



Office of Inspector General Palm Beach County



2023 ANNUAL REPORT

October 1, 2022 to September 30, 2023

Insight

Promoting efficiency
and effectiveness

Oversight

Holding government
accountable

Foresight

Preventing fraud,
waste, and abuse

“Enhancing Public Trust in Government”

TABLE OF CONTENTS

Section A: Overview	1
Fiscal Year 2023 Summary of Accomplishments.....	1
History	5
Mission, Vision, and Values.....	6
Authorities and Responsibilities	7
Standards, Accreditation, and Staff Qualifications	9
Structure and Staffing.....	10
Budget.....	12
Outreach, Education, and Prevention	13
OIG Addressing the Coronavirus Pandemic	16
Section B: Activities	17
Investigations Division.....	17
Audit Division	27
Contract Oversight and Evaluations Division.....	34
Section C: Outlook and the Way Ahead.....	40
Section D: Appendices	41
Appendix 1: Fiscal Year 2023 <i>Tips and Trends</i>	41
Appendix 2: Fiscal Year 2023 Recommendations	43
Appendix 3: Prior Years' Significant Open Recommendations.....	57
Appendix 4: Fiscal Year 2024 Audit Plan	59

Section A – Overview

Citizens of Palm Beach County:

I am proud to present our Office of Inspector General (OIG) Fiscal Year 2023 (FY2023) Annual Report, covering the activities of the OIG for the period of October 1, 2022 through September 30, 2023. This report summarizes our major efforts to promote integrity, efficiency, and effectiveness in government over the past year.



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

- **Guarding taxpayers’ dollars:** We discovered **\$2,035,665** in questioned costs and **over \$249,746** in potential cost savings to taxpayers or in future avoidable costs.
- **Promoting integrity in government:** We referred **53 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 **60 recommendations** to government management to facilitate compliance with regulations, or to be more efficient or effective.

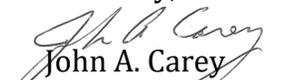
Additionally, we finalized a comprehensive strategic plan covering FY2023-FY2028. The plan includes three key goals:

1. Deliver results that promote integrity, excellence, and accountability in government.
2. Strengthen relationships and build trust with external stakeholders.
3. Maximize organizational effectiveness.

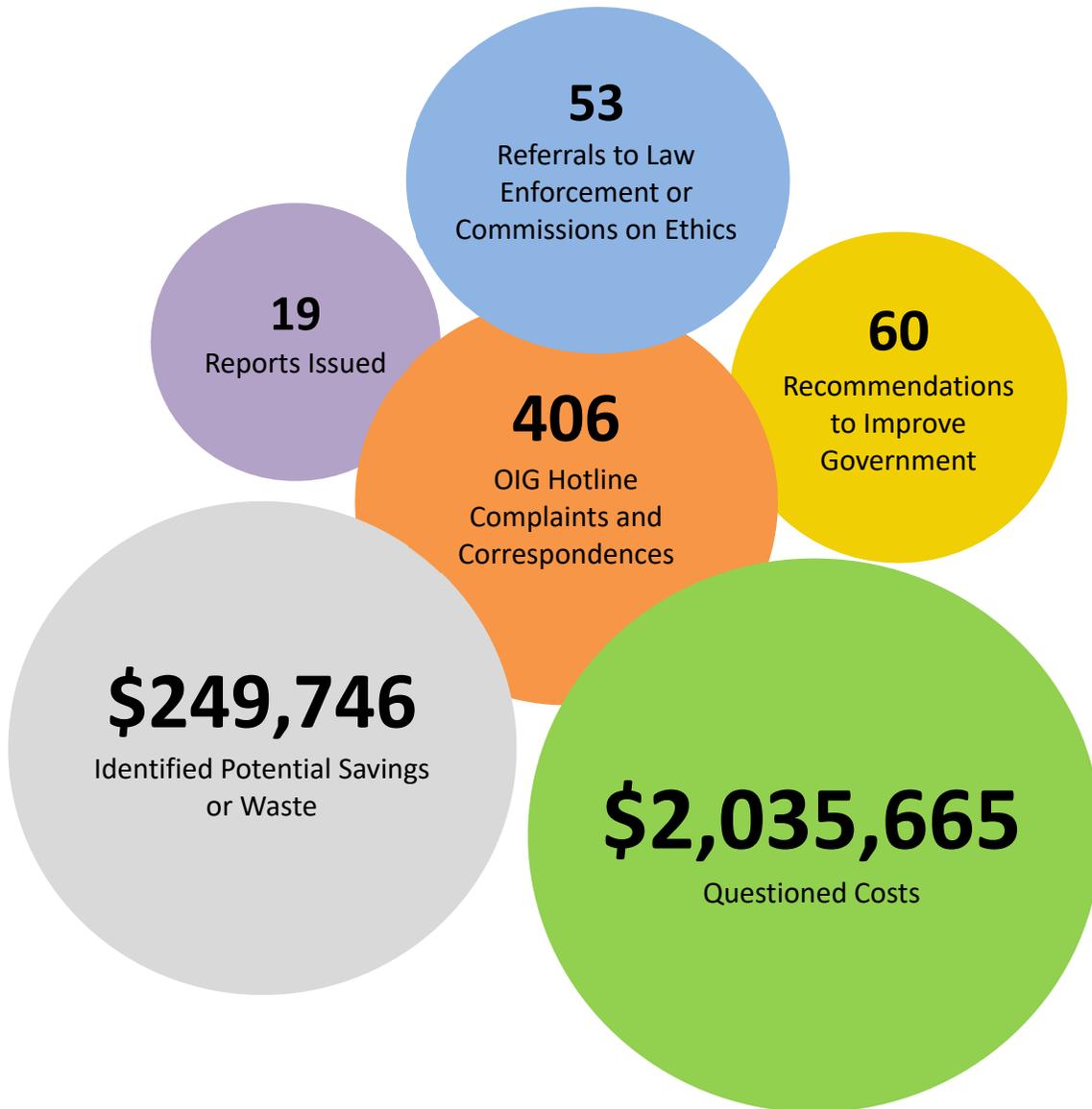
The goals and performance measurement indicators outlined in the strategic plan will help us drive performance and measure success in the coming years.

The OIG is fortunate to have a staff who are dedicated to 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 the bedrock supporters of our office and mission. I am honored to serve as your inspector general.

Sincerely,


John A. Carey
Inspector General

FY2023 ACCOMPLISHMENTS BY THE NUMBERS

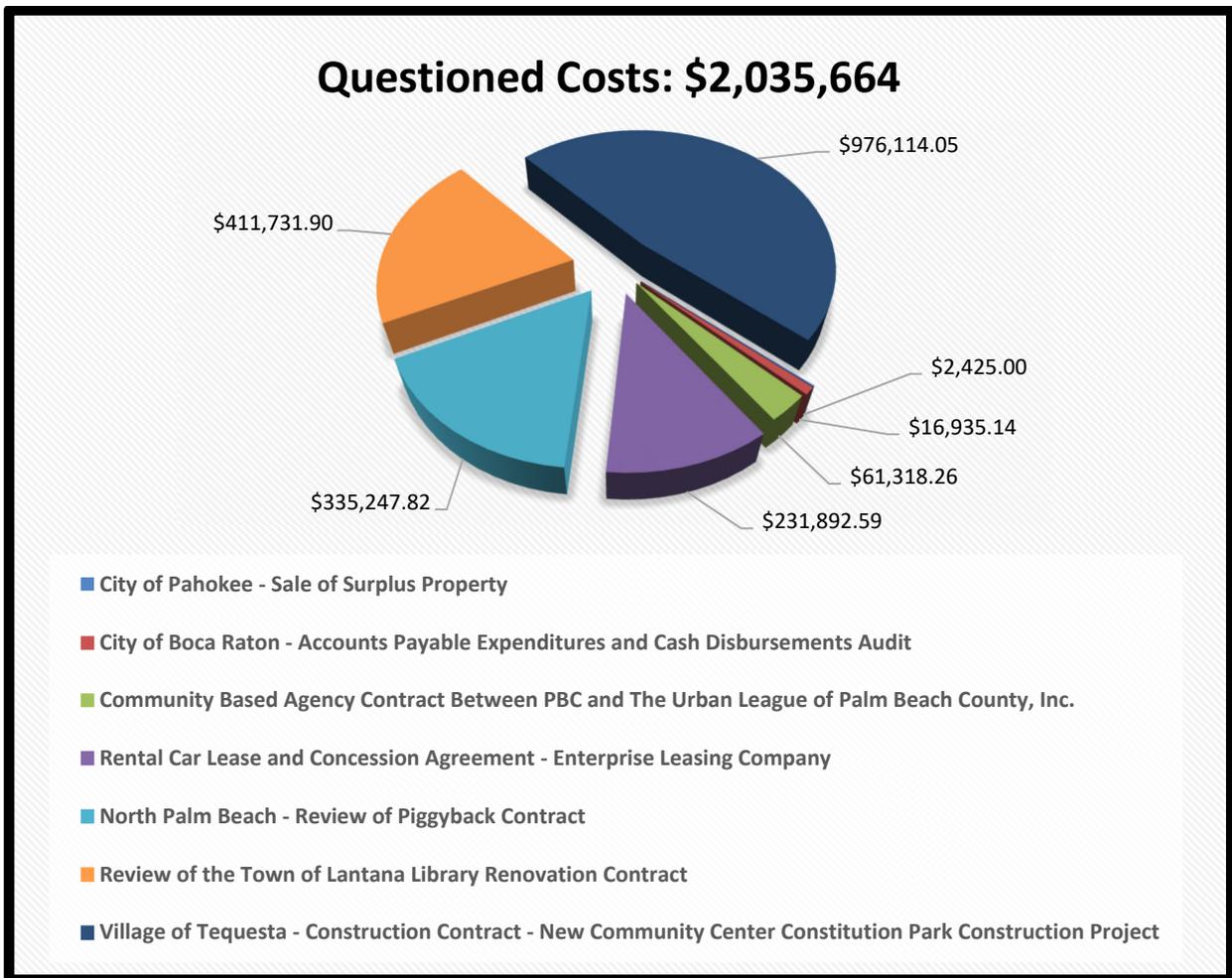


The American Inspector General concept is our contribution to democracy in creating a unique and independent government entity as a check and balance over other government entities.

