



For: JR103629 Inspector General

Phone Number [REDACTED] (Mobile)

Email [REDACTED]

Stuart A Robinson Cover Letter.pdfStuart A Robinson Resume 08.2026.pdf

Phone Number [REDACTED] (Mobile)

Phone Composite Header Grouping Icon Phone

Email [REDACTED]

Email Composite Header Grouping Icon Email

Location [REDACTED], FL [REDACTED] United States of America

Location Header Grouping Icon Location

Jobs Applied to 1

Documents with Check Header Grouping Icon Documents with Check

Attachments

Attachments

Resume / Cover Letter

Attachment	
Stuart A Robinson Cover Letter.pdf	
Stuart A Robinson Resume 08.2026.pdf	

Other Documents

Attachment	Category	

Candidate

Job Application Details Card

Job Application Details

Job Requisition JR103629 Inspector General (Open)
Location Providence
Date Applied 08/03/2026 07:31:08 PM
Source Sources -> Advertisement

Thomas A Verdi
Hiring Manager



Colleen Halloran-Villandr
Recruiter

In Progress

	Step	Awaiting Me	Awaiting
Screen: Stuart Robinson - JR103629 Inspector General (C121140)	Referred	Screen Candidate	1

Active Job Applications

Active Job Applications (1)

Job Application for Active Job Applications

Task Stuart Robinson - JR103629 Inspector General (C121140)
Stage Label Referred
Location: Providence | Date Applied: 08/03/2026

Education

Education

Indiana University School of Law
JD
Law
From 1987
To 1990

Indiana University
BS
Political Science
From 1983
To 1987

Work History

Work History

Current Job 8 years
Total Jobs 9
Total Experience 72 years

Experience

Palm Beach County Office of Inspector General
Director of Investigations
November 2017 - Current (8 years, 10 months)



West Palm Beach, FL

County Director tasked with inspector general leadership for fraud, waste, and abuse investigative matters for a staff with jurisdiction over a \$9.6 billion county budget and 39 municipalities. Extensive coordination with county departments, municipal executives, ethics commissions, auditors, and public stakeholders. Responsible for the entire life of investigative program, from initial intake to complex investigative operations, subpoena issuance, to authorship and review of published reports. Implemented modernized evidence retention and interviewing techniques. Outstanding performance evaluations without exception. Led over 50 completed and publicly reported investigations, including findings of multi-million dollar county vendor overcharges, over 36 grant/assistance fraud matters, and a municipal water authority whose executives concealed over 130 occasions of contaminated water.

Palm Beach County Office of Inspector General

Director of Investigations

November 2017 - Current (8 years, 10 months)

West Palm Beach, FL

County Director tasked with inspector general leadership for fraud, waste, and abuse investigative matters for a staff with jurisdiction over a \$9.6 billion county budget and 39 municipalities. Extensive coordination with county departments, municipal executives, ethics commissions, auditors, and public stakeholders. Responsible for the entire life of investigative program, from initial intake to complex investigative operations, subpoena issuance, to authorship and review of published reports. Implemented modernized evidence retention and interviewing techniques. Outstanding performance evaluations without exception. Led over 50 completed and publicly reported investigations, including findings of multi-million dollar county vendor overcharges, over 36 grant/assistance fraud matters, and a municipal water authority whose executives concealed over 130 occasions of contaminated water.

Broward County Office of Inspector General

Investigative Supervisor

March 2016 - October 2017 (1 year, 8 months)

Plantation, FL

Supervised and managed eight inspector general investigators. Lead investigator on multiple administrative matters. Authored, reviewed, and edited administrative reports, insuring evidentiary accuracy and legal sufficiency. Lead OIG investigator on a municipal commissioner who illegally influenced tens of thousands to a charity he controlled. Drafted and reviewed administrative subpoenas for legal sufficiency and completeness.

Broward County Office of Inspector General

Investigations Supervisor

March 2016 - October 2017 (1 year, 8 months)

Plantation, FL

Supervised and managed eight inspector general investigators. Lead investigator on multiple administrative matters. Authored, reviewed, and edited administrative reports, insuring evidentiary accuracy and legal sufficiency. Lead OIG investigator on a municipal commissioner who illegally influenced tens of thousands to a charity he controlled. Drafted and reviewed administrative subpoenas for legal sufficiency and completeness.

