



**Office of Inspector General  
Annual Report**

**Fiscal Year 2015**

Prepared by  
**Office of Inspector General**

**J. Timothy Beirnes, CPA, Inspector General  
Ann E. Haga, Executive Assistant**



# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

December 14, 2015

Governing Board Members:

Mr. Daniel O'Keefe, Chair  
Mr. Kevin Powers, Vice-Chair  
Mr. Sam Accursio  
Mr. Rick Barber  
Ms. Sandy Batchelor  
Mr. Clarke Harlow  
Mr. Mitch Hutchcraft  
Mr. James J. Moran  
Ms. Melanie Peterson

Re: Annual Report for Fiscal Year 2015

In accordance with the Audit and Finance Committee Charter and Section 20.055, Florida Statutes, I am pleased to submit the Office of Inspector General's Annual Report for Fiscal Year 2015. This report was prepared by Ann Haga, Executive Assistant, and myself. It summarizes the audits and investigations performed, as well as other projects and activities accomplished during the year.

The Office of Inspector General will continue to promote effective controls, evaluate program effectiveness, and identify opportunities to improve efficiencies in operations. We will continue to provide you and District management with quality information to assist in decision making and fulfilling your duties and responsibilities.

We appreciate the support and encouragement of the Governing Board, the Audit and Finance Committee, and the cooperation of District management and staff.

Sincerely,

A handwritten signature in blue ink that reads "J. Timothy Beirnes".

J. Timothy Beirnes, Inspector General  
Office of Inspector General

C: Peter Antonacci  
Executive Team

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## INTRODUCTION

In accordance with the Section 20.055, Florida Statutes, this report summarizes the activities of the South Florida Water Management District's (the "District") Office of Inspector General (the "OIG") for the fiscal year ended December 30, 2015.

The OIG serves as an independent appraisal unit within the District to examine and evaluate its activities. The Inspector General reports directly to the District's Governing Board (the "Board"), through the Board's Audit & Finance Committee, whose members are appointed by the Chairman of the Board. The Audit & Finance Committee operates under an Audit & Finance Committee Charter established by the Board.

The Internal Audit Charter adopted by the Governing Board established an internal audit function within the OIG to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in the operations of the District. The OIG is accorded unrestricted access to District facilities, records, and documents and is not limited as to the scope of work.

The duties and responsibilities of the Inspector General, as defined by Sections 373.079 and 20.055, Florida Statutes, include:

- advising in the development of performance measures,
- assessing the validity and reliability of performance measures,
- reviewing action taken by the District to improve performance,
- conducting, supervising or coordinating other activities to promote economy and efficiency,
- preventing and detecting fraud and abuse,
- coordinating with other auditors to avoid duplication, and
- ensuring that an appropriate balance is maintained between audits, investigations, and other accountability activities.

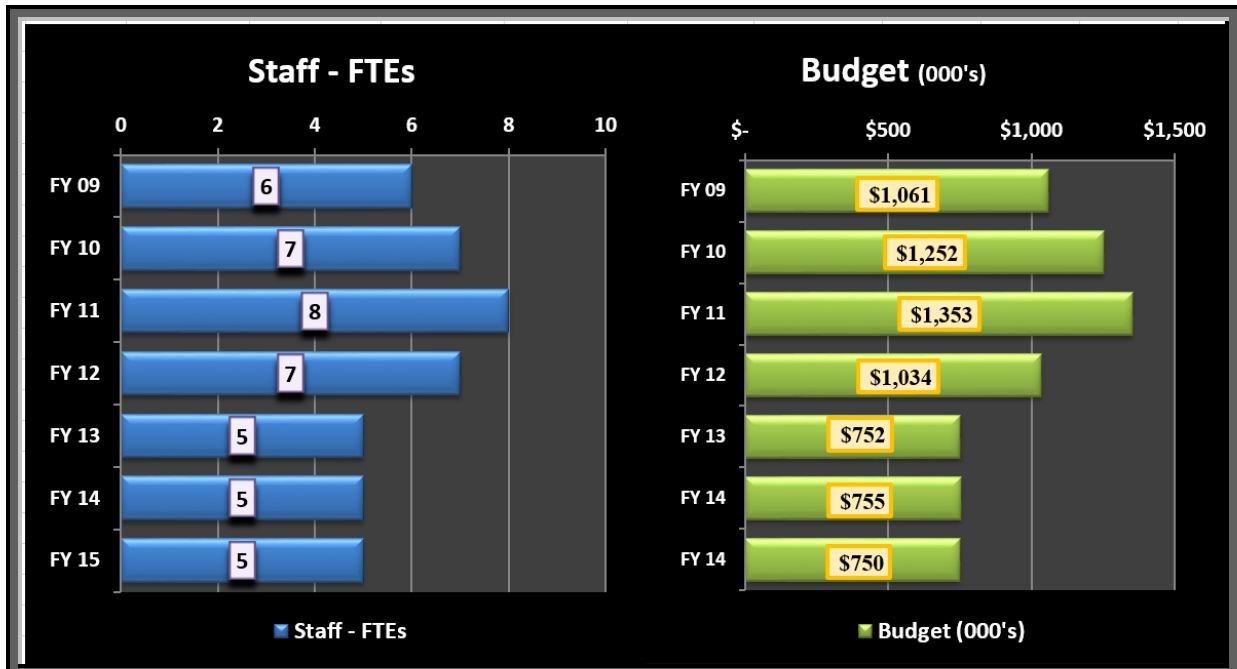
Pursuant to Sections 112.3187 through 112.31895 and Section 20.055, Florida Statutes, the Inspector General is also responsible for investigating Whistle-Blower Act complaints brought by District employees, former employees, agents, contractors, or citizens.