FY2023 FINANCIAL DISCOVERY BREAKDOWN

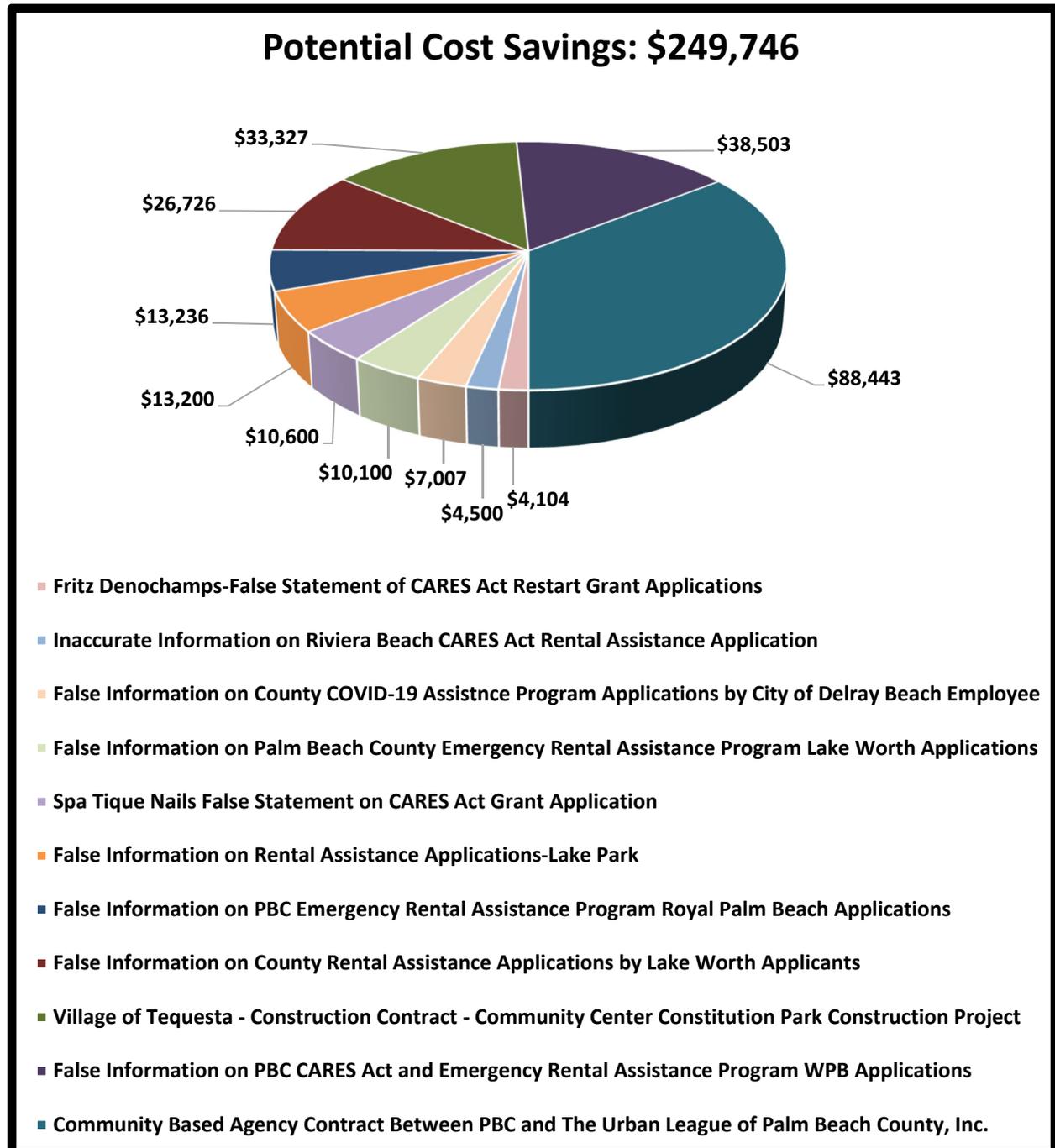
Guarding Taxpayers' Dollars

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.



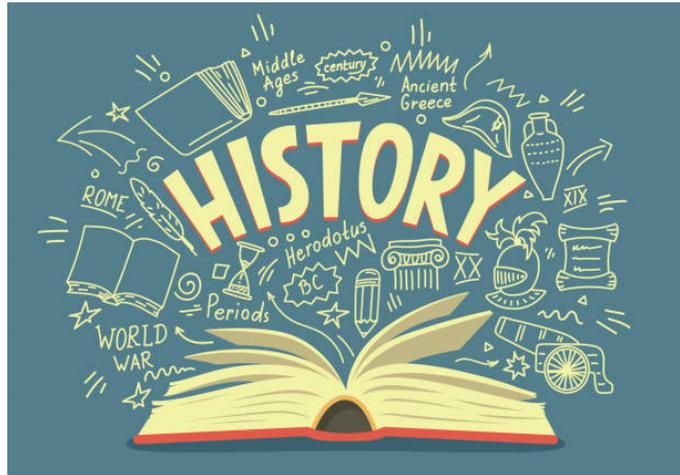
Potential Cost Savings Include:

- **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.



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 that existed at the time within the County approved an expansion of OIG jurisdiction to cover all municipalities within the county.

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.

Palm Beach County Needed an OIG



To provide *independent* and *objective* oversight in government to:

Prevent, detect, and investigate fraud, waste, and abuse.



Promote economy, efficiency, effectiveness, and integrity.

Root out the bad

Promote the good

TO HELP MAKE GOVERNMENT BETTER

MISSION, VISION, AND VALUES

Mission Statement

To promote integrity, efficiency, and effectiveness in government in order to enhance public trust in government.

To provide independent and objective insight, oversight, and foresight through audits, investigations, contract oversight, reviews, and outreach activities.

Vision Statement

A high-performance team partnering with informed stakeholders making positive impact in government and increasing public trust.

Values (What we believe and How we behave)

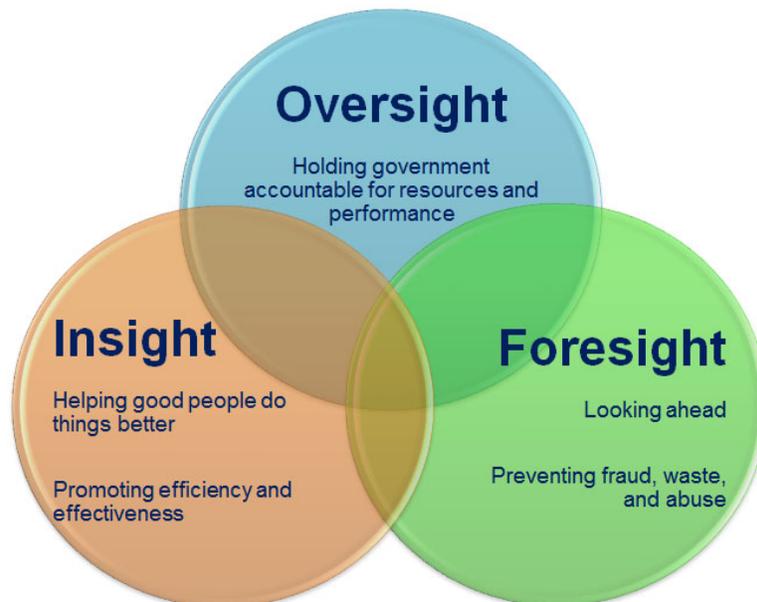
Professionalism – We take pride in our purpose, profession, products, results, and conduct.

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

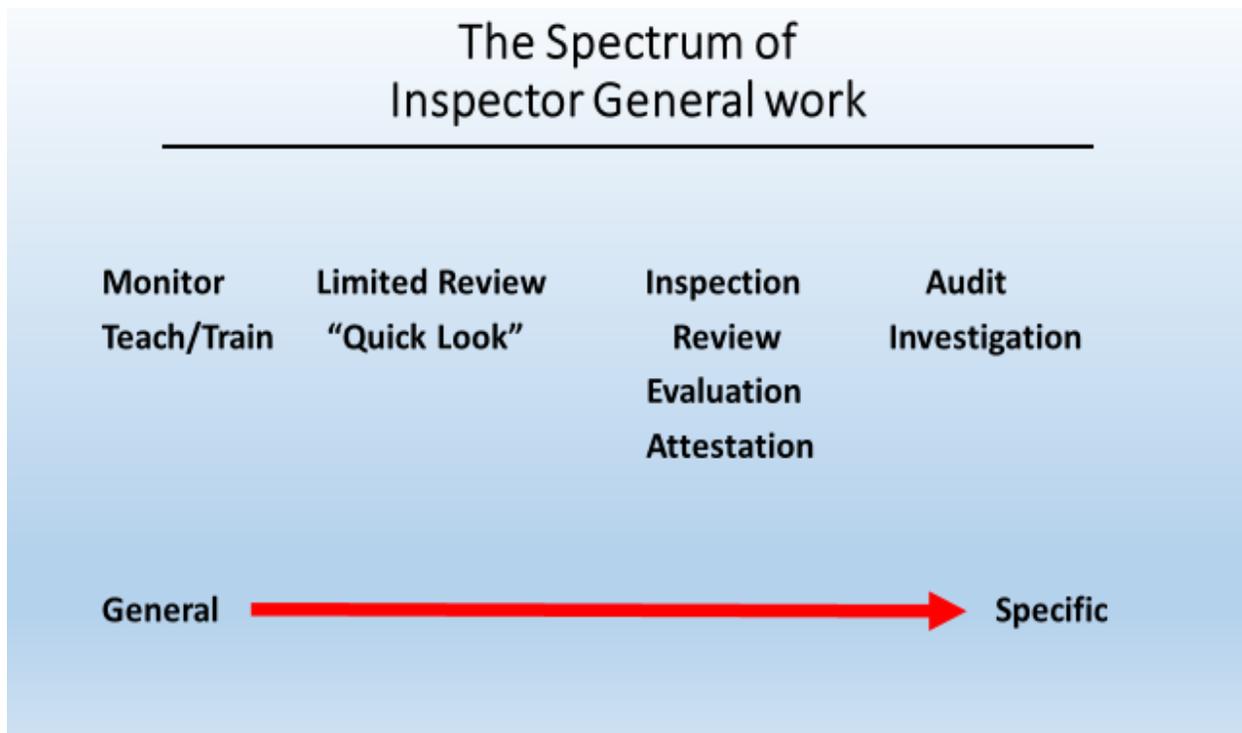
“Enhancing Public Trust in Government”

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 or 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:

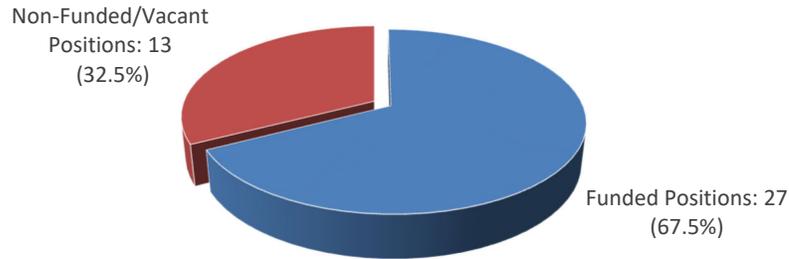
- Accounting
- Auditing
- Forensic Accounting
- Public Administration
- Business Administration
- Financial Analysis
- Grant Administration
- Investigations
- Law
- Law Enforcement
- Inspections
- Information Technology

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

STRUCTURE AND STAFFING OF THE OFFICE OF INSPECTOR GENERAL

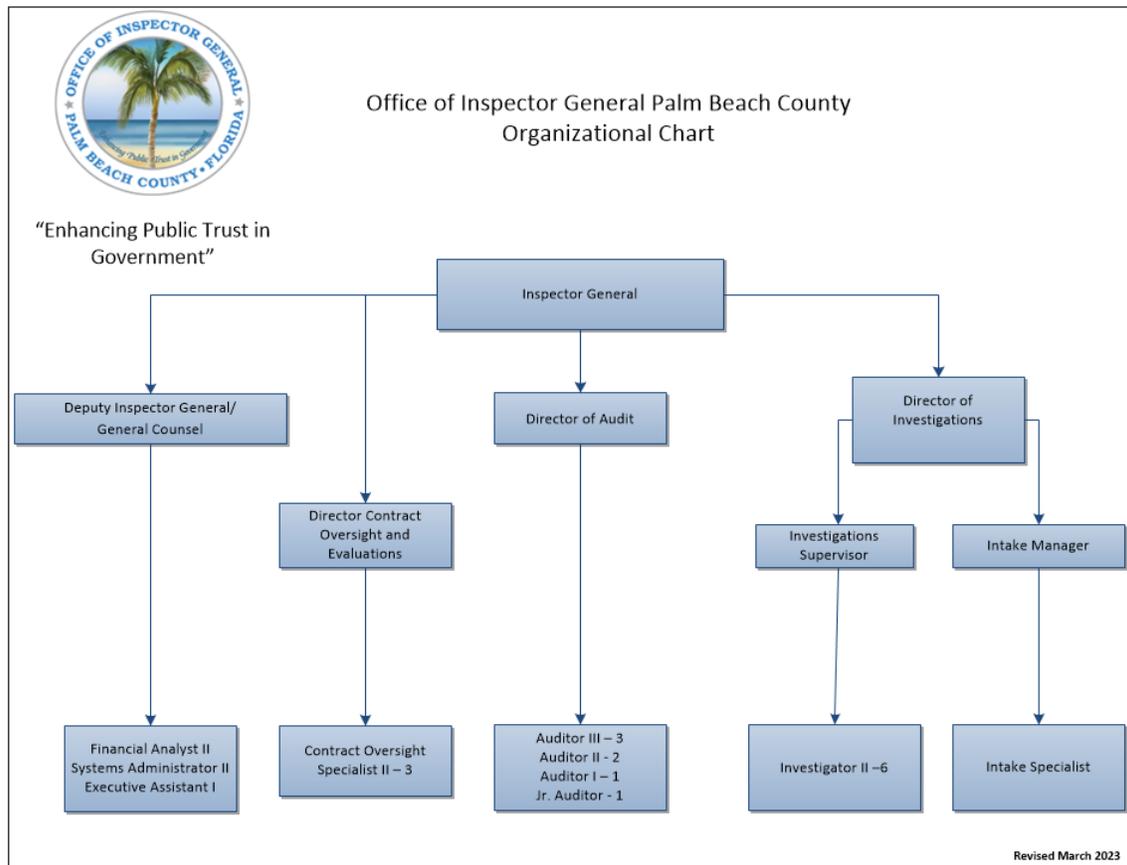
The Inspector General Structure

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 47 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 23 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

Kalinthia 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 President-Elect of the Forum Club of the Palm Beaches and Co-Chair of the PBC Bar Association's Bench-Bar 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, the PBC Women' Chamber Giraffe Award, and the Girl Scouts of Southeast Florida Emerald Award.