Federal Bureau of Investigation

Senior Special Agent

January 2008 - March 2016 (8 years, 3 months)

West Palm Beach, FL

FBI Special Agent investigating public corruption, civil rights, government fraud, FCPA, and financial crimes matters. Lead investigator on multiple prominent, complex, and undercover matters, including a 26 conviction law enforcement corruption matter, the conviction of a senior corporate executive for FCPA violations, and in one year, over 20% of the FBI's nationally indicted law enforcement Civil Rights cases. International training lead and Special Agent final stage hiring panel member. Recipient of multiple performance awards and



recognitions.

Federal Bureau of Investigation

Supervisory Special Agent/Special Agent

September 1990 - March 2016 (25 years, 7 months)

Boston, FBIHQ, New Haven, Miami

FBI investigative Supervisory Special Agent and Special Agent on Public Corruption, Government Fraud, and Financial Crimes matters. Recipient of multiple DOJ and FBI awards for outstanding performance. Lead FBI Agent on a prosecution of millions of dollars of bribes paid to senior investment bankers for influence on multi-billion dollar state and municipal finance bond syndicates. Lead FBI Agent on a \$50+ million fraud of public pensions by La Cosa Nostra backed financial advisors. A primary FBI financial and intelligence Special Agent during the 9/11 terror attack investigation.

As an HQ supervisor, supervised the FBI's Public Corruption and Government Fraud program for 15 states. National Antitrust and Environmental Crimes lead Supervisor. International and domestic training, both as an instructor and a conference planner. Presented high-sensitivity public corruption and civil rights undercover investigative operations to the national DOJ undercover review board on 20 occasions. Reviewed and edited sensitive case proposals.

As a field supervisor, Supervised a ten Special Agent squad addressing Public Corruption, Government Fraud, Financial Crimes, and Civil Rights violations for a territory of 1.5 million residents. Statewide FBI Financial Crimes Coordinator. Statewide FBI Undercover Operations Coordinator. International and domestic FBI instructor on Public Corruption and interviewing. Coordinated federal law enforcement activities with prosecutors and state/local law enforcement. Initiated national hedge fund investigative initiative. Significant public outreach.

Federal Bureau of Investigation

Supervisory Special Agent

January 2005 - December 2007 (3 years)

Bridgeport, CT

Supervised a ten Special Agent squad addressing Public Corruption, Government Fraud, Financial Crimes, and Civil Rights violations for a territory of 1.5 million residents. Statewide FBI Financial Crimes Coordinator. Statewide FBI Undercover Operations Coordinator. International and domestic FBI instructor on Public Corruption and interviewing. Coordinated federal law enforcement activities with prosecutors and state/local law enforcement. Initiated national hedge fund investigative initiative. Significant public outreach.

Federal Bureau of Investigation

Supervisory Special Agent

January 2003 - December 2004 (2 years)

Washington, DC

Supervised the FBI's Public Corruption and Government Fraud program for 15 states. National Antitrust and Environmental Crimes lead Supervisor. International and domestic training, both as an instructor and a conference planner. Presented high-sensitivity public corruption and civil rights undercover investigative operations to the national DOJ undercover review board on 20 occasions. Reviewed and edited sensitive case proposals.

Federal Bureau of Investigation

Special Agent

September 1990 - December 2002 (12 years, 4 months)

Boston, MA

Lead FBI investigative Special Agent on Public Corruption, Government Fraud, and Financial Crimes matters. Recipient of multiple DOJ and FBI awards for outstanding performance. Lead FBI Agent on a prosecution of millions of dollars of bribes paid to senior investment bankers for influence on multi-billion dollar municipal finance bond syndicates. Lead FBI Agent on a \$50+ million fraud of public pensions



by La Cosa Nostra backed financial advisors. A primary FBI financial and intelligence Special Agent during the 9/11 terror attack investigation.