## OFFICE STAFF and BUDGET

The Office of Inspector General currently consists of the following staff:

<u>Position</u>	<u>Certifications</u>
<b>Inspector General</b>	<i>Certified Public Accountant (CPA)</i> <i>Certified Management Accountant (CMA)</i> <i>Certified Information Systems Auditor (CISA)</i> <i>Certified Information Technology Professional (CITP)</i> <i>Certified Inspector General (CIG)</i>
<b>Lead Consulting Auditor</b>	<i>Certified Public Accountant</i>
<b>Lead Consulting Auditor</b>	<i>Certified Internal Auditor</i>
<b>Chief Investigator</b>	<i>Certified Public Accountant</i> <i>Certified Fraud Examiner</i> <i>Certified Inspector General Investigator</i>
<b>Executive Assistant</b>	

The following graphs show the trend in the number of full-time equivalent (FTE) staff and the Office of Inspector General's annual budget for the past several years.



The Office's budget includes the fees for the annual financial statement audit performed by the District's accounting firm. This amount was \$152,000 for FY 2015.

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## PROFESSIONAL DEVELOPMENT

In order for our office to comply with the General Accounting Office's *Government Auditing Standards*, the Inspector General ensures that mandatory training requirements are satisfied for the entire Office of Inspector General staff. The goal of the program is to cost effectively increase professional knowledge and proficiency, and ensure that staff meets continuing professional education requirements.

During FY 2015 the staff received training in such topics as:

- Government Accounting Standards
- Government Auditing
- Risk Management
- Information Systems & Security
- Fraud Detection and Investigation
- Leadership

Professional development is provided through affiliations with several professional organizations, including the following:

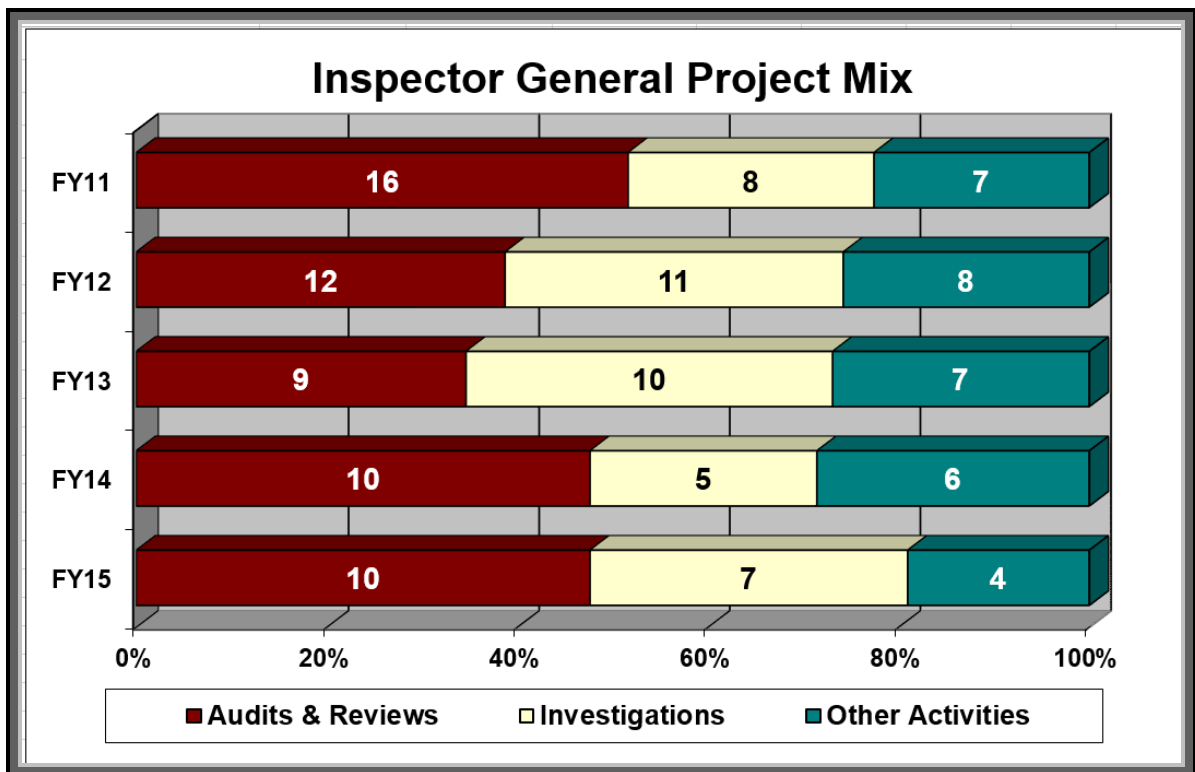
- Association of Inspectors General
- American Institute of Certified Public Accountants
- Institute of Internal Auditors
- Association of Local Government Auditors
- Institute of Management Accountants
- Information Systems Audit and Control Association
- Association of Certified Fraud Examiners

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## INSPECTOR GENERAL ACTIVITIES

The Inspector General prepares an annual audit plan that lists the audits and other activities that will be undertaken during the ensuing fiscal year. The Inspector General relies on a review of the District's Annual Budget and work plans, analysis of financial information, and input from the Audit & Finance Committee and District management, to aid in the development of this plan. The Office of Inspector General continues to identify those programs that pose the greatest challenge to the District, to assist in prioritizing audits, and to ensure the most effective use of staff resources. The Inspector General also considers the statutory responsibility to advise in the development of performance measurements, standards, and procedures in assessing District program risks.

The number of projects completed during the current and past fiscal years is illustrated in the following graph:



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## **AUDITS & REVIEWS**

In FY 2015, the Office of Inspector General focused on performance auditing and completed 10 audit and review projects. Performance audits include comments on economy & efficiency, program compliance, and results. A summary of each report follows.

### **Audit of the Network Perimeter Security** ***Project No. 13-22***

This audit focused on the network perimeter security, including associated policies, standards and procedures as well as the effectiveness of the security implementation; and the adequacy and effectiveness of the policies and procedures related to the Oracle Identity Management system. The overall objectives of the Audit of the Network Perimeter Security were to:

- Provide an independent assessment relating to the network perimeter security,
- Evaluate IT's preparedness in the event of an intrusion,
- Identify issues that affect the security of the District's network, and
- Determine the Identity Management System is fulfilling its' intended purpose and that administrative controls are sufficient.

Generally, we found that the Enterprise Network had adequate perimeter security. The network architecture and the placement and administration of firewalls and routers, as well as the 24/7 managed security, provided reasonable protection and assurance against outside intrusion. Audit results revealed many instances where effective procedures were in place, but without the support of written policies, strategic planning, and risk analysis. Some of the key recommendations are as follows:

- Perform a security risk analysis to identify, estimate, and prioritize risks resulting from the operation and use of IT systems.
- Develop a security strategy that defines control objectives and establishes an implementation plan, the goal of which is to mitigate risks and ensure compliance with District policies.
- Develop a written security incident handling procedure.



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- Perform regular security threat assessments periodically to determine the network's internal vulnerabilities and document the results of the tests and scans and remedial action taken.
  - Develop written procedures to support identity and access management processes. These processes include provisions for assignment of unique user IDs, guidelines for password rules and management, and the process for granting permissions to authenticated users. Various reports derived from the OIM system should be developed to assist management in monitoring system activity and exceptions.