\$ OFFICE OF INSPECTOR GENERAL FY2023 BUDGET \$

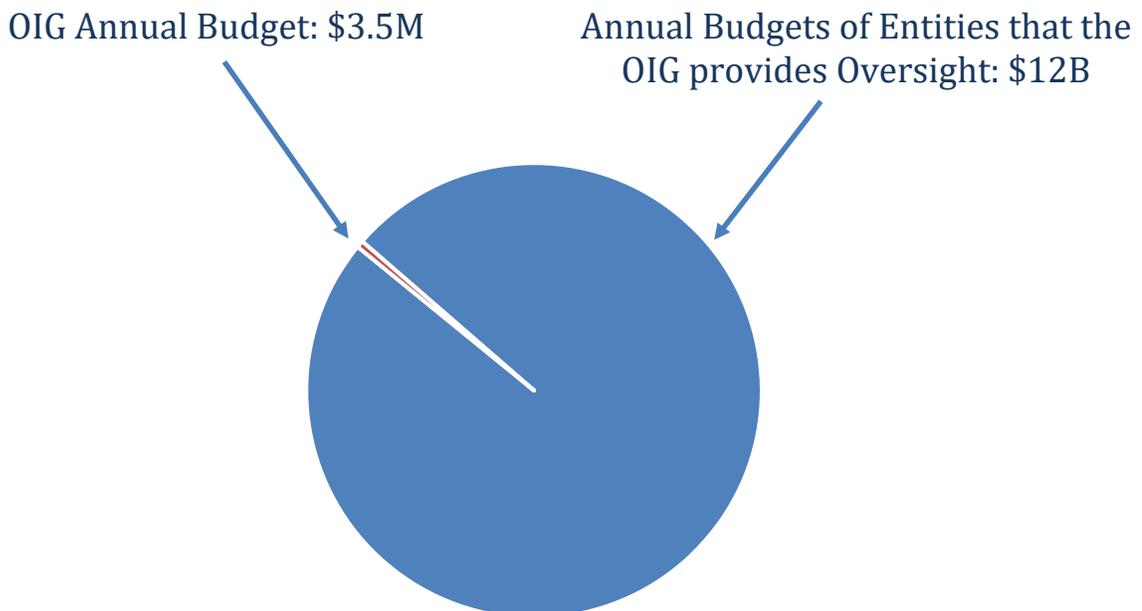
The OIG strives to use taxpayer dollars frugally. In FY2023, the OIG expended \$2.96 million (85%) of its approved \$3.5 million budget. **The financial resources dedicated to the OIG are .04% of the estimated \$7 billion in the annual budgets of the government entities of which the OIG provides independent 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 **\$12B**
- PBC, Municipalities, SWA, and CSC employees numbering approximately **22,000** 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 =



Section A – Overview

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 Treasurer 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, X (formerly known as Twitter), Instagram, 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 X 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 X 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, the Director of Investigations, 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. The Deputy IG/General Counsel serves on the Association’s Membership Committee. Finally, the IG serves on the board of the Florida Chapter of the Association of Inspectors General.



**South Florida IG Council and IAFCI
2023 Financial Fraud Conference**

Thursday, September 21, 2023 – 8:30 a.m. – 5:00 p.m.
Broward College, Institute of Public Safety
Building 22, Classroom 136
3501 Davie Road, Davie, FL, 33314



OIG ADDRESSING THE CORONAVIRUS PANDEMIC

Significant efforts continued to be devoted to reviews of County programs dispersing federal Coronavirus (COVID-19) pandemic aid funding and investigating pandemic-related complaints. The County received \$750 million in federal and state Coronavirus aid and relief funding. We have continued to work with the County in providing independent oversight and accountability associated with the disbursement of those funds.

TOTAL COVID-19 RELATED OIG ACTIVITIES **(MAR 12, 2020 – SEPT 30, 2023)**



- 300 Complaints or Intake Correspondences
- 11 Completed Reviews/Evaluations
- 1 Open Review/Evaluation
- 28 Completed Investigations
- 5 Open Preliminary Inquiries
- 24 Open Investigations
- Over 500 Referrals to Other Organizations
- Over \$225,000 in Recoupments



INVESTIGATIONS DIVISION

The Investigations Division investigates allegations of fraud, waste, abuse, mismanagement, and misconduct. It includes 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 29 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.

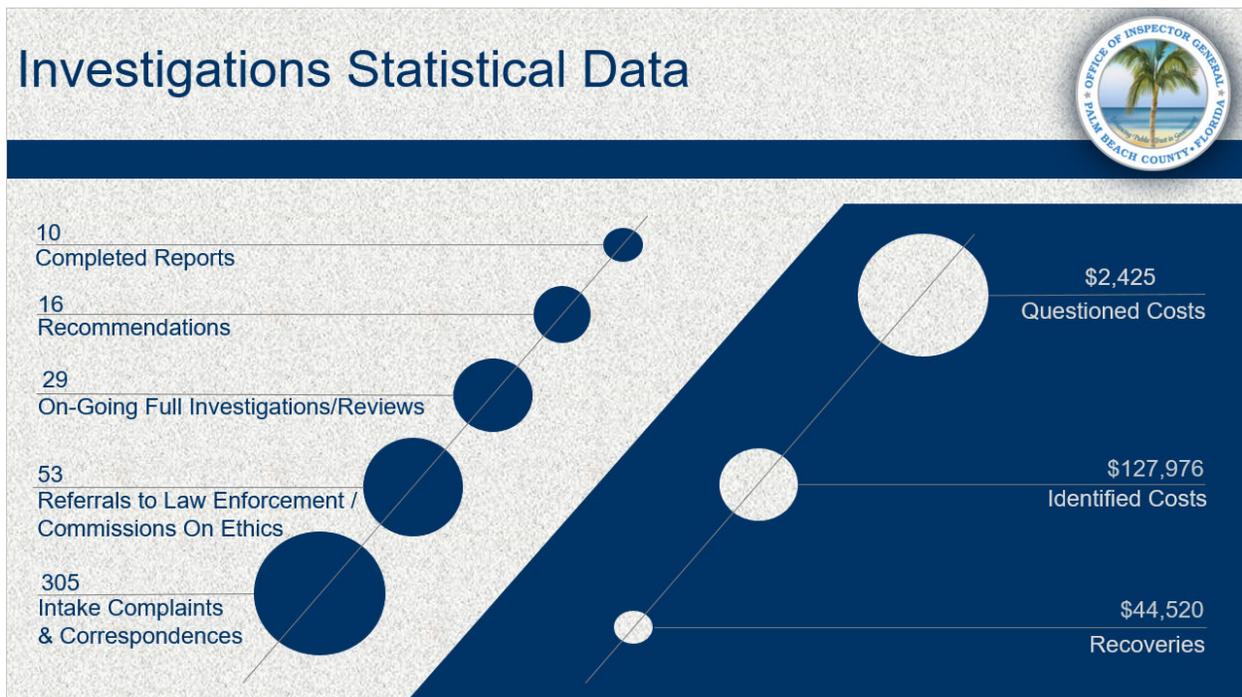


Mr. Dyckman holds a Bachelor’s degree in Criminal Justice from the University of Scranton. He is a Certified Fraud Examiner and a Certified Inspector General Investigator. Mr. Dyckman is also a founding member and the current Membership Director of the Palm Beach County Chapter of the Association of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



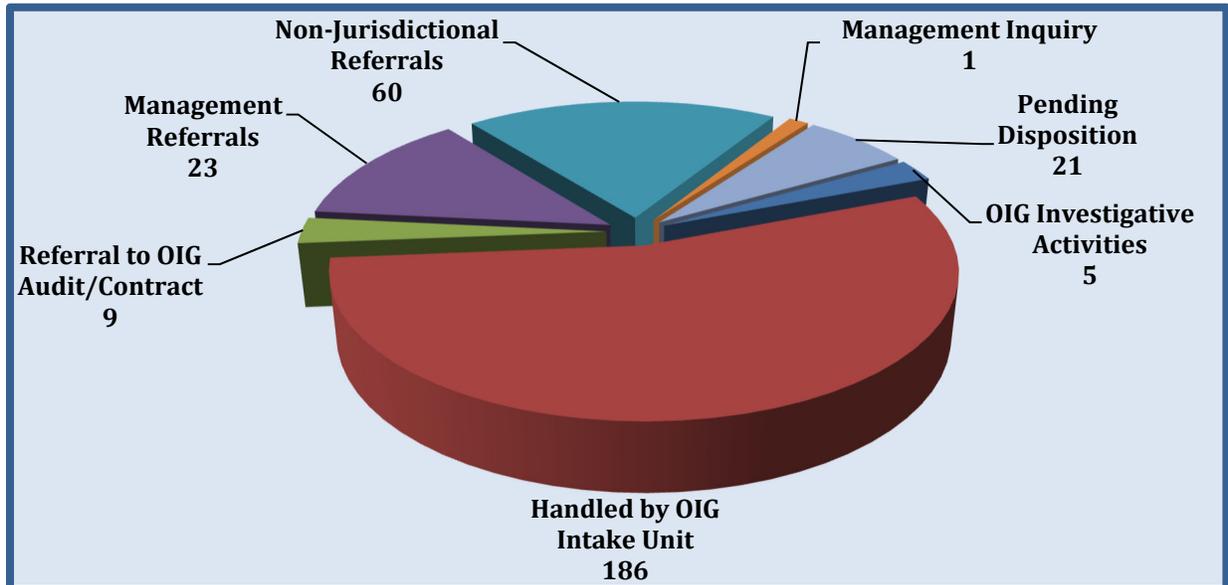
INVESTIGATIONS HIGHLIGHTS

During FY2023, the Investigations Division issued **ten** reports. Where allegations were substantiated, we referred administrative or disciplinary actions to county, municipal, and/or contracted entities. Additionally, we referred **53** investigative matters to the Federal Bureau of Investigation, the State Attorney’s Office, the Palm Beach County Sheriff’s Office, 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 305 “Intake Activities” during FY2023. Intake Activities include letters, emails, phone calls, and/or walk-ins that covered a wide variety of areas including comments, suggestions, questions, and complaints. These actions are depicted below:

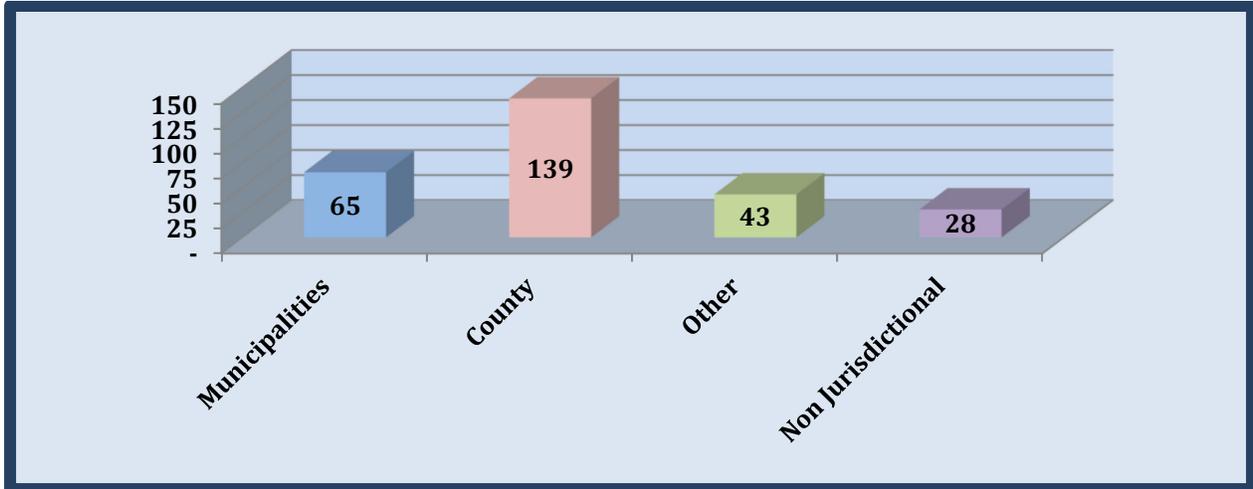


- **Handled (Addressed) by OIG Intake Division (186 or 61%):** Correspondences that are handled by the OIG, Information Only, and/or Closed with No Action.
- **Management Referrals (23 or 7%):** Correspondences forwarded to respective management for handling. No response to the OIG is required.
- **Non-Jurisdictional Referrals (60 or 20%):** Correspondences that do not fall within the jurisdiction of the OIG.²
- **OIG Investigative Activities (5 or 2%):** Correspondences that are assigned to the Investigations Division.
- **Referral to OIG Audit or Contract Oversight (9 or 3%):** Correspondences forwarded to OIG Audit and/or Contract Oversight Divisions for further review.
- **Management Inquiries (1% or less):** Correspondences forwarded to respective management for handling. A response to the OIG is required.
- **Pending Disposition (21 or 7%):** Correspondences that have not yet received a disposition.

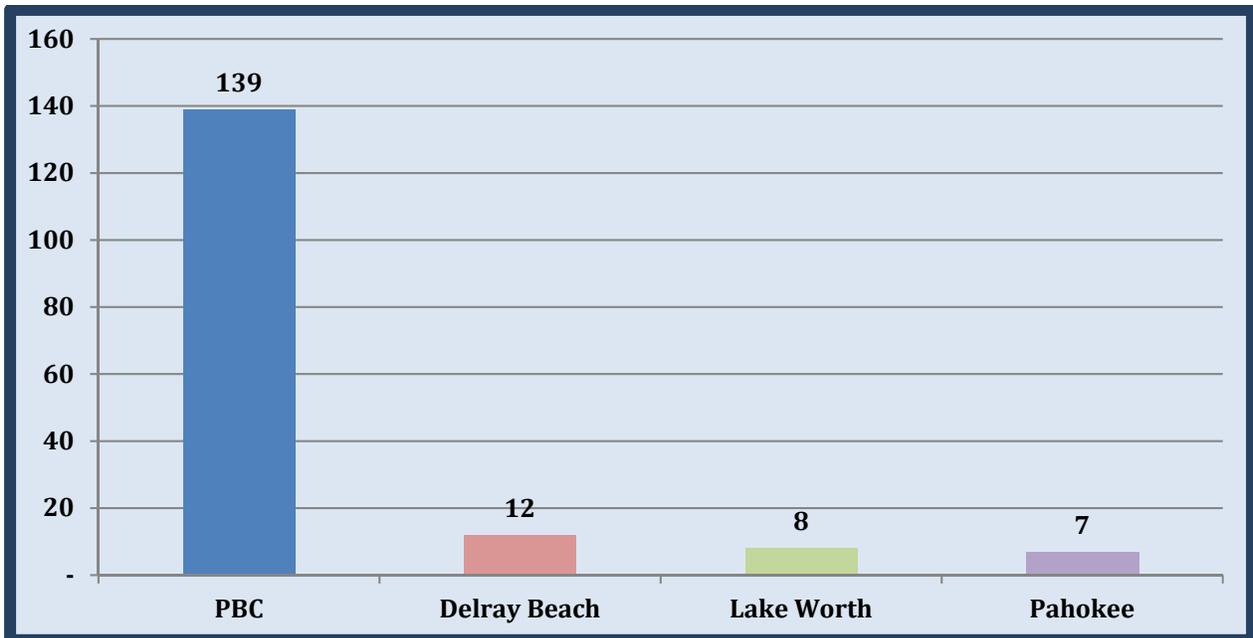
² During FY2023, the OIG received a total of 60 Correspondences related to entities not within the jurisdiction of the OIG. These correspondences were forwarded to entities with jurisdiction for addressing those issues.

ALLEGATIONS BY ENTITY

Of the **305** OIG actions, a total of **277** allegations of potential wrongdoing were made. These allegations were related to the following entities:³



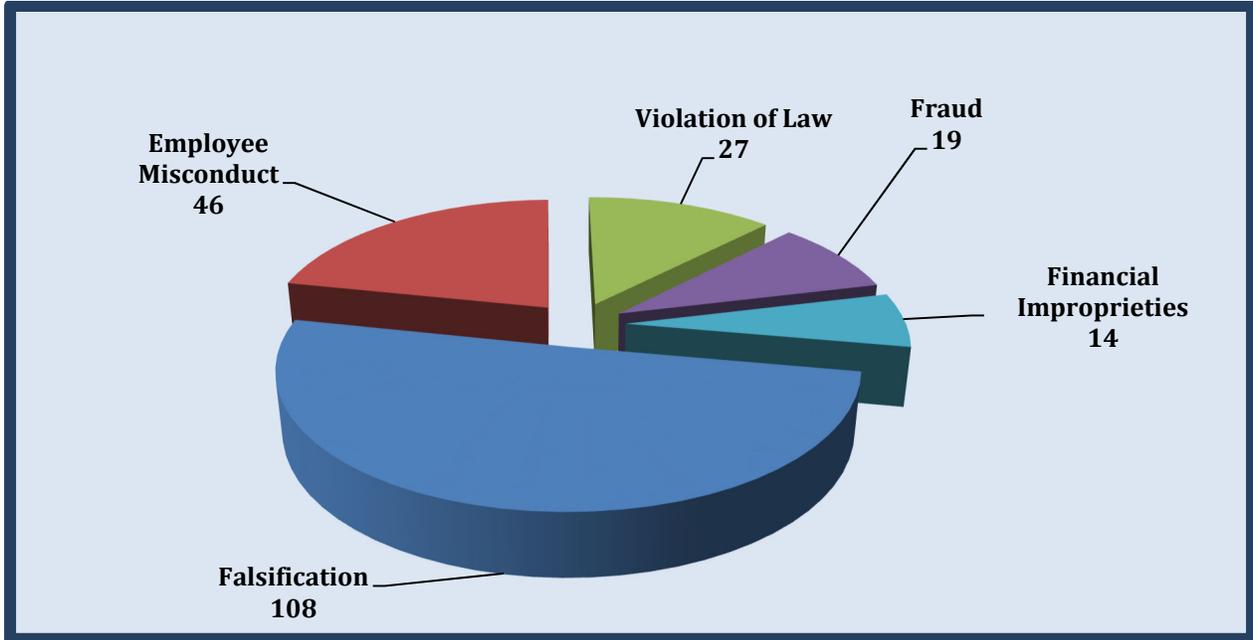
The following is a breakdown of organizations with the most complaints lodged against them or individuals within the organizations (Top 4).



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.

ALLEGATION TYPES

Of the **277** complaints, a total of **240** allegations of potential wrongdoing were made. Of those **240** allegations, **214** were identified in the following top five categories:

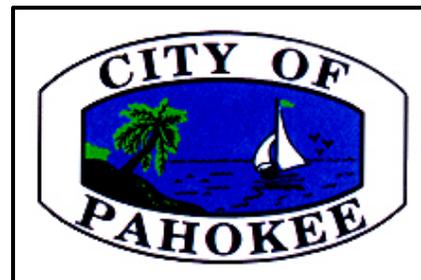


INVESTIGATIVE ACTIVITIES IN DETAIL

The following are highlights from reports issued in FY2023:

City of Pahokee Sale of Surplus Property

Our Palm Beach County Office of Inspector General investigation found that the former City of Pahokee City Manager directed an improper sale of two City-owned all-terrain vehicles (ATVs) and inappropriately personally benefitted from that action. We concluded that the totality of his conduct reflected a blatant lack of responsibility, fairness, accountability, and basic stewardship of taxpayer dollars.



The City had no charter or ordinance provision specifying the procedure for determining when City-owned tangible property is not needed for City purposes and the declaration of the property as surplus, nor specifying the methodology for disposal of such property. However, without seeking guidance from the City Commission or thoroughly researching prior City practices for disposing of such property, the City Manager:

Section B – Activities

- Directed City staff to conduct a closed bidding process purportedly for all employees in order to dispose of City-owned ATVs,
- Did not take steps to ensure that all employees were notified of the bidding opportunity,
- Ultimately declared himself a winning bidder, even though the bid he stated he submitted was not in the envelope containing all other bids, and
- After acquiring an ATV, sold the ATV for an undisclosed profit.

We made one recommendation; that the City develop written policies and procedures for declaration of City-owned assets as surplus and for subsequent disposition of such property. The City concurred with this recommendation. Additionally, we referred the City manager's actions to the PCB and State of Florida Commission on Ethics, and notified the State Attorney's Office.

False Information on County Rental Assistance Applications by West Palm Beach Applicants

From November of 2020 through November of 2021, two West Palm Beach, Florida residents submitted applications with misrepresentations that caused payments totaling \$38,502.60 from the County Coronavirus Aid, Relief and Economic Security Act Emergency Rental and Utilities Assistance Program.



These applicants submitted falsified documentation about their employment status and falsified payroll documents in support of their assistance applications. This matter was referred to law enforcement, with notification to the State Attorney's Office and the United States Attorney's Office.

False Information on County Rental Assistance Applications by Royal Palm Beach Applicant

From November of 2021 through February of 2022, a Royal Palm Beach, Florida resident submitted applications with misrepresentations that caused payments totaling \$13,236.16 from the County Coronavirus Aid, Relief and Economic Security Act Emergency Rental and Utilities Assistance Program.



These applications misrepresented the applicant's status as a renter of the rental assistance property, the status of the applicant's rental payments, and the identity of the applicant's true landlord. The applicant has already returned \$3,050.00 to the County.

False Information on County Rental Assistance Applications by Lake Worth Applicants

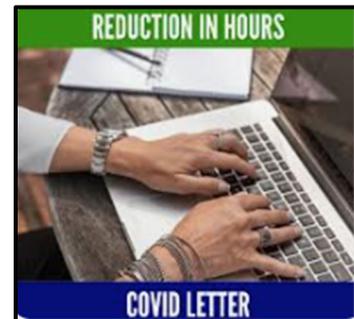
From November of 2020 through August of 2021, three Lake Worth, Florida residents submitted fraudulent applications causing payments totaling \$26,725.83 from the County Coronavirus Aid, Relief and Economic Security Act Emergency Rental and Utilities Assistance Program.

Two of these applicants were employees of their apartment complex and, while working at the apartment complex, submitted rental assistance applications to the County misrepresenting their tenancy status, income, and rental rates, and misrepresented the identity of actual leaseholders through fraudulently created leases. The apartment complex’s owners have already returned \$24,166.00 to the County.



False Information on County COVID-19 Assistance Program Applications by City of Delray Beach Employee

From August of 2020 through September of 2021, a Delray Beach, Florida resident and City of Delray Beach employee submitted a total of five Palm Beach County-funded Emergency Rental Assistance, Utilities, and Food Assistance Program applications with false supporting documentation. On each occasion, the applicant submitted a letter purportedly from his employer, the City of Delray Beach that stated the applicant had a reduction in work hours. In fact, those letters were fabricated and the employee did not have a reduction in work hours.



As a result of the false information the applicant provided, Palm Beach County issued checks for a total of \$7,007.25 in assistance on the applicant’s behalf, which we found to be an Identified Cost.