Credentials

Languages

none entered

Websites

<https://archives.fbi.gov/archives/miami/press-releases/2010/mm021110.htm>
<https://law.justia.com/cases/federal/district-courts/FSupp/966/90/1371387/>
https://pbc.gov/oig/docs/reports/02-07-22-PBC_Electrical_Repair_Services_Contractor-2019-0007.pdf
https://pbc.gov/oig/docs/reports/11-18-24-Riviera_Beach_Failure_to_Report_Water_Contamination-2024-0006.pdf
<https://pbc.gov/oig/reports.htm>
<https://www.broward.org/InspectorGeneral/Publications/20170809OIG16011FinalReport.pdf>

Skills

Certified Police Instructor, Certified Inspector General, Certified Inspector General Investigator

Stuart A. Robinson, CIG, CIGI, JD

August 4, 2026

State of Rhode Island - Department of Administration/Executive Branch
Re: Application for Inspector General (Job #JR103629)

Dear Members of the Hiring Committee,

I am writing to express my strong interest in the position of Inspector General for the State of Rhode Island. With three decades of public service leadership across municipal/county inspectors general and federal law enforcement, I offer the executive oversight, objective independence, and multi-disciplinary operational experience required to promote accountability, safeguard public funds, and enhance public trust across state government. As a Certified Inspector General, Certified Inspector General Investigator, and Juris Doctor, I am well-prepared to lead Rhode Island's statutory oversight initiatives and produce measurable, high-value outcomes.

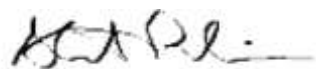
In my current role as Director of Investigations for the Palm Beach County OIG, I direct complex administrative and financial oversight across a \$9.6 billion county budget and 39 municipal jurisdictions. My track record demonstrates a firm commitment to fraud detection, internal controls, and local, state, and federal compliance:

- **Investigative Leadership & Fraud Recovery:** Over the past five years, I led 36 grant fraud investigations resulting in 51 criminal referrals and over \$250,000 in direct recoveries. Among other investigations were two that identified more than \$2.8 million in vendor overcharges and procurement non-compliance.
- **Executive & Multi-Agency Coordination:** As an OIG Director and former FBI Supervisory Special Agent, I routinely coordinate complex, multi-jurisdictional inquiries alongside ethics commissions, state and local auditors, and law enforcement agencies.
- **Statutory Reporting & Governance:** I have extensive experience presenting formal investigative reports, corrective action recommendations, and statutory updates directly to governing boards, executive leadership, and public stakeholders.
- **Professional Standards & Analytics:** I serve as an instructor and course manager for the Association of Inspectors General, teaching advanced courses in procurement data analytics, internal controls, and inspector general outreach.

Furthermore, I share Rhode Island's commitment to transparency, ethical integrity, and civil rights. Throughout my career, I have directed sensitive inquiries into government misconduct—including a complex inspector general matter involving wholesale concealment of public health hazards—while maintaining strict adherence to legal and ethical standards.

I welcome the opportunity to discuss how my executive experience, board-level reporting, and proven dedication to independent oversight can support the State of Rhode Island as your next Inspector General. Thank you for your time and consideration.

Sincerely,



Stuart A. Robinson, CIG, CIGI, JD

STUART A. ROBINSON | JD, CIG, CIGI

██████████, FL • ██████████ • ██████████ • www.linkedin.com/in/stuartrobinson105

PROFILE

Accomplished Inspector General and law enforcement executive and investigative director with over three decades of public service experience spanning local and federal government agencies. Proven track record of leading high-impact administrative and criminal investigations into public corruption, government fraud, waste, mismanagement, and civil rights violations. Certified Inspector General (CIG) and Certified Inspector General Investigator (CIGI) skilled in intake management, multi-jurisdictional agency coordination, and Inspector General accreditation standards.

CORE COMPETENCIES

- Investigative Leadership:** Government Fraud, Waste & Mismanagement, Public Corruption, Financial Crimes
- Operations & Oversight:** Intake & Preliminary Inquiries, Case Management, Subpoena Issuance, Monetary Recoveries
- Inter-Agency Collaboration:** Municipal/County Agencies, Auditors, Commissions on Ethics, Federal/State/Local Law Enforcement
- Compliance & Governance:** Law Enforcement Accreditation, Ethics Oversight, Committee & Board Reporting

PROFESSIONAL EXPERIENCE

PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL

West Palm Beach, FL | Oct 2017 – Present

Director of Investigations

Executive oversight of OIG Investigations Division across a \$9.6 billion county budget and 39 municipalities.

- Directs intake processes, social media outreach, preliminary inquiries, and full administrative investigations across county and municipal programs and entities.
- Led investigations into vendors that overcharged the county \$2.8 million for parts.
- Over the past five years, led 36 full reported investigations involving \$515,000 in public assistance fraud, resulting in 51 criminal referrals, multiple convictions, and over \$250,000 in direct recoveries.
- Led an investigation uncovering municipal utilities executives who failed to report contaminated water to public health officials on over 130 occasions.
- Presents regular investigative updates, findings, and statutory reports to the Inspector General Committee, Commissioners, and public stakeholders.