### **Audit of the EAA Incentive Tax Assessment Process** ***Project No. 14-05***

The objective of the Audit of the Everglades Agriculture Area (EAA) Incentive Tax Assessment Process was to determine whether tax incentives were properly determined in accordance with state statutes. This entailed ensuring that adequate internal controls were in place, which provided reasonable assurance that the District's processes and procedures used to collect and analyze water samples, and measure the phosphorus load discharging from the EAA, complied with applicable standards, and that such results were properly communicated to the Budget Bureau to ensure that the tax roll information was processed properly.

The District's measurement of phosphorus load and other nutrients in the EAA is used by various entities, including the federal government and State of Florida, to determine compliance with provisions of the Act and the effectiveness of current phosphorus load reduction projects, which may impact future restoration efforts. We found that internal controls over the District's processes and procedures used to collect and analyze water samples, and measure the phosphorus load discharging from the EAA appear sufficient to ensure compliance with established standards and accurate data.

District methods used to collect water samples and to measure phosphorus and nutrient data in the EAA undergo extensive Quality Assurance/Quality Control (QA/QC) to ensure that the data is complete and accurate. The QA/QC process includes District staff dedicated to the process, external audit teams and peer reviews. The District's

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internal quality control staff review and audit the processes to ensure that the data is reliable and defensible. The QA/QC program also includes staff training, policy and procedure updates, and internal and external audits to ensure that quality standards are followed and any noted deficiencies are corrected. Our review of the audit reports prepared by internal staff and external agencies indicated no major deficiencies and minor issues were addressed in a timely manner.

The District's Budget Bureau is responsible for processing the Agricultural Privilege Tax. We found that the processes implemented by the Budget Bureau appear adequate to ensure that that tax roll information is processed accurately. Such processes include comparison of prior and current year tax rolls to identify and review changes.

### **Audit of the Dispersed Water Management Program** ***Project No. 14-07***

The objectives of the Audit of the Dispersed Water Program (DWM) primarily focused on assessing the effectiveness of the program and comparing its cost efficiency to other storage alternatives. DWM projects are an innovative way to address water storage needs and provide environmental and economic benefits. Our audit identified some improvements that can be made to strengthen the DWM Program and improve the program's cost efficiency.

DWM projects complement planned regional projects and are viewed as short-term strategies to reduce excess water and improve water quality flowing to Lake Okeechobee and the St. Lucie River and Caloosahatchee River Estuaries. As of June 2014, operational DWM projects provide 48,728 acre-feet of retention and projects under construction will provide another 45,957 acre-feet, for a total of approximately 95,000 acre-feet of retention. These projects will provide about 6% to 9% of the Lake Okeechobee, St Lucie, and Caloosahatchee watersheds' projected storage needs.

Regional and DWM projects have some similarities; however, the projects have major differences. Both types of projects reduce nutrient load and provide groundwater recharge. The most significant difference between regional and DWM projects is that regional projects are permanent and DWM projects are temporary. Another notable

major difference is that regional projects capture and store water that is later released during dry periods to provide essential flows, which results in improved salinity and ecological health. In comparison, water retained on DWM project sites does not drain off-site as surface flow and is not available to improve salinity during dry periods. In addition, regional projects have high initial capital costs whereas DWM projects have low initial costs, but have recurring service payments.

Our assessment of the DWM Program’s revenue and planned expenditures disclosed that additional funds will be needed to meet commitments and planned expenditures. Specifically, for the period Fiscal Year 2018 to Fiscal Year 2024, the DWM Program will need approximately \$17.3 million additional to meet its planned expenditures, as of June 3, 2014.

Audit procedures included calculating the cost of various methods of water storage. These are shown in the following table.

