have not yet received a disposition.

² During FY2020, the OIG received a total of 46 Correspondences related to entities not within the jurisdiction of the OIG. These are forwarded to entities with jurisdiction for addressing the issues.

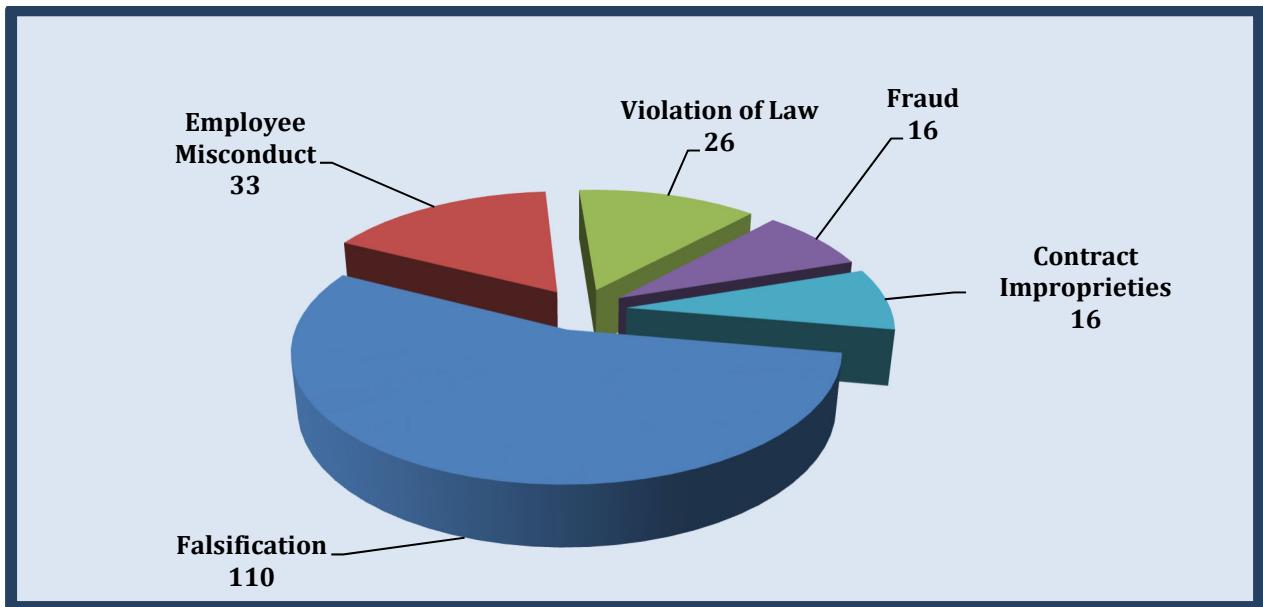
ALLEGATIONS BY ENTITY

Of the 275 OIG actions, a total of 251 allegations of potential wrongdoing were made. These allegations were related to the following entities³:



ALLEGATION TYPES

The top five categories of allegations is depicted below:



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

INVESTIGATIVE ACTIVITIES IN DETAIL

PBC vendors improperly overbilling the County by inflating materials costs.

Thanks to whistleblowers, two separate instances where County vendors were improperly overbilling the County by inflating materials costs was brought to light. We found these two County vendors had been creating inflated invoices to overbill the County for years. The total questioned costs due to the vendors' violation of the contract terms were \$2,871,722.18. We found \$249,793.71 in identified costs that could be potentially recouped by the County. These two cases were referred to law enforcement.

1. Altima Lighting, Inc. Over-bills the County over over \$180,000

From June 2014 through April 7, 2020, PBC paid Altima Lighting, Inc., a County electrical services vendor, \$2,101,481.76 for materials. County contracts required that Altima's materials reimbursements "supply *original* manufacturer's/supplier's cost documentation" for the "cost of the actual items."



Altima represented to the County that Lighting Kingdom, Inc. was the original manufacturer/supplier from whom Altima purchased parts, but Lighting Kingdom was not. Lighting Kingdom appears to have been a company owned and operated solely as an artificially inserted intermediary used to inflate materials costs.

We found that:

- The majority of Altima's supplier invoices lacked required specificity to allow any determination of proper billing. The County did not retain other Altima billing records. Therefore we found \$1,860,194.89 to be a Questioned Cost.
- Altima's misrepresentation that it purchased parts from Lighting Kingdom resulted in mark ups of an average of 107.20% over the costs charged by the true manufacturers/suppliers.
- These deceptions resulted in an identified cost of \$180,210.22.
- Because Altima did not submit the required original manufacturer's/supplier documentation and because not all records were retained, the amount overbilled from 2014 through 2020 could have been as much as \$1,087,253.11.

The General Manager of Altima and Vice President of Lighting Kingdom, acknowledged that Altima marked-up parts obtained through Lighting Kingdom. Altima and Lighting Kingdom are no longer County vendors operated by the subjects of this matter.

2. Commercial Cooling Concepts, Inc. Over-bills the County over \$69,000

Our investigation revealed that from July 2013 through March 2019, Commercial Cooling Concepts Inc., a County air conditioning repair services vendor, overbilled the County by inflating materials costs. County contracts required that Commercial Cooling’s materials reimbursements “supply *original* manufacturer’s/supplier’s cost documentation” for the “cost of the actual items.” Commercial Cooling used a shell company supplier named HVAC O.E.M. solely as a conduit to overbill the County.



- The majority of Commercial Cooling’s \$1,081,110 in supplier invoices lacked required specificity to allow any determination of proper billing. We found \$1,011,527.29 of those invoices to be Questioned Costs.
- Commercial Cooling’s invoices falsely listing HVAC O.E.M. as the original manufacturer/supplier resulted in Identified Costs of \$69,583.49 that have the potential of recoupment by the County.

The President of Commercial Cooling and HVAC O.E.M., admitted that HVAC O.E.M. never sold anything to Commercial Cooling.

On September 30, 2022, the County’s contracts with Commercial Cooling were terminated and the company was suspended for two years from bidding on or being awarded a new County contract as a prime or subcontractor.

CARES Act Restart Business Grants Investigations

The OIG conducted seven (7) Investigations where individuals failed to disclose required information, provided inaccurate information on CARES Act Restart Business Grants applications, or misused funds. We found **\$131,478.22** in identified costs that could be potentially recouped by the County. To date, the County has recouped \$50,300 from offenders and has repayment schedules set up with two more offenders for \$23,196.22. Law enforcement organizations are conducting criminal investigations for several of these matters.