False Information on County Emergency Rental Assistance Program Lake Worth Applications

In May and June of 2021, and in January of 2022 a Lake Worth, Florida resident submitted Palm Beach County-funded Emergency Rental Assistance Program applications with false supporting documentation. On each occasion, the applicant submitted a fabricated letter from her employer that stated the applicant had a reduction in work hours. In reality, those letters and a paystub the applicant submitted with one of those applications were fabricated.



As a result of the false information the applicant provided, the County issued checks for a total of \$10,100 to the applicant’s landlord. As a result of our investigation the applicant has reimbursed \$10,100 to the County.

Inaccurate Information on Riviera Beach CARES Act Rental Assistance Application

In October of 2020, the landlord of a Riviera Beach, Florida resident received a duplicate payment of \$4,500 in federally funded rental assistance from the County. That landlord is the mother of the rental assistance applicant. The applicant submitted rental assistance applications for the same location after creating two separate application accounts using different email addresses and social security numbers.



The applicant submitted applications within two days of each other, requesting the same amount of rental assistance for the same address and for the same period of time, but providing different social security numbers and email addresses for herself.

We made one recommendation, that the County seek reimbursement of \$4,500.00 in issued funds. The County concurred and will pursue recoupment of those funds.

Fritz Denochamps - False Statements on County CARES Act Restart Grant Applications

Our investigation found that the owner of 7 Eagles submitted a County Restart Grant application on behalf of his business. He did not disclose the receipt of CARES Act Payroll Protection Program (PPP) funds on the Restart Grant application, as required. Had the owner reported the PPP funding, 7 Eagles’ Restart Grant would have been reduced by \$4,104.00.



Mr. Denochamps also submitted a Restart Grant application on behalf of My FD Financial in which he falsely certified that the business was operating on or before October 1, 2019, which was a grant eligibility requirement. That application was denied by the County.

We made one recommendation, that the County seek reimbursement of \$4,104.00 in issued funds. The owner repaid those funds to the County.

Spa Tique Nails - False Statement on County CARES Act Grant Application

Our investigation found that the owner of Spa Tique submitted false information in a County CARES Restart Grant application. She did not disclose the receipt of CARES Act Payroll Protection Program (PPP) funds on the Restart Grant application, as required. Had the owner reported the PPP funding, Spa Tique’s Restart Grant would have been reduced by \$10,600.00.



We made one recommendation, that the County seek reimbursement of \$10,600.00 in issued funds. Ms. Hoang repaid those funds to the County. The owner repaid those funds to the County.

False Representations on Lake Park County CARES Act Emergency Rental Assistance Applications

In June and September of 2021, a Lake Park, Florida resident received a total of \$13,200.00 in federally funded rental assistance from the County. Thereafter, the same applicant attempted to be paid for an additional \$5,800.00. The information the applicant submitted with his County applications regarding his loss of employment was riddled with inconsistent and false information. The applicant’s employer confirmed that the loss of employment documentation was fraudulent. The applicant’s rental assistance supporting documentation, including his employment verifications and paystubs, were fake and inaccurate.



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 \$13,200.00 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

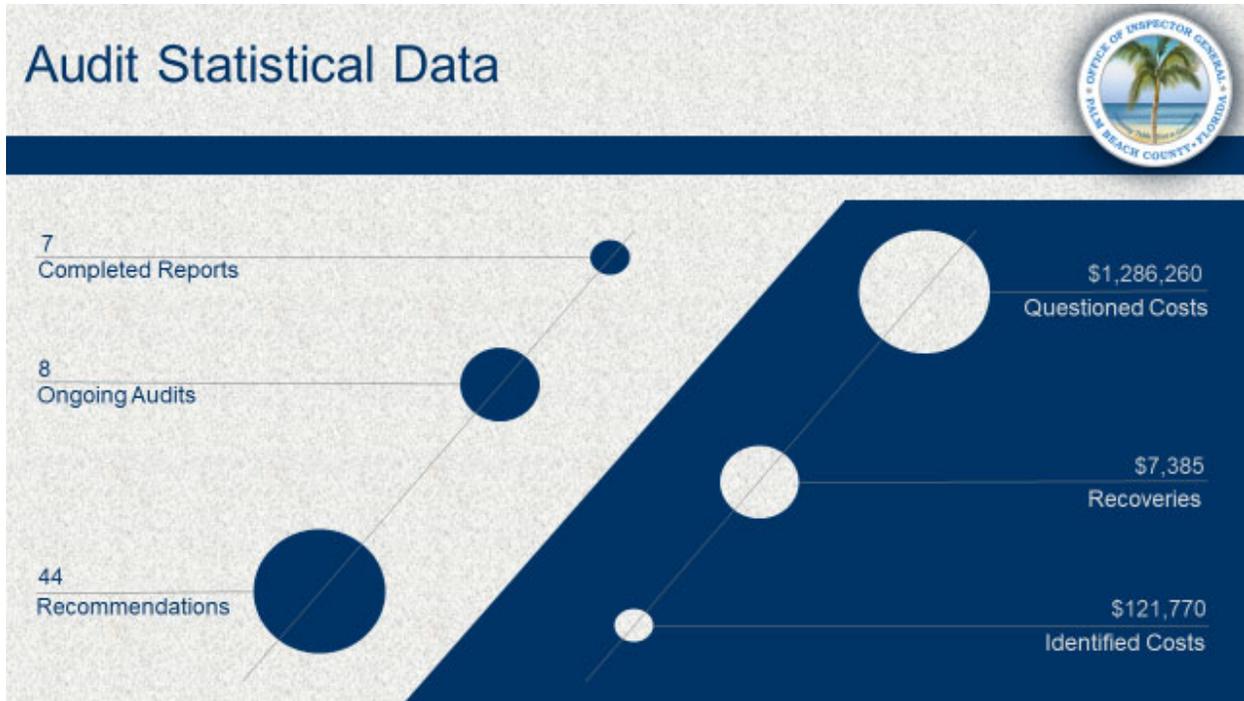


Hillary Bojan joined the OIG in September 2017 as an Auditor III. In June 2019, she became our Acting Audit Manager and in 2020 was promoted to Director of Audit. She has more than 16 years of local government service in accounting and auditing. Before coming to the OIG, Ms. Bojan served as the Senior 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 Information Systems Auditor, Certified Internal Auditor, Certified Fraud Examiner, and Certified Inspector General Auditor. Ms. Bojan serves on the Board of Directors as the Vice Treasurer for the Palm Beach County Chapter of the Institute of Internal Auditors.

AUDIT HIGHLIGHTS

During FY2023, we issued **seven** reports with total Questioned Costs of **\$1,286,260.04** and **\$121,770.16** in Potential Cost Savings. Collectively, these seven reports contain **44** 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 Town of Highland Beach-IT Network Security

We conducted an Information Technology (IT) Network Security review of the Town of Highland Beach. Our review focused on IT network security records and activities related to network components, such as devices, systems and data, in place during FY 2022.



We found that the Town had processes in place designed to prevent network security intrusions; monitor and detect network security threats, breaches, and intrusions; and respond to network security threats, breaches, and intrusions. However, the Town lacked sufficient written guidance for:

- Data and asset/component sanitization and disposal;
- Organizational cybersecurity processes, including incident response and contingency/ recovery processes; and
- Access control management.

Our report contained recommendations to assist the Town of Highland Beach in strengthening internal controls over IT Network Security. Management concurred and accepted our recommendations.

Audit of the Community Based Agency Contract Between the County and the Urban League of Palm Beach County, Inc.



We conducted an audit of the Community Based Agency Contract between the County and The Urban League of Palm Beach County, Inc. (Agency), Contract Number R2019-1452, for the Project Moving Forward program (Contract).

We found instances where:

- The County compensated the Agency for units of service that did not comply with the Contract or lacked sufficient documentation.
- The County compensated the Agency for payment requests that lacked original and properly signed cover memos as required by the Contract.

As a result of our audit, we identified \$61,318.26 in questioned costs and \$88,442.86 in potential cost savings.

Our report contained recommendations to assist the County in strengthening internal controls and enhancing compliance with the County’s contractual requirements. The County agreed in part and disagreed in part with our findings, but accepted our recommendations.

Audit of the City of Boca Raton Accounts Payable Expenditures and Cash Disbursements Process

We conducted an audit of the City of Boca Raton’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. However, we found the City did not always comply with its Purchasing Card Policy and Procedures Manual with respect to:

- Purchasing card dollar threshold requirements (split purchases) and
- Purchasing card purchase documentation (lacked sales receipt and/or gift card documentation).

As a result of our audit, we identified \$16,935.14 in questioned costs for purchasing card expenditures that exceeded dollar threshold requirements and lacked proper documentation.

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

Audit of the City of Atlantis- IT Network Security



We conducted an Information Technology (IT) Network Security review of the City of Atlantis. Our review focused on IT network security records and activities related to network components, such as devices, systems and data, in place during FY2022 through January 24, 2023.

The City delayed our review eight (8) months and imposed significant constraints on our review approach by denying on-site access to City IT network resources, records, and individuals. We completed this review based on records provided pursuant to a subpoena and sworn testimony from the City Manager and testimony from the City’s IT Consultant.

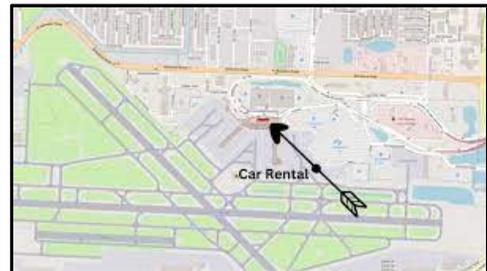
We found that the City had processes in place designed to prevent network security intrusions; monitor and detect network security threats, breaches, and intrusions; and respond to network security threats, breaches, and intrusions. However, the City lacked:

- An accurate asset inventory list of network system components;
- Cybersecurity Training; and
- Sufficient written guidance for:
 - Data and asset/component sanitization and disposal;
 - Organizational cybersecurity processes, including incident response and contingency/recovery processes; and
 - Access control management.

Our report contained recommendations to assist the City in strengthening internal controls over IT Network Security. The City did not respond to our findings and recommendations.

Audit of the County and Enterprise Rental Car Lease and Concession Agreement

We conducted an audit of the Rental Car Lease and Concession Agreement at the Palm Beach International Airport between the County and Enterprise Leasing Company of Florida, LLC (Enterprise) (Agreement).



We found:

- Enterprise did not comply with the Agreement’s records requirements for local revenue and vehicle rental agreements;
- Enterprise did not always comply with the Agreement’s reporting requirements for Independent Audits and Airport Concession Disadvantaged Business Enterprise Participation Goals; and
- The County Department of Airports did not comply with the County’s policies for Reconciliation of Departmental Records to County Financial System Records and Maintenance of Department Policies and Procedures Manuals.

Section B – Activities

As a result of our audit, we identified \$231,892.59 in questioned costs due to noncompliance with the Agreement’s local revenue records requirement. We found no evidence that Enterprise willfully failed to obtain customer statements in an effort to defraud the County nor that Enterprise improperly charged County residents Concession Recoupment Fees.

Our report contained recommendations to assist the County Department of Airports in strengthening internal controls and enhancing compliance with the County’s contractual and policy requirements. The Department of Airports concurred and accepted our recommendations.

Audit of City of Belle Glade - Coronavirus State and Local Fiscal Recovery Funds

We conducted an audit of the expenditure of Coronavirus State and Local Fiscal Recovery Funding (CSLFRF) for the City of Belle Glade.



We found that the City had generally adequate controls related to the expenditure of CSLFRF funding. The expenditure of CSLFRF funding was in compliance with requirements, allocated to appropriate activities, properly documented, and property reviewed and approved.

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

Audit of Village of Tequesta – Construction Contract – New Community Center Constitution Park Construction Project



We conducted an audit of the Village of Tequesta’s construction contract related to the new community center at Constitution Park construction project (Agreement) with Hedrick Brothers Construction Co., Inc. (Construction Manager).

We found the Village had generally adequate controls over the construction contract management and monitoring processes.

However, we found:

- The Village did not always review the pay applications for mathematical accuracy nor timely issue payments to the Construction Manager.
- The Village did not always review the change orders for mathematical accuracy or respond to them in a timely manner.