<b>Annual Storage Cost Per Acre-Foot</b>						
<b>Storage Method</b>		<b>Initial Capital</b>	<b>Recurring Payments &amp; Operations</b>	<b>Total</b>	<b>Financial Cost</b>	<b>Ecological Benefit</b>
<b>DWM</b>	<b>Public Lands</b>	\$ 4.05	\$ 3.97	\$ 8.02	Lowest – But Limited Opportunities	Generally Lower than Reservoir
	<b>Private Lands</b>	\$ 22.65	\$ 80.45	\$ 103.10	Lower than Reservoir	
<b>Reservoirs</b>		\$ 147.32	\$ 20.53	\$ 167.84	Higher than DWM	Generally Higher than DWM

In many cases DWM projects may not provide the same ecological benefits as reservoirs. Storage reservoir costs are provided in the above table for the purpose of providing a comparative perspective regarding DWM storage cost per acre-foot of annual storage. Our analysis also reveals that the cost of DWM projects on public lands is significantly lower than private lands, although the ecological benefits are comparable. This cost difference is due to the following conditions.

- Recurring payments are not required on public lands; however, some projects may require on-going operation costs; such as operating pumps.

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- The initial capital cost can be amortized over the infrastructures' useful life (typically 50 years) instead of the agreement term (typically 10 years).

It should be noted that although the cost of DWM projects on public lands is significantly lower, storage will be limited to the amount of such opportunities available on public lands that can be implemented with reasonable initial construction cost.

Some operational and planned DWM projects are on District lands as well as publically owned lands. Additionally, some District-owned pre-project land parcels are currently being used as interim storage and others sites are in the planning phases. Based on our analysis of the cost of current and planned DWM projects we concluded that, in most instances, using available District or other publicly owned lands, which meet the required criteria for DWM projects, is a more cost effective strategy, primarily because annual service payments are not required. The weighted average annual cost to store water on publically owned land is about \$8 per acre-foot compared to \$103 for privately owned land. District staff had not performed a recent comprehensive analysis of all District-owned pre-project lands and other publicly owned lands to determine whether there are other feasible sites that would be suitable for interim water retention.

DWM projects usually have some construction related costs before they can become operational. Staff involved in the contract negotiations reviewed proposed costs for reasonableness. We recommended that DWM staff consult with Engineering and Construction Bureau's staff, with construction cost estimating expertise, to review proposed construction costs. The audit also disclosed that the District was paying a contracted party about \$23,512 per year in administrative fees for essentially making payments to a FRESP service provider and forwarding invoices to the District for reimbursement.

### **Audit of the Corkscrew Regional Mitigation Bank *Project No. 14-13***

The District and Earthmark were in discussions regarding terminating an agreement to develop and operate the Corkscrew Regional Mitigation Bank (CRMB). Pursuant to these discussions, District management requested that our office review

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certain financial information. The CRMB site consists of 632 acres located in Lee County off Corkscrew Road. Mariner Properties Development, Inc. (Mariner Properties) was originally awarded the contract in January 1998 to develop and operate the CRMB. However, Earthmark assumed responsibility over the site through a contract assignment dated March 14, 2008 between Mariner, Earthmark and the District. The contract authorized Earthmark to design, construct and implement a mitigation bank restoration plan on the designated bank site, obtain the required governmental permits, market and sell mitigation bank credits and manage, operate and maintain the site until the plan is successfully implemented and the site is turned over to the District for long-term management. We examined various Earthmark and District financial records to ascertain the following information.

- Determined whether the District received its portion of revenues from mitigation bank credit sales in accordance with the agreement.
- Determined the number of remaining credits that had not been sold or had not yet closed under pending contracts.
- Determined whether the permanent maintenance trust fund has been funded in accordance with the agreement.
- Determined whether the remaining credits contained any encumbrances or reserves.
- Ascertained the existence of any potential outstanding obligations for which the District could become responsible if the District took possession of the CRMB.
- Ascertained the factors affecting the future economic viability of the CRMB.

The results of the audit were provided to management and the Office of Counsel, which were used in negotiating the terms of the termination agreements.

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**Audit of Fleet Utilization**  
***Project No. 14-15***

The objective of the Audit of Fleet Utilization focused on determining how vehicles are assigned and utilized and whether the fleet size is appropriate to carry out the District's mission. We also determined whether it would be more cost efficient for the District to consider disposing of low utilization equipment and rent as needed. Lastly, we determined whether vehicles are purchased via state and other government contracts.