1. Applicant Fails to Disclose Required Information and Improperly Receives CARES Restart Business Grant

H and G Ventures of the Palm Beaches, LLC submitted two Restart Business Grant applications containing false statements and obtained \$32,982 in improper grant funding from a PBC program funded by the CARES Act.



We found that:

- Matthew Goodrich filed a Restart Grant application on behalf of H and G Ventures in June 2020, and Yamila Garcia-Diaz filed a second Restart Grant application on behalf of H and G Ventures in September 2020. If H and G Ventures had disclosed its initial County grant on its second application, as required, its second application would not have been accepted, and it would not have received an additional \$25,000.
- Prior to H and G Ventures applying for either of its Restart Grants, the U.S. Small Business Administration approved H and G Ventures for a Paycheck Protection Program (PPP) forgivable loan. If H and G Ventures had disclosed on its initial County application that it had previously received PPP funding, the County would have reduced its grant funding by \$7,982, the amount of the PPP loan.

We also made three recommendations that will assist the County in ensuring effective and efficient operation of grant programs.

2. Applicant Fails to Disclose Required Information and Improperly Receives CARES Act Restart Business Grant

By cross-checking Small Business Administration (SBA) PPP recipients with County CARES for Business Restart Business Grant recipients, we found red flags of potential fraud resulting in a number of investigations.

One of these investigations revealed that Aviram Amir submitted an application for a \$25,000 County Restart Grant on behalf of DNA Real Estate LLC after the SBA had approved DNA for a PPP forgivable loan for \$27,125.



We found that Mr. Amir made false statements in DNA's Restart Grant application, which resulted in improper grant funding from a County program funded by the CARES Act.

We also made a recommendation which the County has concurred with, to pursue reimbursement of the inappropriately issued \$25,000 in funding. Mr. Amir reimbursed that amount to the County.

3. Applicant Provides Inaccurate Information on CARES Act County Grant Program Application

Tina's Tires, LLC submitted a Restart Business Grant application containing false statements, and obtained \$15,000 in improper grant funding from a County program funded by the CARES Act.



We found that Tina White filed a Restart Grant application on behalf of Tina's Tires in November 2020. Prior to Tina's Tires applying for its Restart Grant, the U.S. SBA approved Tina's Tires for a PPP forgivable loan. If Ms. White had disclosed on Tina's Tires Restart Grant application that it had previously received PPP funding, the County would have reduced its grant funding by \$23,505, more than the amount of the PPP loan, and thereby denied the Restart Grant.

Ms. White reimbursed \$15,000 to the County, as per our recommendation.

4. Applicant Provided False Statements on CARES Act Restart Business Grant Application

We conducted an Investigation of False Statements on a CARES Act Business Grant application by Eclipse Wellness Center, Inc. of Palm Springs, Florida.



We found that:

- When Eclipse submitted a second Restart Grant application, it did not disclose Eclipse's prior Restart Grant, as required, resulting in the County awarding Eclipse a second Restart Grant of \$10,300, for which it was not eligible. The inappropriate grant resulted in Identified Costs of \$10,300.
- The owners of Eclipse Wellness Center reimbursed the County the full \$10,300 in identified costs.

5. Applicant Provided False Statement and Inappropriate Expenditures on CARES Act Restart Business Grant Application

Marie Belony submitted applications on behalf of Belony Home Investors, LLC; Integrity Tax Services, LLC; and Marie Love Belony d/b/a Integrity Cleaning Services.



We found that:

- Integrity Tax’s Restart Grant funds were not deposited into Integrity Tax’s bank account, and we found no evidence that those funds were used for eligible expenses related to Integrity Tax. Integrity Tax’s inappropriate expenditures resulted in Identified Costs of \$10,902.00.
- Belony Home Investors’ Restart Grant funds were also used to pay property taxes, which was not an expense authorized under the Restart Grant program’s guidelines. This improper expenditure resulted in Identified Costs of \$2,231.72.

Integrity Cleaning was approved for a \$2,602.00 SBA PPP forgivable loan. Integrity Cleaning received that funding on May 28, 2020. Ms. Belony submitted Integrity Cleaning’s final Restart Grant application on June 8, 2020, and did not report the PPP funding as required.

We found that:

The County awarded Integrity Cleaning a Restart Grant of \$62.50 for which it was not eligible. The inappropriate grant resulted in Identified Costs of \$62.50.

We made one recommendation; that the County seek reimbursement of \$13,196.22 in issued funds. Ms. Belony set up a schedule with the County to repay those funds.

6. Recipient of CARES Act Restart Business Grant Funding Inappropriately Uses Funds

In July of 2020, Patrick W. Glover received \$25,000 in federally funded, PBC distributed CARES Act Restart Business Grant funds for his hair salon. Mr. Glover’s salon building was temporarily closed due to the Pandemic in March of 2020, and the business did not return to operations after its building was reopened in May of 2020.



We found that Mr. Glover spent the grant monies in a variety of ways that did not support the applicant business and which had no apparent relation to the applicant business.

We made one recommendation; that the County seek reimbursement of \$25,000 in issued funds. The County is pursuing recoupment of those funds.

7. Applicant Provides False Statement in CARES Act Restart Grant Application and Inappropriate Expenditures

In May of 2020, Biggy Productions, LLC received a \$10,000 federally funded PPP forgivable loan. In June of 2020, Biggy Productions applied for and received a \$19,368 CARES Act Restart Business Grant.

We found that Biggy Productions did not, as required, disclose the \$10,000 in received PPP funding on the Restart Grant application. If it had, the Restart Grant would have been reduced by \$10,000.

We made one recommendation; that the County seek reimbursement of \$10,000 in issued funds. The County concurred and has set up a re-payment plan with Biggy Productions.

CARES Act Rental Assistance Investigations

The OIG conducted three (3) investigations where individuals provided false representations on CARES Act Rental Assistance applications. We found \$15,990 in identified costs that could be potentially recouped by the County. The County is currently attempting to recoup the identified costs from the offenders. These cases were referred to law enforcement.

1. Applicant Provides False Statements on CARES Act Rental Assistance Applications

We investigated False Representations on CARES Act Rental Assistance Applications by two Delray Beach residents, and a third man posing as their landlord.

We found that:

- The first applicant submitted falsified documents to Palm Beach County in support of three rental assistance applications.
- A second applicant, in conjunction with the first applicant, falsely listed a person as the landlord on a rental assistance who did not own or have authority to lease or manage to support that application.



As a result of the second applicant, the County paid false landlord \$4,200, which we found to be an identified cost. The County is pursuing recoupment of that amount.