As a result of our audit, we identified \$976,114.05 in questioned costs and \$33,327.30 in identified costs due to noncompliance with the Agreement’s requirements related to pay applications and change orders.

Our report contained recommendations to assist the Village in strengthening internal controls and ensure compliance with construction contract requirements. The City concurred and accepted our recommendations.

AUDIT FOLLOW-UP

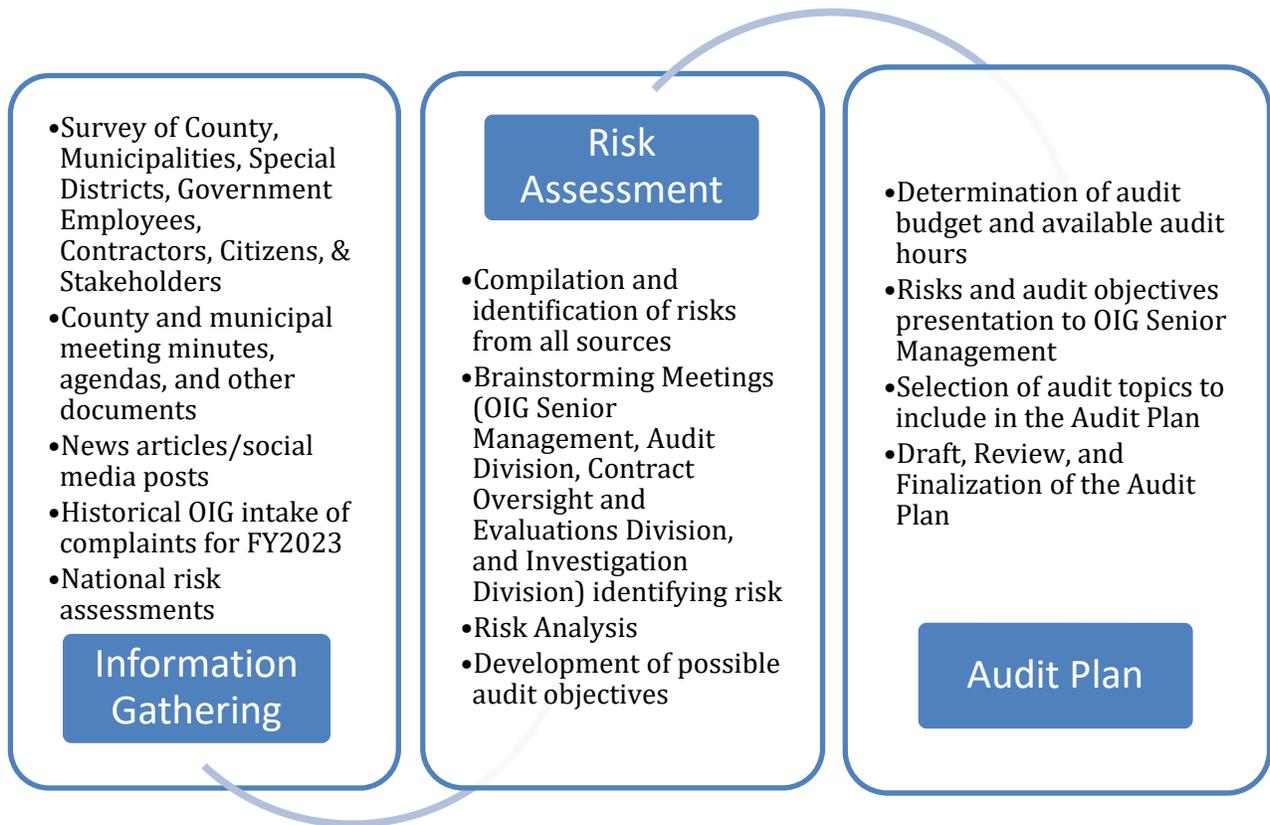
During the year, we continued to perform semi-annual follow-up on the status of pending audit recommendations. Our follow-up process has helped ensure timely corrective action on our recommendations. Since the inception of the OIG, of the 926 audit recommendations made, 866 (94%) have been implemented 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. Our FY2024 Annual Audit Plan (Section D of Appendix 4) was created using this risk assessment methodology.



CONTRACT OVERSIGHT AND EVALUATIONS DIVISION

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

The Contract Oversight and Evaluations Division (COED) reviews procurements completed by municipalities, the County, and special districts. This includes, on a selected basis, following a solicitation from when it is issued until award; 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 can complete evaluations, reviews, or inspections on a wide variety of operational issues and processes for the entities under the jurisdiction of the Office of Inspector General.

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 (AIG).

LEADERSHIP



Tony Montero became the Director of Contract Oversight and Evaluations in February 2021. He started his career with the OIG in February 2017 as a Contract Oversight Specialist. Mr. Montero has 36 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.

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, is an AIG Certified IG Inspector/Evaluator, and an AIG Certified IG Investigator.

CONTRACT OVERSIGHT AND EVALUATIONS HIGHLIGHTS

During FY2023, the COED issued two formal reports, answered six complaints, and issued one *Tips and Trends*. Collectively, these reports included **six** recommendations for improvements, which were all 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 1 of this report. Additionally, the COED conducted one inspection and 39 onsite reviews on pending matters.

Contract Oversight and Evaluations Statistical Data



Town of Lantana – Library Renovation Contract Review

COED reviewed the renovation contract for the Lantana Public Library. As part of the review we conducted construction site inspections, and reviewed the bid and award process used to select the contractor.



We found that the Town’s bid evaluation and contract award processes did not comply with applicable Florida Statutes, Town Ordinances, and procurement policies. We also found that the Town did not promptly notify the OIG when it learned of possible mismanagement of its contract with the contractor.

As a result of our review, we identified \$411,731.90 in questioned costs and made three recommendations to enhance internal controls for bid award and evaluation procedures, E-Verify, vendor responsiveness and responsibility determinations, and OIG notification requirements. The contractor was arrested by the Florida Department of Financial Services for submitting an altered insurance certificate to the Town.

Village of North Palm Beach – Piggyback Contract Review

COED conducted a review of the Village of North Palm Beach piggyback contract with J.W. Cheatham, LLC for milling, resurfacing, and striping on specified Village roadways.

We found that the piggyback procurement process was in violation of the Village’s Purchasing Policy, and that the Village did not comply with section 255.05, Florida Statutes, by securing a performance and payment surety bond before the commencement of work.



As a result of our review, we identified \$335,247.82 in questioned costs. We made three recommendations for staff training on procurement methods, establishing a verification process to validate the contract line items prior to entering into a contract, and implementing internal controls to ensure that the proper bonds are obtained on construction and public works projects.

OTHER CONTRACT OVERSIGHT and EVALUATIONS ACTIVITIES & OUTREACH

Procurement personnel working for the entities within OIG jurisdiction have articulated that OIG presence helps to ensure the integrity of the selection process and assists them in facilitating more efficient and equitable selections. During FY2023, we proactively observed 78 procurement/contracting related activities. These activities included selection

Section B – Activities

committee meetings, contract review committee meetings, pre-construction meetings, construction site visits, inspections, reviews, and meetings with municipal officials.

The specific type and number of meetings attended is as follows:

• County Selection Committees	4
• County Contract Review Committees	14
• County Meetings	18
• Municipal Selection Committees	12
• Municipal Meetings	44
• Other Covered Entities – Selection Committees	0
• Other Covered Entities – Meetings	1
• Inspections	0
TOTAL	93

The COED staff's outreach to the number of people in attendance at these meetings is as follows:

• County Selection Committees	65
• County Contract Review Committees	130
• County Meetings	112
• Municipal Selection Committees	137
• Municipal Meetings	210
• Other Covered Entities – Selection Committees	0
• Other Covered Entities – Meetings	5
• Inspections	0
TOTAL	659

In the course of these meetings, COED staff is routinely asked to provide guidance to enhance efficiencies for County and municipal staff. 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 developing evaluation criteria.

Occasionally, COED staff identifies issues with either a solicitation document or selection process and advises County or municipal staff of errors so corrections can be made as quickly as possible during the solicitation process. Some examples of corrections include identifying errors or omissions in solicitation documents before the solicitation ends so that the entity can issue an amendment with corrections prior to the solicitation closing date; a scoring sheet not being signed by the selection committee member; 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 the municipalities. The COED has shared information as well as provided references to resource materials from organizations such as the National Institute of Governmental Purchasing (NIGP).

ADDITIONAL AREAS WHERE CONTRACT OVERSIGHT AND EVALUATIONS ACTIVITIES ADD VALUE



The COED engages in an array of oversight activities that promote an open and competitive business environment and enhance public confidence that contracts are being awarded equitably and economically. The following highlights the division's positive impact and other proactive/preventative guidance to the County and the municipalities in the following areas:

CCNA – A municipality contacted the OIG on a professional A&E bid with only two companies responding to the Request for Qualifications. The Consultants Competitive Negotiations Act (s. 287.055 F.S.) specifies that no fewer than three vendors shall be selected for discussions or oral presentations. The municipality asked if it was acceptable to continue with only two vendors. We suggested that the municipality contact its legal counsel to identify the applicable policy. CCNA does not specify a course of action when less than three vendors respond to an RFQ. Therefore, we advised that the decision to continue with the bid would likely be based on local procurement rules, policies, or the normal and customary procurement practices for the entity.

Public Purpose – The OIG was contacted by a municipality's purchasing department regarding the definition of "public purpose" in regards to purchasing lunch for employees attending an all-day mandatory training event. We discussed several examples in the travel regulations and Florida Statutes where the payment for meals is authorized. We also discussed best practices, like having a justification on file for providing the meal, such as a lack of travel time, insufficient eating establishments, or to keep the group together to continue the training process. We provided an example of a travel policy best practice.

Piggyback Contracting – A public purchasing professional contacted the OIG regarding the piggybacking informational briefing posted to our website. He was searching for legal decisions on piggyback contracts; in particular a case involving a county in the State of Florida. We sent them an article from the NIGP that discussed several prominent cases in this area including the case sought by the entity.

E-Verify – During the review of a municipality's professional services solicitation, COED noted that there were no E-Verify provisions in the solicitation and contract. The OIG's *E-Verify Tips and Trends* was sent to the entity with the OIG Evaluator pointing out some best practices the municipality may want to review. The entity responded that after reviewing the material, the E-Verify information would be included in future solicitations and added to its next purchasing policy update.

COED also provided telephonic assistance to an anonymous vendor regarding the legislative changes made to the E-Verify law in 2023.

Extensions of Contracts – A municipality contacted the OIG regarding the extension of an expiring benefits while rebidding. We explained that there is little statutory guidance on this subject, making it mostly a local policy issue for the entity to address. We discussed a few examples of state and local policies on contract extensions, and their “reasonable and customary” procedures for contract amendments.

Because contract extensions are a complex legal subject matter, we suggested municipal leaders contact their legal counsel for guidance. We also suggested the municipality discuss with counsel contract extension issues such as: reasonableness, legal authority, and scope or intent of the contract.

Advertisements – A public purchasing professional from a municipality contacted the OIG regarding solicitation advertisements, and if the municipality was allowing enough time between the advertisement, prebid meetings, vendor submittals, and award. We stated that the only statute that defines a bid/solicitation advertisement period for local governments is F.S. 255.0525, which requires any local construction project more than \$200,000 to be publicly advertised once in a newspaper in general circulation in the county where the project is located for at least 21 days prior to the bid opening and at least 5 days prior to the prebid conference. If the construction project is more than \$500,000, the advertisement period is increased to at least 30 days prior to the bid opening. We also advised the municipality to check its local rules and policies for further guidance on bid advertisements.

P-Card Policies – A public entity contacted the OIG for assistance in locating purchasing card policies. We directed them to a *Tips and Trends* issued by our Audit Division, #2019-0006, which contains suggestions for an effective P-Card program. Because of the variations in P-Card policies, usage, and the entity size, we recommended that the municipality search the internet for other public P-Card policies in Palm Beach County.