Overall, the District has an adequate process in place for ensuring that fleet vehicles and equipment are being efficiently utilized and that the District's fleet size is adequate; however, some minor improvements were recommended to further strengthen controls. Specifically, the Fleet Maintenance Unit closely monitors utilization of light vehicles; however, underutilized light vehicles should be monitored on a six-month basis instead of just annually. Fleet Management Unit does not require cost centers to provide annual justification for underutilized medium/heavy trucks, equipment, and boats since these fleet classes are essential to District operations. Our tests disclosed that most of these classes are adequately utilized and adequate justifications were provided for low utilizations; however, there appears to be instances where certain boats could be reassigned to other cost centers or surplus.

Due to limited funding over the past several years, the District has not been able to replace its fleet that has met certain District replacement criteria. As a result, repair costs have been increasing and time spent on repairs can also impact productivity in other areas. More importantly, the number of vehicles and construction equipment meeting the replacement criteria is increasing each year; thus, replacement costs will continue to increase. Specifically, over the last six years only about \$8 million has been spent on fleet acquisition (an average of \$1.3 million per year). As of Fiscal Year 2015, it would cost approximately \$14.4 million to replace all the fleet units that meet the current replacement criteria.

Our review of vehicles that were taken out of service for auction disclosed that in a few instances costly repairs were made before the vehicles were taken out of service. In addition, we determined that the District has three 25 ton truck mounted cranes that are over 30 years old and utilization ranged only from 15 days to 34 days during a two-year

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period. We determined whether it would be cost beneficial to dispose of the cranes and rent when needed. Based on the number of days the cranes were used, and maintenance and associated costs, we concluded that even at the low utilization it is more cost effective to retain these cranes rather than disposing of them and renting when needed. We recommended that the District should consider keeping the three cranes if they will continue to be utilized and maintenance costs remain minimal. However, if it was later determined that costly major overhauls were needed, then an analysis should be conducted to determine whether it would be cost effective to perform the overhaul or dispose of the cranes and rent as needed. Further, recent crane purchases by the District ranged from 60 ton – 150 ton and are more versatile than the older cranes; thus the District should also consider whether the cranes are really needed.

Our audit of fleet purchases during Fiscal Year 2014 disclosed that six vehicles (three pick-ups and three SUVs) were purchased by a contractor as part of a construction contract and title was transferred to the District upon purchase. Funding for the purchase was part of the contract's lump sum amount. Three of the vehicles were assigned to the Engineering and Construction Bureau and the remaining three to three field stations. We determined that the District would have saved an estimated \$35,880 if the vehicles had been purchased by the District's Fleet Management Unit using local government contracts and with the District's tax exempt status.

### **Audit of Procurement Card** ***Project No. 15-03***

The objective for the Audit of Procurement Cards was to determine whether procurement card transactions were appropriately used for District business, adequately supported by documentation, and properly recorded and classified in the accounting records.

The District spent approximately \$3.1 million through 19,528 P-Card transactions during calendar year 2014. Our review of the internal controls related to the P-Card program indicated that the system of internal controls appeared adequate to ensure that P-Card transactions were for District business only, adequately supported by receipts and

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invoices were properly recorded and classified in the accounting records. P-Card internal controls include codified procedures, a cardholder user manual, mandatory training, P-Card imbedded software features, P-Card Administrator's continuous review, and external audits. We found that compliance with P-Card procedures and requirements has improved when compared to the prior year external audit results. However, P-Card transaction testing revealed some cardholder non-compliance with these procedures and requirements.

Our testing found that the area needing the most improvement was cardholder signature and supervisory approval of P-Card statements. We recommend that the P-Card Administrator remind cardholders and supervisors, through e-mail or retraining, of the importance of signing and approving the P-Card billing statements. We also noted that supervisory approval of P-Card expenditures was performed by the cardholder's immediate supervisor, which often times was a Section Leader, Section Administrator or even a Senior Scientist. This level of approval does not comply with P-Card procedures and requirements, which require the Division Director, Bureau Director or Chief to review and sign the monthly P-Card statement. We believe that the cardholder's immediate supervisor is better positioned in many cases to provide approval and oversight. As a result, we recommend that the District amend its P-Card procedures and requirements to authorize Section Leaders, Section Administrators and other relevant supervisors to review and approve P-Card statements.

We noted that documentation supporting the business purpose of a \$299 purchase was not obtained before an employee separated from the District. We recommend that the District obtain all support for P-Card purchases as part of the separation process and add this as a step in the *Separation of Employment Checklist*.

We found nine instances where employees inadvertently used the P-Card for personal business and immediately reimbursed the District for their personal expenditures when they became aware of the error. We also found where the P-Card Administrator cancelled one employee's P-Card privilege for making personal purchases in subsequent billing cycles.