2. Applicant and Fake Landlord Provided False Statements CARES Act Rental Assistance Applications

During our investigation of False Representations on CARES Act Rental Assistance Applications by two Lake Worth Beach residents found that:

- A pandemic Rental Assistance Program applicant submitted falsified documents to PBC in support of two rental assistance applications, and
- That an additional individual, falsely posing as the applicant's landlord, submitted falsified documents to the County and received \$2,350 in inappropriate payments.



3. Applicant Provides False Representations on CARES Act Rental Assistance Applications

In November 2020, a Boynton Beach, Florida resident received \$9,440 in federally funded rental assistance from PBC. Thereafter, the same applicant attempted to be paid for three more applications for an additional \$23,000. The information the applicant submitted with her County applications regarding her loss of employment was riddled with inconsistent and false information. The individuals who were purported representatives of the applicant's employer refused to provide reliable and verifiable information about the company, its location, or management. The applicant's rental assistance supporting documentation, including her employment verifications, paystubs, and lease applications, contained conflicting addresses, conflicting compensation information, and at times listed her employer in a non-existent city.



We found that the applicant submitted fabricated documents to the County in support of multiple rental assistance applications in an attempt to obtain inappropriate rental assistance from the County.

We made one recommendation that the County seek reimbursement of \$9,440 in issued funds. The County concurred and will pursue recoupment of those funds.

AUDIT DIVISION

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

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

LEADERSHIP



Hillary Bojan joined the OIG in September 2017 as an Auditor III. In June 2019, she became our Acting Audit Manager and in 2020 was promoted to Director of Audit. She has more than 15 years of local government service in accounting and auditing. Before coming to the OIG, Ms. Bojan served as the Senior Internal Auditor for the Health Care District of Palm Beach County.

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

AUDIT HIGHLIGHTS

During FY2022, we issued **four** reports with total Questioned Costs of **\$415,328** and **\$37,613** in Potential Cost Savings. Collectively, these four reports contain **25** recommendations to strengthen internal controls and improve the efficiency and effectiveness of operations. Management has implemented or is in the process of implementing the majority of our recommendations. The reports and management responses can be found at <http://www.pbcgov.com/oig/archreports.htm>. A brief summary of the recommendations is also contained in Section D Appendix 2 of this report.



Audit of the City of South Bay Resurface Rock Island Road Construction Contract

We conducted an audit of the City of South Bay’s construction contract related to the Resurface Rock Island Road Project agreement with contractor Weekley Asphalt Paving, Inc.



We found that:

- The City did not manage the agreement in accordance with agreement terms and conditions;
- The contractor did not complete the construction project by the agreement required completion date;
- The City did not follow its own written guidance for purchasing and payment processing and the Florida Prompt Payment Act; and
- The City lacked sufficient controls for the payment process and the vendor master file.

As a result of our audit, we identified \$69,855.00 in questioned costs and \$21,750.00 in potential cost savings.

Our report contained recommendations to assist the City in strengthening internal controls and enhancing compliance with the City’s policies, procedures, and regulatory requirements. The City concurred and accepted our recommendations.

Audit of Town of Juno Beach – Revenue



We conducted a revenue audit of the Town of Juno Beach. This audit focused on the revenue process and related cash receipt activities.

We found that the Town had generally adequate controls in place over revenue and related activities. Also, we found no instances of revenue or cash receipts recorded inappropriately or inaccurately, and that overall, the Town made efficient use of revenue through investments.

As a result, we had no findings during the audit; therefore, we made no recommendations.

Audit of the City of Delray Beach – Accounts Payable Expenditures and Cash Disbursements

We conducted an audit of the City of Delray Beach’s accounts payable expenditures and cash disbursements process.



We found the City had generally adequate controls over the accounts payable expenditures and cash disbursements processes.

We found weaknesses with respect to:

- Required approvals for accounts payable expenditures and petty cash reimbursements;
- Purchasing card authorizations limits; and
- Compliance with statutory and policy requirements for the use of Law Enforcement Trust Fund monies.

Our audit identified \$271,410.77 in questioned costs for expenditures that were not properly approved and lacked sufficient or proper documentation.

Our report contained recommendations to assist the City in strengthening internal controls and enhancing compliance with the City’s policies, procedures, and regulatory requirements. The City concurred and accepted our recommendations.

Audit of the Palm Beach County Fire Rescue – Payroll



We conducted an audit of the Palm Beach County Fire Rescue payroll process as a result of an anonymous complaint and referral from Palm Beach County Internal Audit Department. Our audit focused on addressing the complainant’s allegations; determining whether controls were adequate; payroll information was properly secured, accurate, and reliable; and whether payroll operations were in compliance with regulatory requirements, policies, and procedures.

We found:

- One of the four allegations was supported;
- Accrued leave payouts were not always accurately calculated;
- Overtime transactions resulting in employees working more than 48 hours continuously were not always properly approved;
- Leave requests were not always properly approved; and
- User access from the Workforce Telestaff system was not always removed promptly.

Our audit identified **\$74,061.84** in Questioned Costs and **\$15,862.81** in Identified Costs.

Our report contained recommendations to assist the Palm Beach County Fire Rescue in strengthening internal controls and enhancing compliance with requirements. Management concurred and accepted our recommendations.