Advisory Opinions – A public entity contacted the OIG for assistance in locating an opinion or memorandum regarding employee raffle tickets or lotteries issued sometime in the past 5-10 years. We directed them to the County Commission on Ethics (COE) website where it maintains a searchable library of Advisory Opinions. We located six related COE opinions, including the opinion the public entity was seeking.

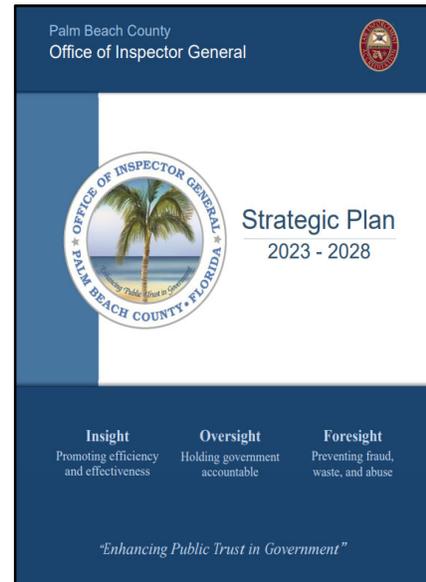
OUTLOOK AND THE WAY AHEAD

Our OIG Strategic Plan sets out the following goals:

- Deliver results that promote integrity, excellence, and accountability in government.
- Strengthen relationships and build trust with external stakeholders.
- Maximize organizational effectiveness.

In FY2024 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.
- Continue partnering 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.
- Increase 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.
- Continue to focus efforts on providing independent oversight of PBC One-Penny Sales Surtax expenditures and use of pandemic-related funds.



Appendix 1 – FY2023 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.

Tips and Trends #2023-0001 – Coronavirus State and Local Fiscal Recovery Funds & Annual Audit Requirements

This *Tips and Trends* informs local and County government entities that they are subject to an audit under the Single Audit Act if more than \$750,000 in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) was expended during their fiscal year. However, certain entities may be eligible for a less rigorous alternative to the Single Audit called a CSLFRF compliance examination engagement if they meet specific criteria.

We recommended that the County and municipalities communicate with their external auditors to determine whether a Single Audit or alternative CSLFRF compliance examination engagement is required if they expended \$750,000 or more in federal funds, including but not limited to CSLFRF funds, in a fiscal year.

Tips and Trends #2023-0002 – Best Practices for Preventing and Detecting Fraud in Government Assistance Applications

This *Tips and Trends* addresses assistance fraud methods, application development best practices, and retention and review of application information.



The goal of government assistance programs is to get vital assistance to constituents that need it, and to do so quickly, efficiently, and with clearly defined processes. Fraud is a constant adversary of these objectives. We provided best practices for assistance fraud prevention, and encourage County and municipal governments to contact the OIG if we can assist in training or prevention assistance, and to stop fraud before it happens.

Tips and Trends #2023-0003 – Perfecting the Art of Piggybacking

This *Tips and Trends* provides best practices and policy considerations for public entities utilizing piggybacking contracts in their procurement practices. Piggyback contracting is a form of intergovernmental cooperative purchasing in which a public entity is extended the pricing and terms of contract with a vendor that was entered into by another public entity. Piggybacking can save time and effort in procuring the same goods and/or services, but it can also offer reduced volume pricing to a smaller entity that they would otherwise be unable to obtain on their own.

We suggested employing some best practices when piggybacking, including: obtain informal quotes for a cost comparison, use competitively procured contracts, limit piggyback contracts to identical items, and validate the procurement process and the contract to ensure the award process was fair and equitable.

Tips and Trends #2023-0004 – Check Washing Prevention

In Palm Beach County there have been multiple recent instances of government entities defrauded by check washing, at times resulting in substantial losses of taxpayer dollars. This *Tips and Trends* provides local and County government important information and best practices to safeguard against this fraud trend.



We recommend that government entities that issue paper checks examine alternative payment methods and safeguards; when practicable, replace paper check payments with electronic fund transfers; for vendors or citizens who are not comfortable with or not appropriate for electronic fund transfers, consider the use of a check verification system such as positive pay; and coordinate check verification and security options and improvements with your financial institution.

The value of our Tips and Trends -



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

Section D – Appendices

Appendix 2 – FY2023 Recommendations

**INVESTIGATIVE REPORTS COMPLETED
(October 1, 2022 – September 30, 2023)**

Date

12/16/2022 **False Information on Palm Beach County Emergency Rental Assistance Program Lake Park Applications**

Report Number

2022-0007 **Recommendation:**

1. The County seek reimbursement of \$13,200.00 in funds issued inappropriately.

Implemented

Date

12/19/2022 **Spa Tique Nails False Statement on CARES Act Grant Application**

Report Number

2021-0018 **Recommendation:**

1. The County seek reimbursement of \$10,600.00 in improperly issued funds.

Implemented

Date

2/23/2023 **Fritz Denochamps - False Statements on CARES Act Restart Grant Applications**

Report Number

2021-0019 **Recommendation:**

1. The County seek reimbursement of \$4,104.00 in improperly issued funds.

Implemented

Date

3/1/2023

Inaccurate Information on Riviera Beach CARES Act Rental Assistance Application

Report Number

2021-0016

Recommendation:

1. The County seeks reimbursement of \$4,500 in issued funds.

Implemented

Date

3/28/2023

False Information on County COVID-19 Assistance Program Applications by City of Delray Beach Employee

Report Number

2022-0009

Recommendation:

1. The County seek reimbursement of \$7,007.25 in inappropriately issued funds.

Implemented

Date

6/13/2023

False Information on County Rental Assistance Applications by Lake Worth Applicants

Report Number

2022-0003

Recommendation:

1. The County seek reimbursement of \$2,559.83 from Applicant 1 and Applicant 2, which is the amount the County paid in food and utility assistance as a result of Applicant 1 and Applicant 2's applications.

Implemented

Date

8/9/2023

False Information on Palm Beach County Emergency Rental Assistance Program Royal Palm Beach Applications

Report Number

2022-0010

Recommendation:

1. The County should consider seeking reimbursement.

Implemented

Date

9/25/2023

False Information on Palm Beach County CARES Act and Emergency Rental Assistance Program West Palm Beach Applications

Report Number

2022-0015

Recommendation:

1. The County seek total reimbursement of \$38,502.60 in issued funds; \$10,700.00 from Applicant 1 and \$27,802.60 from Applicant 2.

Implemented

**AUDIT REPORTS COMPLETED
(October 1, 2022 – September 30, 2023)**

Date

11/21/2022

Town of Highland Beach – IT Network Security Review

Report Number

2023-A-0001

Recommendations:

1. The Town develop and implement written Data and Asset/Component Sanitization and Disposal policies and procedures that provide guidance regarding:
 - a. Data retention and disposal requirements and to ensure the disposal process and method are commensurate with the data sensitivity;
 - b. Reviewing and approving assets to be sanitized to ensure compliance with record retention requirements;
 - c. Tracking and documenting sanitization and disposal actions and approvals;
 - d. Disposing of data, documentation, tools, or system components as outlined in the data management process;
 - e. Remote purging or wiping of data on lost or stolen organizational assets;
 - f. Verifying that the sanitization of the asset was effective prior to disposal; and,
 - g. Testing of sanitation equipment and procedures.

Pending Implementation

2. The Town provide ongoing training to ensure staff are aware of their roles and responsibilities related to data and asset/component sanitization and disposal.

Pending Implementation

3. The Town implement a written IT policy that ensures cybersecurity roles and responsibilities are coordinated and aligned with internal roles and external partners, and include governance and risk management processes addressing cybersecurity risks.

Implemented

4. The Town develop and implement a written Incident Response Plan policy and procedure to ensure continuity of operations that provide guidance including:
 - a. Designating one key person, and at least one backup, who will manage the incident handling process;
 - b. Establishing and maintaining contact information for parties that need to be informed of security incidents, including where appropriate, law enforcement, government administrative agencies, and individuals whose information may have been compromised;
 - c. Establishing and maintaining a process for staff to report security incidents; and,
 - d. Tracking and documenting security incidents.

Implemented

5. The Town develop and implement a written Contingency/Recovery Plan policy and procedure to ensure continuance of mission and business functions that provide guidance including:
 - a. Identifying essential mission and business functions and associated contingency requirements;
 - b. Identifying recovery objectives and restoration priorities;
 - c. Addressing contingency roles, responsibilities, and assigned individuals with contact information;
 - d. Addressing maintaining essential mission and business functions despite a system disruption, compromise, or failure; and,
 - e. Addressing eventual, full system restoration without deterioration of the controls originally planned.

Pending Implementation

Section D – Appendices

6. The Town provide ongoing training to ensure staff are aware of their roles and responsibilities in responding to and recovering from a network security incident, including maintaining business functions during a system disruption or failure.

Pending Implementation

7. The Town develop and implement a written access control management policy and procedure that provides guidance including:
 - a. Establishing an account management process for assigning and managing user account authorizations;
 - b. Establishing an access granting process upon new hire, rights grant, or a role change;
 - c. Establishing an access revoking process through disabling accounts immediately upon termination, rights revocation, or role change;
 - d. Identifying, and dividing, business and support functions between different individuals, or roles, to reduce risk associated of authorized privileges abuse;
 - e. Employing the principal of least privilege, allowing only authorized access for users that are necessary to accomplish assigned organizational tasks;
 - f. Establishing configuration requirements, connection requirements and implementation guidance for mobile devices accessing the network; and,
 - g. Establishing unique identification and authentication requirements (usernames, passwords, biometrics, etc.) for user accounts accessing the network.

Implemented

8. The Town provide ongoing training to ensure staff are aware of their roles and responsibilities related to access control management.

Pending Implementation

Date

11/28/2022 **Community Based Agency Contract Between Palm Beach County and The Urban League of Palm Beach county, Inc. Audit**

Report Number

2023-A-0002 **Recommendations:**

1. The County consider recouping the \$88,442.86 paid to the Agency that was not in compliance with the Contract definition of unit service or scope of work.

Not Implemented

2. The County enhance its review and oversight by consistently reviewing Agency payment requests and supporting documentation, such as daily logs, to identify, follow-up on, and exclude from payment, if applicable, units of service that are not in compliance with the contract terms or scope of work.

Implemented

3. The County include work related to referrals within the scope of work and the definition of “units of service,” in future contracts, where applicable.

Implemented

4. The County enhance its review of payment requests by including review of the cover memo to ensure it is in an original and signed by the CEO or documented designee.

Implemented

5. The County obtain a written designation from the CEO when another individual signs the cover memo attesting to the accuracy and compliance of the payment request.

Implemented

Date

3/20/2023

City of Boca Raton – Accounts Payable Expenditures and Cash Disbursements Audit

Report Number

2023-A-0003

Recommendations:

1. The City enhance the review and oversight process by comparing purchasing card purchases across a department and/or division for split purchases to ensure that purchasing card expenditures comply with policy.

Implemented

2. The City enhance the current Purchasing Card Policy and Procedures Manual guidance regarding split transactions to specifically restrict splitting purchasing card transactions across multiple cards assigned to different employees.

Pending Implementation

3. The City ensure purchasing card holders and coordinators/approvers are advised that splitting transactions across multiple cards is a violation of the Purchasing Card Policy and Procedures Manual.

Implemented

4. The City follow the Purchasing Card Policy and Procedures Manual guidance and ensure proper sales receipt and gift card purchase documentation is attached.

Implemented

5. The City ensure purchasing card holders and coordinators/approvers are aware of the sales receipt and gift card purchase documentation requirements and any enhancements made to the Purchasing Card Policy and Procedures Manual.

Implemented

Date

3/23/2023 **City of Atlantis – IT Network Security Review**

Report Number

2023-A-0004 **Recommendations:**

1. The City update its enterprise asset inventory list to ensure it includes all network components or devices and provides, at a minimum, the:
 - a. Machine name;
 - b. Static network address;
 - c. Hardware address;
 - d. Enterprise asset owner; and,
 - e. Department.

Pending Implementation

2. The City update its inventory list when components are installed or removed.

Pending Implementation

3. The City routinely compare its enterprise asset inventory list to the network components and devices and address unauthorized assets.