Our audit procedures included tracing P-Card transactions to general ledger accounts to determine that charges were properly coded and classified in the District



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accounting records. Our testing revealed only two coding errors; thus, the system of internal control over P-Card transaction coding and classification appears to be working as designed.

## **Follow-Up Audits**

### ***Follow-Up Audit for 7/1/14 – 9/30/14 Project No. 15-01***

This report on the implementation status of audit recommendations was for the period July 1, 2014 through September 30, 2014 (the “Fourth Quarter of FY 2014 Reporting Period”). As of June 30, 2014 there were six (6) recommendations that were not yet Fully Implemented, consisting of five (5) that were In-Process and one (1) that was Partially Implemented. During the Fourth Quarter of FY 2014 Reporting Period, one (1) of these recommendations was Fully Implemented.

During the Fourth Quarter of FY 2014 Reporting Period, 27 recommendations were added from three (3) newly issued reports. As of September 30, 2014, two (2) of these recommendations had been Partially Implemented and four (4) of these recommendations had been Fully Implemented. In total from all reports, 28 recommendations were In-Process of being implemented or had been Partially Implemented as of September 30, 2014.

### ***Follow-Up Audit for 10/1/14 – 12/31/14 Project No. 15-05***

This report on the implementation status of audit recommendations was for the period October 1, 2014 through December 31, 2014 (the “First Quarter Reporting Period”). As of September 30, 2014, 28 recommendations were not yet Fully Implemented, consisting of 25 that were In-Process and three (3) that were Partially Implemented. During the First Quarter Reporting Period, 17 of these recommendations were Fully Implemented.

During the Reporting Period no recommendations were added from newly issued reports. As of December 31, 2014, 17 of these recommendations had been Fully

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Implemented. In total from all reports, 11 recommendations were In-Process of being Implemented or had been Partially Implemented as of December 31, 2014.

***Follow-Up Audit for 1/1/15 – 3/31/15***  
***Project No. 15-09***

This report on the implementation status of audit recommendations was for the period January 1, 2015 through March 31, 2015 (the “Second Quarter Reporting Period”). As of March 31, 2015, 11 recommendations were not yet Fully Implemented, consisting of nine (9) that were In-Process and two (2) that were Partially Implemented. During the Second Quarter Reporting Period, one (1) of these recommendations was Fully Implemented and one (1) was no longer applicable.

During the Second Reporting Period, 15 recommendations were added from newly issued reports. As of March 31, 2015, nine (9) of these recommendations were Fully Implemented. In total from all reports, 15 recommendations were In-Process of being Implemented or have been Partially Implemented as of March 31, 2015.

Commencing with the Second Quarter Reporting Period, our office also monitored the implementation status of the 10 recommendations made in the Operational Audit performed by the State of Florida Auditor General. As of March 31, 2014, seven (7) recommendations had been Fully Implemented, two (2) had been Partially Implemented, and one (1) was in Process of Implementation.

***Follow-Up Audit for 4/1/15 – 6/30/15***  
***Project No. 15-20***

This report on the implementation status of audit recommendations was for the period April 1, 2015 through June 30, 2015 (the “Third Quarter Reporting Period”). As of April 1, 2015, 15 recommendations were not yet Fully Implemented, consisting of 14 that were In-Process and one (1) that was Partially Implemented. During the Third Quarter Reporting Period, two (2) of these recommendations were Fully Implemented.

During the Third Quarter Reporting Period, no recommendations were added from newly issued reports. In total, 13 recommendations were In-Process of being Implemented or had been Partially Implemented as of June 30, 2015.

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Our office also continued to monitor the implementation status of the 10 recommendations made in the Operational Audit performed by the State of Florida Auditor General. Seven (7) of these recommendations were Fully Implemented during the prior quarter. During the Third Quarter Reporting Period, two (2) additional recommendations were Fully Implemented and one (1) was still in process of Implementation as of June 30, 2015,

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## INVESTIGATIONS

Investigation issues arise from many different sources including: District management, District staff members, vendors, and citizens. The Chief Inspector General for the Office of the Governor and other State agency Inspectors General's also refer certain cases to our office. During FY 2015 we received a total of seven (7) complaints from various sources. A short summary of each complaint follows.