AUDIT FOLLOW-UP

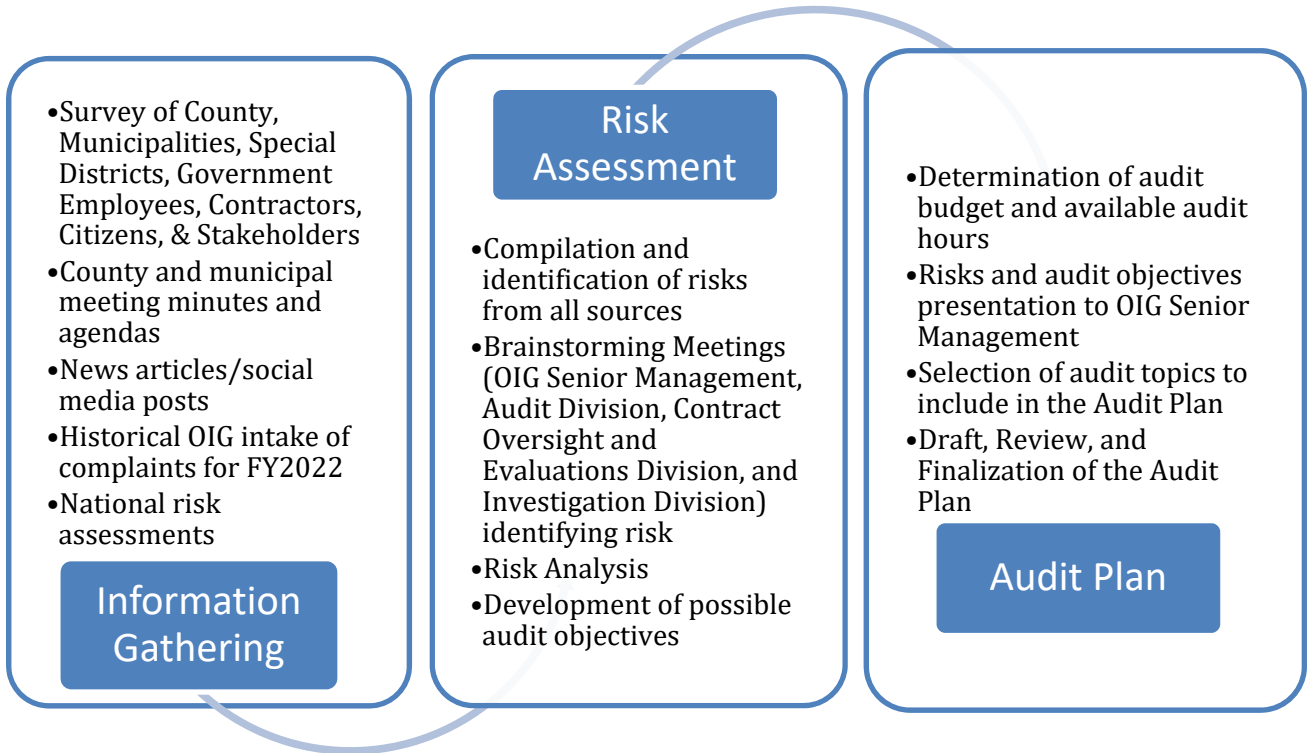
During the year, we continued to perform semi-annual follow-up on the status of pending audit recommendations. Our follow-up process has helped ensure timely corrective action on our recommendations. Since the inception of the OIG, of the 882 audit recommendations made, 823 (93%) have been implemented or are pending implementation.



AUDIT RISK ASSESSMENT AND ANNUAL AUDIT PLAN

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

The risk assessment process was conducted using a combination of several methods of research and information gathering in order to create an overview of the risks for entities within the OIG’s jurisdiction. Additional risks were included drawing upon the professional expertise and experience of the OIG staff. Risks were assessed based on their global area of significance and impact. We created our FY2023 Annual Audit Plan (Section D Appendix 4) using this risk assessment methodology.



CONTRACT OVERSIGHT AND EVALUATIONS DIVISION

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

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

Additionally, the COED conducts evaluations, reviews, or inspections on a wide variety of operational issues and processes for the entities under the jurisdiction of the OIG.

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

LEADERSHIP



Anthony (Tony) Montero became the Director of Contract Oversight & Evaluations in February 2021. He started his career with the OIG in February 2017 as a Contract Oversight Specialist. Mr. Montero has 34 years of public service experience in federal and state governments, higher education, and private business. He served in the US Air Force as a contracting officer for Tactical Air Command, and was deployed to Saudi Arabia during the Gulf War.

Upon his return, Mr. Montero transferred to the Defense Logistics Agency administering aerospace contracts at a Defense Plant Representative Office. After his military service, he was an independent consultant to Navy and Army contractors before accepting a purchasing position with Florida Atlantic University. Mr. Montero was soon promoted to the Assistant Director of Purchasing, overseeing \$100 million in contracts and purchases annually.

Section B – Activities

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

CONTRACT OVERSIGHT AND EVALUATIONS HIGHLIGHTS

During FY 2022, the COED issued **two** reports, answered six complaints, issued two *Tips and Trends*, and conducted one inspection and evaluation review. Collectively, these reports included one recommendation for improvements, which has been accepted by management. The reports and management responses can be found at <http://www.pbcgov.com/oig/archreports.htm>. A brief summary of these recommendations are also contained in Section D Appendix 2 of this report.



City of West Palm Beach – Unsupported Complaint of Delinquent Account Collection Services

Our office conducted a review of the City of West Palm Beach’s bid and award process for the Delinquent Account Collection Services RFP after receiving an anonymous complaint.



The complaint expressed concerns about the cancellation of the initial bid and the differing vendor rankings on the rebid. The complainant was also concerned about the possibility of an improper relationship between the award vendor and the City's Procurement Staff, and that the City Commission's approval of the award.

We found the City complied with its procurement policies and procedures for both the initial RFP and the rebid RFP. We did not identify any improper relationships, nor actions or influences in the bid and award process by the City towards any vendor. The City complied with its procurement policies and the contract award did not require City Commission approval.

The OIG's review resulted in one suggestion for the City to improve its evaluation of a vendor's financial stability.

Palm Beach County Office of Resilience – PACE Program Review

Our office conducted an evaluation of the PBC Office of Resilience's (OOR) Property Assessed Clean Energy (PACE) Ordinance for PBC residential properties from April 4, 2017, through December 31, 2021.

Section 163.08, Florida Statutes authorizes local governments to levy non-ad valorem assessments for qualifying energy improvements to real property. The PBC Board of County Commissioners authorized the PACE program in PBC Ordinance 2017-012. The purpose of the review was to evaluate the overall effectiveness of the PACE program management, and to insure compliance with PBC Ordinance.



Overall, the OOR and the PACE districts and providers were in compliance with the ordinance. We found a few instances of ineligible owners of residential properties receiving PACE funding. We also found weaknesses in OOR's internal controls for policies and procedures.

We made one recommendation for OOR to implement written policies and procedures to strengthen reporting and documenting compliance with the Ordinance.

City of Boca Raton – Landscape Material Installation Review

Our office conducted a review of the Landscape Material Installation Services contract for the City of Boca Raton. The purpose of the review was to conduct inspections of a random sample of landscape materials ordered under the contract and installed between August and December 2021, and compare them to the materials ordered and invoiced by the City.

Section B – Activities



We inspected 11 sites and 363 plants and trees. The quantities, material specifications, and unit prices ordered matched the installed landscaping, and were verified with the vendor invoices.

Based on our review and inspection of the landscaping sites, the materials installed were in compliance with the contract.

OTHER CONTRACT OVERSIGHT, EVALUATIONS ACTIVITIES, & OUTREACH

Procurement personnel working for the entities within OIG jurisdiction have articulated that OIG presence helps to ensure the integrity of selection processes and facilitate more efficient and equitable selections. During FY 2022, we proactively observed 57 procurement/contracting related activities. These activities included selection committee meetings, contract review committee meetings, pre-construction meetings, construction site visits, and meetings with municipal officials.