Pending Implementation

4. The City should establish and maintain an Information Protection/Security Awareness and Skills Training program that provides guidance, at a minimum, including:
 - a. Recognizing social engineering attacks;
 - b. Authentication best practices;
 - c. Data handling best practices;
 - d. Causes of unintentional data exposure;
 - e. Recognizing and reporting security incidents;
 - f. Identifying and reporting if enterprise assets are missing security updates; and
 - g. Dangers of connecting to and transmitting enterprise data over insecure networks.

Pending Implementation

5. Provide staff with ongoing Information Protection/Security Awareness and Skills Training.

Pending Implementation

Section D – Appendices

6. The City develop and implement a written access control management policy and procedure that provides guidance, at a minimum, including:
 - a. Establishing an account management process for assigning and managing user account authorizations;
 - b. Establishing an access granting process upon new hire, rights grant, or a role change;
 - c. Establishing an access revoking process through disabling accounts immediately upon termination, rights revocation, or role change;
 - d. Identifying, and dividing, business and support functions between different individuals, or roles, to reduce risk associated of authorized privileges abuse;
 - e. Employing the principal of least privilege, allowing only authorized access for users that are necessary to accomplish assigned organizational tasks;
 - f. Establishing configuration requirements, connection requirements and implementation guidance for mobile devices accessing the network;
 - g. Establishing unique identification and authentication requirements (usernames, passwords, biometrics, etc.) for user accounts accessing the network; and
 - h. Enabling device lock features (screensavers, blank screens, etc.) preventing network access when users are away from their workspace.

Pending Implementation

7. The City provide ongoing training to ensure staff are aware of their roles and responsibilities related to access control management.

Pending Implementation

8. The City develop and implement a written Data Sanitization and Asset/Inventory Disposal policy and procedure that provides guidance regarding:
 - a. Establishing and maintaining a data management process that addresses data retention limits and disposal requirements and ensures the disposal process and method are commensurate with the data sensitivity;
 - b. Reviewing and approving assets to be sanitized to ensure compliance with record retention requirements;
 - c. Tracking and documenting actions including listing personnel who reviewed and approved sanitization and disposal actions, types of assets sanitized, files stored on the asset, sanitization methods used, date and time of the sanitization actions,

Section D – Appendices

personnel who performed the sanitation, verification actions taken and personnel who performed the verification, and the disposal actions taken;

- d. Disposing of data, documentation, tools, or system components as outlined in the data management process;
- e. Remote purging or wiping of data on lost or stolen organizational assets;
- f. Verifying that the sanitization of the asset was effective prior to disposal; and,
- g. Testing of sanitation equipment and procedures.

Pending Implementation

9. The City ensure staff are aware of their roles and responsibilities related to data and asset/component sanitization and disposal.

Pending Implementation

10. The City implement an IT policy that ensures cybersecurity roles and responsibilities are coordinated and aligned with internal roles and external partners, and include governance and risk management processes addressing cybersecurity risks.

Pending Implementation

11. The City develop and implement written Incident Response Plan policies and procedures to ensure continuity of operations that provide guidance, at a minimum, including:
 - a. Designating one key person, and at least one backup, who will manage the incident handling process;
 - b. Establishing and maintaining contact information for parties that need to be informed of security incidents, including where appropriate, law enforcement, government administrative agencies, and individuals whose information may have been compromised;
 - c. Establishing and maintaining a process for staff to report security incidents;
 - d. Testing to determine the effectiveness of the plan to identify weaknesses or deficiencies; and,
 - e. Tracking and documenting security incidents.

Pending Implementation

12. The City develop and implement written Contingency/Recovery Plan policies and procedures to ensure continuance of mission and business functions that provide guidance, at a minimum, including:
 - a. Identifying essential mission and business functions and associated contingency requirements;
 - b. Identifying recovery objectives and restoration priorities;
 - c. Addressing contingency roles, responsibilities, and assigned individuals with contact information;
 - d. Addressing maintaining essential mission and business functions despite a system disruption, compromise, or failure;
 - e. Addressing eventual, full system restoration without deterioration of the controls originally planned;
 - f. Testing to determine the effectiveness, and readiness, of the plan to identify potential weaknesses; and
 - g. Safeguarding and testing of backup information to ensure it can be reliably retrieved and restored for essential mission and business functions.

Pending Implementation

13. The City provide ongoing training to ensure staff are aware of their roles and responsibilities in responding to and recovering from a network security incident, including maintaining business functions during a system disruption or failure.

Pending Implementation

Date

6/21/2023

Rental Car Lease and Concession Agreement – Enterprise Leasing Company of Florida, LLC Audit

Report Number

2023-A-0005

Recommendations:

1. The Department of Airports ensure that rental car concessionaires are aware of and adhere to the local revenue requirements of the Agreement.

Pending Implementation

2. The Department of Airports ensure that rental car concessionaires are aware of and adhere to the accounting records requirements of the Agreement.

Implemented

Section D – Appendices

3. The Department of Airports implement a control(s) to ensure that the Concessionaire submits the audit reports timely in compliance with future agreements.

Implemented

4. The Department of Airport enforce the quarterly ACDBE reporting requirements of the Agreement or amend the Agreement to reflect the actual process.

Implemented

5. The Department of Airports update its accounts receivable procedures to reflect the current processes and systems.

Implemented

6. The Department of Airports periodically review its accounts receivable procedures to ensure consistency with the current processes and systems and make revisions when necessary.

Pending Implementation

7. The Department of Airports obtain and document the Director or designee’s approval of the monthly reconciliations of the concession fee and rental revenues and cash receipts recorded in ABM and Advantage.

Implemented

Date

9/29/2023

**Village of Tequesta – Construction Contract – New Community Center
Constitution Park Construction Project Audit**

Report Number

2023-A-0007

Recommendations:

1. The Village consider collecting the \$28,186.77 from the Contractor for the Construction Manager’s Fee and General Insurance Liability that was overbilled.

Pending Implementation

2. The Village issue timely future construction contract payments in compliance with contractual requirements.

Section D – Appendices

Pending Implementation

3. The Village enhance the construction payment review and oversight process to include recalculation of any line items invoiced that are based on a percentage of the cost of work to ensure the accuracy of amounts paid to Contractors.

Pending Implementation

4. The Village consider collecting the \$5,140.53 from the Contractor for change orders that were overbilled.

Pending Implementation

5. The Village follow contract terms and conditions with respect to change orders.

Pending Implementation

6. The Village enhance the construction change order review and oversight process to include review of supporting subcontractor invoices and calculations for mathematical accuracy.

Pending Implementation

**CONTRACT OVERSIGHT AND EVALUATIONS REPORTS COMPLETED
(October 1, 2022 – September 30, 2023)**

Date

03/30/2023 Lantana – Review of the Library Renovation Contract

Report Number

CA-2021-0067 Recommendations:

1. The Town update procurement and contracting policies and procedures to include the E-Verify statutory requirements.

Implemented

2. The Town update policies and procedures to include the bid award evaluation process, and the determination of bidder’s responsiveness and responsibility, to verify that proposed contract awards are compliant with the Florida Statutes, Town Ordinances, and the solicitation documents.

Implemented

Section D – Appendices

3. The Town train staff on the requirements of section 2-423 (4), Palm Beach County Code.

Implemented

Date

08/21/2023 **North Palm Beach – Review of J.W. Cheatham LLC. Piggyback Contract**

Report Number

CA-2022-0023 **Reccomendations:**

1. The Village-NPB staff responsible for the procurement function receive training on procurement methods, the use of change orders, and administering the bid process, including the pre-award, award, and post award contract processes.

Pending implementation

2. The Village-NPB establish a verification process that includes validating contract line items prior to submitting requests to piggyback existing contracts.

Pending implementation

3. The Village-NPB implement internal controls to ensure that the proper bonds are obtained on construction and public works projects in accordance with the Florida Statutes.

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. We will continue to work with management in monitoring these recommendations.

The following lists these significant recommendations pending implementation:

Date

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

Report Number

2019-A-0010 Recommendations:

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

Date

12/2/2019 Town of Haverhill – Revenue Audit

Report Number

2020-A-0002 Recommendations:

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.
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.

Date

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

Report Number

2021-A-0003 Recommendations:

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

Date

3/21/2022

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

Report Number

2022-A-0003

Recommendations:

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.

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

Date

9/29/2023

Commercial Cooling: PBC Air Conditioning Services Contractor

Report Number

2018-0007

Recommendations:

1. The City develop written policies and procedures for declaration of City-owned assets as surplus and for subsequent disposition of such property.

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.

Section D – Appendices

Appendix 4 – FY2024 Audit Plan at a Glance

Audit	Objectives
	Carryover Audits
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 Fee⁴	<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?
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?
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?
Management Request – Palm Beach County Workforce Housing Program – Wellington Club Apartments	<ul style="list-style-type: none"> • Were Program requirements met and agreed upon deliverables received? • Are controls adequate related to administration of the Program?
Contract/Agreement – Contract between the Town of Palm Beach and John C. Cassidy Air Conditioning, Inc. for Bid No. 2018-54 HVAC and Refrigeration Maintenance and Replacement	<ul style="list-style-type: none"> • Are controls adequate to effectively manage the contract and related activities? • Are invoices properly documented and approved to avoid possible fraud, waste, and abuse? • Are payments for services received and in compliance with the contract?

⁴ Report issued 11/1/23.

Section D – Appendices

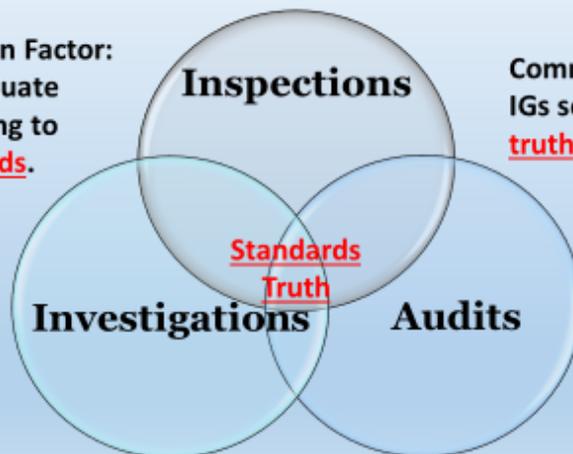
Audit	Possible Objectives
	Planned Audits
Multiple Entities – Contracts/Agreements	<ul style="list-style-type: none"> • Are controls adequate to effectively manage contracts and related activities? • Are control procedures adequate to ensure that contracts are competitively procured, when required, and for appropriate activities? • Are invoices properly reviewed and approved prior to payment? • Are purchases and/or invoices properly documented and approved to avoid possible fraud, waste, and abuse? • Are contracts effectively managed? • Were agreed upon deliverables received?
Multiple Entities – Revenue/Cash Intake	<ul style="list-style-type: none"> • Are received revenues recorded accurately and appropriately in compliance with financial requirements? • Are cash receipts recorded accurately with timely deposits? • Are there adequate controls for the receipt of revenue and/or cash intake activities?
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 payment applications and change orders properly documented and approved to avoid possible fraud, waste, and abuse? • Were agreed upon deliverables received?
Palm Beach County – Workforce Housing Program Master Covenant for Rental Units	<ul style="list-style-type: none"> • Are controls adequate related to the administration of the Workforce Housing Program Master Covenant for Rental Units? • Are Master Covenant requirements being met and agreed upon deliverables received?
Multiple Entities – Payroll	<ul style="list-style-type: none"> • Are controls adequate for the payroll process? • Is payroll information properly secured, accurate, and reliable? • Are payroll operations 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?

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

The Inspector General Value

Common Factor:
IGs evaluate
according to
standards.

Common Factor:
IGs seek the
truth.



Palm Beach County Office of Inspector General

100 Australian Avenue
West Palm Beach, FL 33406
TEL: (561) 233-2350
FAX: (561) 233-2370

Report Fraud, Waste, and Abuse

HOTLINE: (877) OIG-TIPS

Email: Inspector@pbcgov.org

Website: www.pbcgov.com/OIG

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

Follow us on Facebook at <https://www.facebook.com/PBCOIG>

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.