### **Investigation of Complaint Alleging Hiring Irregularities** *Project 15-18*

We investigated a complaint concerning the District's hiring process related to a Scientist-3 position in the Lake Ecological Assessment Unit that was filled in April 2015. The Complainant applied for the position but was not selected.

Documents related to the recruitment indicated that six candidates were interviewed for the Scientist-3 position. The selected candidate had five years of direct experience, along with a Master's Degree in Environmental Science and related GIS certification. The selected candidate also had an arrest record.

The Complainant expressed disagreement with the hiring manager's evaluation of the selected candidate primarily because of the candidate's arrest record. He questioned the selected candidate's high interview score even though "he is a repeat criminal convict."

The hiring manager determined the best suited candidate for the Scientist-3 position based on an evaluation of the candidate's experience, credentials, and the technical and behavioral interview. While the selected candidate did have a prior arrest record, he disclosed the case numbers and other details on his on-line application, which was consistent with the *Florida Criminal History Record*. The application documented two arrests that occurred in July 1997 and November 2002. The courts withheld adjudication<sup>1</sup> on the former arrest and the latter arrest was a misdemeanor. Human Resources' background check also disclosed these incidents.

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<sup>1</sup> Withheld adjudication generally refers to a decision by a judge to put a person on probation without an adjudication of guilt. It means a person is not found guilty legally by the court.

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According to Florida Statute §112.011, a person may not be disqualified from employment by the state, any of its agencies or political subdivisions, or any municipality solely because of a prior conviction for a crime. However, a person may be denied employment by the state, any of its agencies or political subdivisions, or municipality by reason of the prior conviction for a crime if the crime was a felony or first degree misdemeanor and directly related to the position of employment sought. Human Resources determined that the selected candidate's arrest record was not directly related to the Scientist-3 position.

We found that the District's hiring process for the Scientist-3 position in the Lake Ecological Assessment Unit was lawful and proper. The District complied with its Human Resources policies and procedures and Florida Statutes.

### **Complaint Alleging Vegetation Disturbance in Natural Area** *Project 15-04*

We received a citizen complaint noting that trees were cut down and an area cleared in a natural area in the Windermere Trails subdivision. We determined that this issue was a regulatory matter and referred it to regulatory enforcement staff to investigate and take appropriate action as needed.

### **Complaint Regarding Coquina Water Control District** *Project 15-10*

We were contacted by the Florida Department of Financial Services staff concerning a complaint they received from a citizen alleging that a member of the Coquina Water Control District Governing Board was misspending the Coquina district's funds. This was determined to be outside of the SFWMD's jurisdiction.

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**Complaint Alleging that District Helicopter Flew Dangerously**  
***Project 15-12***

We received a complaint alleging that a District pilot flew the float helicopter dangerously close to a boater on the L-67A canal, threatening the safety of boaters in the area. We found no evidence to support the allegation.

**Citizen Complaint that District Did Not Purchase US Sugar Land**  
***Project 15-13***

A citizen alleged that decision makers were paid to decline the option to purchase US Sugar land. The complaint did not contain any substantive information and no investigation was deemed necessary.

**Citizen Complaint Regarding Illegal Concrete Pad Built on District Property**  
***Project 15-14***

We received a citizen complaint alleging that a mobile home park in Polk County built an illegal concrete pad on District property very close to a canal, and placed dumpsters on the pad. The concrete pad and dumpsters were subsequently removed through an enforcement action taken by Polk County because they were not appropriately permitted through the County. Thus, no further action was necessary by the District.

**Citizen Allegations of Fraud, Waste, and Abuse**  
***Project 15-16***

We received a complaint that was forwarded to us by the Florida Department of Financial Services alleging that the South Florida Water Management District is engaging in fraud, waste, and abuse, and also alleged that the District is mismanaged and is failing to meet its basic mission. We requested the complainant to provide specific information and details regarding his allegations. No such information was provided; thus, this case was closed.

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## **OTHER PROJECTS**

### **Administrative Projects**

During FY 2015 our office completed the following administrative projects:

- Developed the annual audit plan.
- Completed the Office of Inspector General Annual Report.
- Maintained and updated the Office of Inspector General Web Site.
- Managed the contract with McGladrey, LLP, for External Independent Auditing Services. The District received an unqualified opinion on its financial statements for the year ended December 30, 2014.