The meetings attended were as follows:

• County Selection Committees	2
• County Contract Review Committees	13
• County Meetings	20
• Municipal Selection Committees	6
• Municipal Meetings	3
• Other Covered Entities – Selection Committees	2
• Other Covered Entities – Meetings	2
• Inspections	9
TOTAL	57

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

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

The COED serves as a resource for sharing information between municipalities. The COED has shares and provides references to resource materials by organizations such as the National Institute of Governmental Purchasing.

ADDITIONAL AREAS WHERE CONTRACT OVERSIGHT AND EVALUATIONS ACTIVITIES ADD VALUE



The COED engages in an array of oversight activities that promotes an open and competitive business environment and enhances public confidence that contracts are being awarded equitably and economically:

Selection Committees – We provided assistance to two municipalities regarding selection committees. The first municipality was concerned about potential for discussions by the selection committee outside of a public meeting. We recommended training selection committee members prior to releasing the proposals for evaluation.

The second municipality had an improperly disqualified vendor with a proposal that needed to be evaluated after the selection committee met. We advised them to consult with counsel and stressed the importance of complying with the evaluation method described in the RFP to insure fairness, equitability, and transparency with selection committee deliberations.

Solicitations – We provided assistance to a municipality regarding the assignments clause in a contract. We responded to the municipality that it was their decision if the assignment was in their best interests, and that the issue should be brought to their legal counsel. We also stated that they should analyze the risks associated with assignments, and detail a process that staff should follow to vet the assignments.

We provided *Tips and Trends* 2020-0002, Statutory Language Requirements to a city manager after reviewing a sublease agreement for a contract review activity that was missing clauses specified by Florida Statutes. We also provided *Tips and Trends* 2021-0001, E-Verify, to a municipality that was unaware of the requirement for prime contractors to retain certification of subcontractor compliance with the E-Verify law.

After reviewing a municipal RFP for audit services, we discovered that the requirements of Florida Statute 218.391 had not been met because the audit selection committee did not meet to discuss the evaluation criteria. We provided the municipality a copy of *Tips and Trends* 2019-0007, External Auditor Selection Procedures. The audit selection committee was re-convened to review the evaluation criteria before the RFP closed and proposals were received.

Piggyback Contracting – We received several inquiries on the Piggyback Contracting presentation posted to our website. One inquiry was from counsel for a utility systems manufacturer outside Florida that wanted to understand how the process applied to their

local distributors. We outlined the process a public entity might use to piggyback off another entity's contract, and highlighted the importance of following the rules and procedures established by the individual entities. We received inquiries from other Florida county staffs seeking guidance on piggybacking. We discussed several examples of municipal and County rules and procedures about piggybacking, and provided points of contact to discuss specific procedures.

Non-Disclosure Agreements & Vendor Rotations – A municipality inquired about the use of Non-Disclosure Agreements on selection committees. We provided the municipality with guidance from the NIGP Institute for Public Procurement. In a follow up inquiry, we also shared with the municipality some best practices examples of vendor rotation procurement policies used by other local entities.

OUTLOOK AND THE WAY AHEAD

Our OIG Strategic Plan sets out the following goals:

- Promote integrity, accountability, and transparency in government while improving the efficiency and effectiveness of operations.
- Promote sound government procurement practices.
- Expand and improve communications and engagement between the OIG, government officials and employees, and the public.
- Achieve organizational excellence in carrying out the mission of the OIG.



Our vision is to **promote positive change** throughout local governments and public organizations in Palm Beach County with an **inspired** and **skilled team** that strives for **continuous improvement**.

In FY2023 we will:

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



Appendix 1 – FY2022 Tips and Trends

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

OIG Tips and Trends #2022-0001 – Water Related Infrastructure – November 2021



This *Tips and Trends* highlights changes to existing laws for entities within Palm Beach County who are responsible for wastewater and/or stormwater services. Section 403.928, Florida Statutes, was amended to require that the annual water resources assessment due on January 1, 2022, to the Office of Economic and Demographic Research (OEDR) include an analysis of expenditures necessary to repair, replace, and expand water-related infrastructure.

Additionally, new reporting requirements were added that by June 30, 2022, and every five years thereafter, a needs analysis for each water resources jurisdiction must be submitted to the County where the largest portion of its program or system is located, In turn, the County must compile the analyses from the municipalities and special districts, and submit a single document to OEDR and the Secretary Environmental Protection.

We advised that each entity providing wastewater and/or stormwater services review the changes to the Florida Statutes and establish procedures accordingly.

OIG Tips and Trends #2022-0002 – Procurement Protection Practices – July 2022

This *Tips and Trends* provides best practices that help entities minimize exposure to financial and contractual risks. The *Tips and Trends* also offers guidance on the importance of exercising due diligence when determining vendor qualifications, and verifying bonding and insurance requirements. It offers key reminders of Florida statutory requirements found in section 489.131(2) Florida Statutes that must be followed when selecting a contractor for construction, improvements, remodeling, or repair projects.



Tips are provided on what to look for when verifying a construction contractor’s license, and questions to consider when reviewing bid bonds, payment bonds, and performance bonds.

Section 255.05 Florida Statutes requires both performance and payment bonds for certain projects exceeding \$200,000. Lastly, tips are given for risk management's role in the purchasing process, the importance of verifying certificates of insurance document dates and coverage amounts, and checking the effective and termination dates of policies.

We suggested developing policies and procedures and take appropriate actions necessary to provide staff guidance on determining vendor qualifications, and verifying bonding and insurance requirements.

OIG Tips and Trends #2022-0003 – Local Government Cybersecurity Act



This *Tips and Trends* informed local and County government entities of the requirements contained in the newly enacted Local Government Cybersecurity Act and a corresponding law that made certain local government cybersecurity-related information confidential and exempt from public disclosure. We recommended that the County and municipalities review the requirements outlined in the Local Government Cybersecurity Act, sections 282.3185 and 282.3186, F.S., and corresponding update to public records exemptions in section 119.0725, F.S., and establish, or update, policies and procedures accordingly.

The value of our Tips and Trends -



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

Appendix 2 – FY2022 Recommendations

**INVESTIGATIVE REPORTS COMPLETED
(October 1, 2021 – September 30, 2022)**

Date

12/6/2021

H and G Ventures – False Statements on CARES Act Grant Applications

Report Number

2021-0009

Recommendations:

1. Consider pursuing legal remedies to address inappropriate funding related to H and G Ventures based on false declarations in their Restart Grant applications.

Implemented

2. Institute a system to ensure that the cancellation of funding for rejected grant applications is immediately communicated to the County Clerk's Office.

Implemented

3. Institute a system that detects and prompts additional review of multiple grant applications with matching names and/or applicants, when appropriate.

Implemented

Date

2/1/2022

False Information on CARES Act Rental Assistance Applications in Delray Beach

Report Number

2021-0008

Recommendations:

1. The County seek recoupment of \$4,200 in identified costs.

Implemented

Date

2/7/2022

Commercial Cooling: PBC Air Conditioning Services Contractor

Report Number

2019-0007

Recommendations:

1. The County seek recoupment of \$69,583.49 in identified costs.

Section D – Appendices

Pending Implementation

2. The County obtain contractually required invoice information and supporting documentation from vendors prior to approving invoices for payment, and retain that documentation and information.

Implemented

3. The County verify the suppliers for County vendors on cost-based contracts are independent of the County vendor prior to approving invoices for payment or require to provide notice of its affiliation with any of its suppliers.

Implemented

4. The County provide training to employees who review and approve vendor invoices for payment regarding the contractually required invoice information (e.g. part numbers) and supporting documentation (e.g. original supplier invoices) that must be submitted by vendors based on the agreement.

Implemented

5. The County consider modifying its Advantage system to include a link to contract terms, and/or additional detail.

Implemented

Date

3/14/2022

DNA Real Estate LLC – False Statements on CARES Act Grant Application

Report Number

2021-0008

Recommendations:

1. The County seek recoupment of \$25,000 in identified costs.

Implemented

Date

3/30/2022

False Information on CARES Act Lake Worth Beach Rental Assistance Applications

Report Number

2021-0010

Recommendations:

1. The County seek recoupment of \$2,350 in identified costs.

Section D – Appendices

Implemented

Date

5/18/2022 **Eclipse Wellness Center – False Statements on CARES Act Grant Application**

Report Number

2021-0007 **Recommendations:**

1. The County seek recoupment of \$10,300 in identified costs.

Implemented

Date

8/10/2022 **Marie Belony - CARES Act Grant False Statement and Inappropriate Expenditures**

Report Number

2021-0004 **Recommendations:**

1. The County seek recoupment of \$13,196.22 in identified costs.

Implemented

Date

8/31/2022 **Patrick Glover – Inappropriate Use of CARES Act Restart Business Grant Funding**

Report Number

2020-0005 **Recommendations:**

1. The County seek recoupment of \$25,000 in identified costs.

Implemented

Date

9/8/2022 **Biggy Productions –CARES Act Restart Grant False Statement and Inappropriate Expenditures**

Report Number

2021-0006 **Recommendations:**

1. The County seek recoupment of \$10,000 in identified costs.

Implemented

Date

9/19/2022

False Representations on CARES Act Boynton Beach Rental Assistance Applications

Report Number

2021-0010

Recommendations:

1. The County seek recoupment of \$9,440 in identified costs.

Implemented

**AUDIT REPORTS COMPLETED
(October 1, 2021 – September 30, 2022)**

Date

10/5/2021

City of South Bay – Resurface Rock Island Road Construction Contract Audit

Report Number

2022-A-0001

Recommendations:

1. The City follow its Purchasing Policy and Procedures, its Accounting Procedures Manual, and the Florida Prompt Payment Act.

Implemented

2. The City update its Purchasing Policy and Procedures to include a section titled, “Exceptions to the use of Purchase Orders” or delete the reference to such section.

Implemented

3. The City officials responsible for managing construction contracts become familiar with and follow contract terms and conditions.

Implemented

4. The City implement a documented construction contract management process to ensure that the requirements of construction contracts are met and train responsible City officials.

Implemented

5. The City revise the Purchasing Policy and Procedures and Accounting Procedures Manual to include the mitigating controls of the City Manager’s review and approval of all invoice/check request payments

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and the reporting of prior period cash disbursements to the City Commission.

Implemented

6. The City establish a standard numbering convention for assigning vendor numbers and implement routine monitoring, review, and purging of the vendor master file to identify and resolve inactive, unauthorized, and erroneous vendor records.

Implemented

7. The City inactivate the 689 vendors without payment activity for over two (2) years.

Implemented

Date

12/20/2021 Town of Juno Beach Revenue Audit

Report Number

2022-A-0002 Recommendations:

None

Date

3/21/2022 City of Delray Beach Accounts Payable Expenditures and Cash Disbursements Audit

Report Number

2022-A-0003 Recommendations:

1. The City implement a review and oversight process to ensure that the City Commission or City Manager approves anticipated food for resale purchases for the Delray Beach Golf Club, as required by the Purchasing Ordinance.

Pending Implementation

2. The City consider updating the Purchasing Policies and Procedures Manual's purchasing authorization levels to clarify that all acquisitions greater than or equal to \$65,000, including acquisitions exempt from competitive procurement, shall be approved by the City Commission.

Pending Implementation

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3. The City update the Petty Cash Policy reimbursement limit to be consistent with the Purchasing Policies and Procedures Manual.

Implemented

4. The City ensure staff responsible for Petty Cash accounts are aware of the most current reimbursement limit.

Pending Implementation

5. The City implement the Purchasing Card Policy dollar limitations with the purchasing card provider and ensure that increases are documented and, if temporary, promptly reversed after the pre-approved purchases in excess of the dollar limitations are completed.

Pending Implementation

6. The City implement a review and oversight process to ensure cardholders obtain purchase requisitions, orders, and required approvals for purchasing card purchases, as required by the Purchasing Card and Purchasing Manual policies.

Pending Implementation

7. The City comply with section 932.7055, Florida Statutes, and follow the City's Charitable and Benevolent Contributions and Special Event Funding Policy when donating City Law Enforcement Trust Fund monies until the new policy for donations is implemented.

Pending Implementation

8. The City ensure that personnel are aware of the statutory and policy requirements for making donations with City Law Enforcement Trust Fund monies.

Pending Implementation

9. The City require agencies requesting charitable contributions to disclose any business or employment relationships with the City, and research agency disclosures and corporate information prior to approving the agency's application for payment to prevent potential conflicts of interest.

Pending Implementation

Date

7/28/2022

Palm Beach County Fire Rescue Payroll Audit

Report Number

2022-A-0004

Recommendations:

1. Fire Rescue enable the email notification to the Payroll Section when an employee's schedule in Telestaff is changed in the web-based Telestaff to ensure the Payroll Section is aware of any schedule changes that may cause a discrepancy in payroll.

Pending Implementation

2. Fire Rescue consider recouping the \$15,862.81 of accrued sick leave that was overpaid to the employee.

Pending Implementation

3. Fire Rescue implement a review and oversight process to ensure accrued leave payouts to separated employees are calculated in accordance with County Merit Rules for non-bargaining unit employees and the Collective Bargaining Agreements for covered employees.

Pending Implementation

4. Fire Rescue follow their Overtime Policy and preapprove overtime that results in an employee working more than 48 hours continuously.

Pending Implementation

5. Fire Rescue ensure approved overtime, extra pay, and leave requests in the TeleStaff system have restricted access after approval to prevent unauthorized alterations.

Pending Implementation

6. Fire Rescue clarify current Fire Rescue payroll policies to specify the process for modifying approved extra pay, overtime, and leave requests in TeleStaff.

Pending Implementation

7. Fire Rescue implement a review process for TeleStaff leave requests prior to closing payroll each pay period to identify and resolve any unapproved and/or improperly approved leave requests.

Pending Implementation

8. Fire Rescue follow the County's IT Security Policies and revoke user access to IT Systems immediately upon an employee's separation.

Pending Implementation

9. Fire Rescue consider updating the Employee Termination Check-off List for Payroll to include the removal of user access of terminated employees.

Pending Implementation

CONTRACT OVERSIGHT AND EVALUATIONS REPORTS COMPLETED (October 1, 2021 – September 30, 2022)

Date

10/04/2021 West Palm Beach – Finance Department, Delinquent Account Collection Services

Report Number

CA-2021-0026 Recommendations:

None.

Date

09/27/2022 Palm Beach County – Office of Resilience, PACE Program Review

Report Number

CA-2021-0049 Recommendations:

1. The OOR considers implementing policies and procedures to require the Districts and/or providers to document the independent verification of property owner eligibility for PACE funding and require Districts to supplement the quarterly reports with detailed information about complaints, such as the nature, severity, and recurrence of specific issues with contractors.

Pending Implementation

Appendix 3 – Prior Years’ Significant Open Recommendations

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

Due to the persistence of the Coronavirus (COVID-19) pandemic and the many challenges and additional burdens placed upon government agencies, it is understandable that implementing our OIG recommendations has been an added challenge. Consequently, prior years’ significant open recommendations have increased from previous years. We will continue to work with management in monitoring these recommendations.

The following lists these significant recommendations.

Date

9/9/2019 City of West Palm Beach – Travel Audit

Report Number

2019-A-0010 Recommendations:

13. The City provide training to reviewers on the Travel Policy requirements including review and oversight responsibilities and any revisions to the Travel Policy.

Pending Implementation

23. The City develop and implement a process to prevent or identify and resolve duplicate travel records in the travel computer system.

Pending Implementation

Date

12/2/2019 Town of Haverhill – Revenue Audit

Report Number

2020-A-0002 Recommendations:

4. The Town update its general ledger chart of accounts to be in compliance with statutory requirements.

Pending Implementation

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6. The Town record/post revenue transactions in the proper revenue account based on the UAS Chart of Accounts.

Pending Implementation

7. The Town comply with its General Policies and Duties guidance for the reconciliation of bank statements and the review and approval of financial statements and documents.

Pending Implementation

8. The Town revise its General Policies and Duties guidance to ensure that internal controls are properly established to safeguard assets, as required by Florida Statutes.

Pending Implementation

10. The Town collect and remit applicable sales tax to the Florida Department of Revenue.

Pending Implementation

12. The Town provide staff training for the updated written guidance.

Pending Implementation

13. The Town adjust its process to comply with its Building Permit Department Procedures for the refund of permit fees.

Pending Implementation

15. The Town develop and implement written IT policies to ensure consistency of operations that provide guidance, at a minimum, for how to:

- a. Assign and remove user rights and a reasonable time for removal when access is no longer appropriate,
- b. Authorize user access,
- c. Limit system access by requiring unique user IDs and passwords, and
- d. Provide for user change management.

Pending Implementation

Date

2/16/2021 City of Delray Beach Grants Program

Report Number

2019-0004 Recommendations:

1. Prior to disbursing grant funds to an organization, we recommend that the City amend Exhibits A and B of Policy GA-23 to require organizations requesting charitable and benevolent contributions and special event funding from City funds to disclose employees, directors, officers, and volunteers who are current employees of the City of Delray Beach.

Pending Implementation

2. We recommend that the City have its employees acknowledge and sign the City's Conflict of Interest and Disclosure form on an annual basis.

Pending Implementation

Date

3/22/2021 Town of South Palm Beach – Revenue Audit

Report Number

2021-A-0003 Recommendations:

16. The Town routinely reconcile the Permit and Auditor Logs to the general ledger building permit cash receipts/revenue.

Pending Implementation

Date

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

Report Number

2021-A-0007 Recommendations:

2. The City designate an independent approver for the City Manager's purchasing card purchases and update the Purchasing Card Policies and Procedures to reflect the designated reviewer.

Pending Implementation

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Appendix 4 – FY2023 Audit Plan at a Glance

Audit	Objectives
Carryover Audits	
Accounts Payable/Cash Disbursements – City of Boca Raton	<ul style="list-style-type: none"> • Are controls adequate for accounts payable expenditures and cash disbursements? • Are control procedures adequate to ensure that expenditures/cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment? • Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?
Construction Contracts – Village of Tequesta New Community Center Constitution Park	<ul style="list-style-type: none"> • Are controls adequate to effectively manage construction contracts? • Are control procedures adequate to ensure that construction contracts are competitively procured and managed effectively in accordance with construction contract terms and conditions? • Are invoices properly documented and approved to avoid possible fraud, waste, and abuse? • Were agreed upon deliverables received?
Contracts/Agreements – Community Based Agency Contract between Palm Beach County and The Urban League of Palm Beach County, Inc.⁴	<ul style="list-style-type: none"> • Are controls adequate to effectively manage the contract and related activities? • Are invoices properly documented, reviewed, and approved to avoid possible fraud, waste, and abuse? • Was the contract effectively managed? • Were contractual requirements met and agreed upon deliverables received?
Management Request – City of Pahokee Accounts Payable Expenditures/Cash Disbursements	<ul style="list-style-type: none"> • Are controls adequate for accounts payable expenditures and cash disbursements? • Are control procedures adequate to ensure that expenditures/cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment? • Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?
Management Request – City of West Palm Beach Fire Assessment Fee	<ul style="list-style-type: none"> • Are controls adequate for the receipt and disbursement of Fire Service Assessment Fee funds? • Are Fire Service Assessment Fee program expenditures (including inter-departmental transfers) accurate, valid, adequately supported, properly approved, and made in accordance with the established fund purpose and applicable requirements? • Is the Fire Service Assessment Fee program operating as intended?

⁴ Report Issues 11/28/22.

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Audit	Objectives
Carryover Audits	
Complaint – Town of Loxahatchee Groves Gas Tax Revenue Expenditures	<ul style="list-style-type: none"> • Are controls adequate related to the expenditure of gas tax revenues? • Are expenditures of gas tax revenues in compliance with requirements, allocated to appropriate activities, properly documented, and properly reviewed and approved?
Contracts/Agreements – Rental Car Lease and Concession Agreement between Palm Beach County and Enterprise Leasing Company of Florida, LLC	<ul style="list-style-type: none"> • Are controls adequate to effectively manage the agreement and related activities? • Are concession and facility rental fees paid accurate and in compliance with the agreement? • Are gross revenues reported accurate and in compliance with the agreement? • Are contractual requirements met and agreed upon deliverables received?
IT Network Security – City of Atlantis	<ul style="list-style-type: none"> • Are processes in place designed to prevent network security intrusions? • Are processes in place designed to monitor and detect network security threats, breaches, and intrusions? • Are processes in place designed to respond to network security threats, breaches, and intrusions?
IT Network Security – Town of Highland Beach⁵	<ul style="list-style-type: none"> • Are processes in place designed to prevent network security intrusions? • Are processes in place designed to monitor and detect network security threats, breaches, and intrusions? • Are processes in place designed to respond to network security threats, breaches, and intrusions?
IT Application Security – Village of Wellington	<ul style="list-style-type: none"> • Is application user access managed effectively to prevent unauthorized access and maintain sufficient separation of duties? • Are administrative privileges controlled and user access based on roles and job duties? • Are application accounts managed effectively and in compliance with applicable licensing agreements?

⁵ Report Issued 11/21/22.

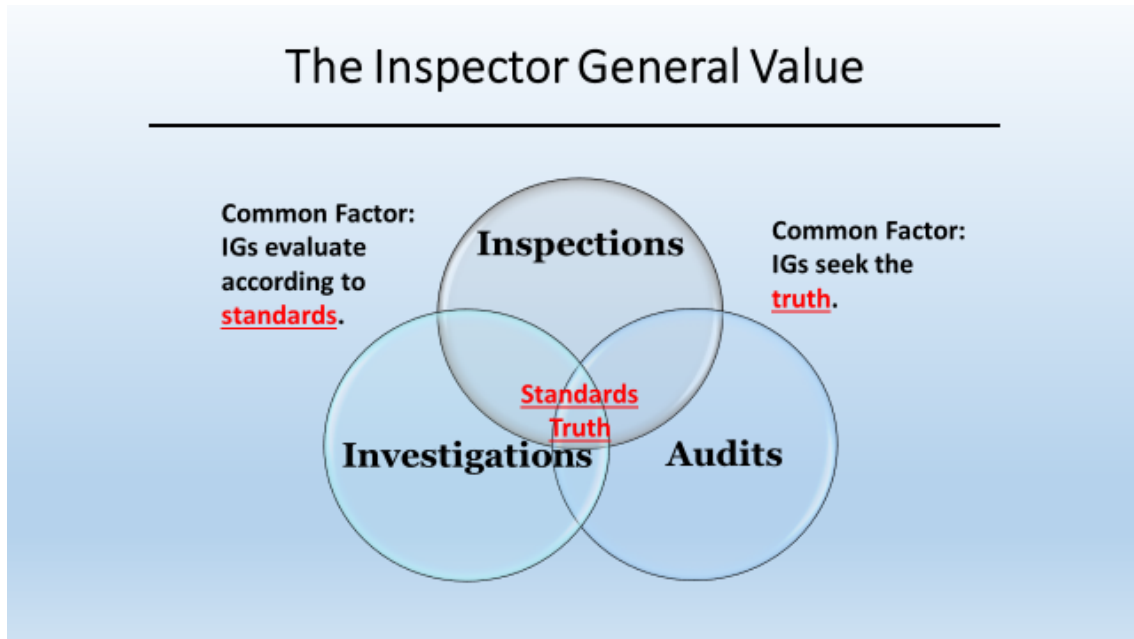
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Audit	Possible Objectives
	Planned Audits
Multiple Entities – Contracts/Agreements	<ul style="list-style-type: none"> • Are controls adequate to effectively manage contracts and related activities? • Are control procedures adequate to ensure that contracts are competitively procured, when required, and for appropriate activities? • Are invoices properly reviewed and approved prior to payment? • Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse? • Are contracts effectively managed? • Were agreed upon deliverables received?
Multiple Entities – Accounts Payable Expenditures/Cash Disbursements	<ul style="list-style-type: none"> • Are controls adequate for accounts payable expenditures and cash disbursements? • Are control procedures adequate to ensure that expenditures/cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment? • Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?
Multiple Entities – Construction Contracts	<ul style="list-style-type: none"> • Are controls adequate to effectively manage construction contracts? • Are control procedures adequate to ensure that construction contracts are competitively procured and managed effectively in accordance with construction contract terms and conditions? • Are invoices properly documented and approved to avoid possible fraud, waste, and abuse? • Were agreed upon deliverables received?
Multiple Entities – Overtime	<ul style="list-style-type: none"> • Are controls adequate for the overtime process? • Is overtime properly budgeted, paid, and reimbursed according to applicable requirements and agreements? • Is overtime properly documented and approved to avoid possible fraud, waste, and abuse? • Are overtime payments in compliance with regulatory requirements, policies, and procedures?
Multiple Entities – IT Network Security	<ul style="list-style-type: none"> • Are processes in place to prevent network security intrusions? • Are processes in place to monitor and detect network security threats, breaches, and intrusions? • Are processes in place to respond to and eliminate network security threats, breaches, and intrusions?

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Audit	Possible Objectives
	Planned Audits
Multiple Entities – IT Application Security	<ul style="list-style-type: none"> Is application user access managed effectively to prevent unauthorized access and maintain sufficient separation of duties? Are administrative privileges controlled and user access based on roles and job duties? Are application accounts managed effectively and in compliance with applicable licensing agreements? Are controls adequate to maintain information availability, integrity, and reliability?

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





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A copy of this report has been made available for public inspection at the Office of the Inspector General, at County and municipal libraries, and is posted on the Office of Inspector General, Palm Beach County website.