ASSOCIATION OF INSPECTORS GENERAL

Aug 2023 – Present

Instructor & Course Manager

- Serves as Course Manager for the Certified Inspector General Investigator (CIGI) program.
- Instructs CIG courses on Procurement Data Analytics, Internal Controls, and Public Outreach.
- Teaches CIGI modules specializing in Interviewing Techniques, Procurement Data Analytics, and Internal Controls.

BROWARD OFFICE OF THE INSPECTOR GENERAL

Fort Lauderdale, FL | Mar 2016 – Oct 2017

Investigative Supervisor

- Managed the investigative program for a 20-employee Inspector General office.
- Investigated and authored a comprehensive report detailing a charitable organization that profited over \$850,000 through official actions of a city commissioner.

FEDERAL BUREAU OF INVESTIGATION (FBI)

Jun 1990 – Mar 2016

Senior Special Agent

West Palm Beach, FL | 2008 – Mar 2016

- Investigated an undercover law enforcement corruption matter, securing 26 convictions.
- Investigated and convicted a Fortune 100 senior vice president on a \$14.5 million Foreign Corrupt Practices Act (FCPA) violation.
- Instructed federal and international law enforcement and regulators on financial crimes, interview/interrogation, operational planning, public corruption, and FCPA investigations. Hired and trained new FBI Special Agents.

Supervisory Special Agent

New Haven, CT | 2006 – 2008

- Served as Financial Crimes, Public Corruption, and Undercover Operations Coordinator for the FBI in Connecticut.
- Managed a squad of 10 FBI Special Agents addressing financial crimes, government fraud, public corruption, and civil rights violations.

Supervisory Special Agent

FBI Headquarters, Washington, DC | 2003 – 2005

- Managed public corruption, fraud against the government, and antitrust programs across 15 states.
- Oversaw a multi-billion-dollar fraud investigation and managed over 20 complex, sensitive undercover operations.
- Lead FBI instructor for interviewing, financial crimes, and public corruption investigations domestically and at five International Law Enforcement Academies.

Special Agent

Boston, MA | 1990 – 2002

- Lead investigator on a multi-billion-dollar national municipal finance industry fraud case, securing criminal convictions and over \$35 million in restitution.
- Served on the primary financial investigative and intelligence team for the September 11, 2001 terrorist attack investigation.
- Investigated a multi-billion-dollar institutional investment fraud matter, resulting in multiple criminal convictions and over \$20 million in fines.

EDUCATION & CREDENTIALS

- Juris Doctor (JD)** — Indiana University (1990)
- Bachelor of Arts in Political Science** — Indiana University (1987)
- Certified Inspector General (CIG)** — Association of Inspectors General (2022)
- Certified Inspector General Investigator (CIGI)** — AIG (2016)
- Executive Leadership Program** — Kellogg School of Management, Northwestern University (2006)
- Certified Law Enforcement Instructor** (2002)

TECHNICAL SKILLS

- **Office Suite:** Microsoft Excel, Word, PowerPoint, Outlook
- **Emerging Tech:** AI Technologies & Governance Restrictions
- **Investigative Systems:** Legal, Background & Identification Research Databases



RHODE ISLAND ETHICS COMMISSION

40 Fountain Street
Providence, RI 02903
(401) 222-3790

2025 YEARLY FINANCIAL STATEMENT

To complete and file online visit: <https://www.ri.gov/ethics>

ALL QUESTIONS REFER TO THE 2025 CALENDAR YEAR UNLESS OTHERWISE SPECIFIED.

PLEASE ANSWER ALL QUESTIONS AND WHERE YOUR ANSWER IS "NONE" OR "NOT APPLICABLE" SO STATE. WE WILL NOT ACCEPT A STATEMENT IF ANY QUESTIONS ARE LEFT BLANK.

ANSWERS SHOULD BE PRINTED OR TYPED. Additional sheets may be used if more space is needed. For clarification of any question, refer to the Instruction Sheet or contact the Ethics Commission.

Note: If you are a state, municipal or regional official or employee, or a candidate for elected office, who is required to file a Yearly Financial Statement, failure to file accurately and on time may subject you to a substantial monetary fine. If you dispute your status as a required filer, you must contact the Ethics Commission prior to the filing deadline. **Upon filing of this form, it will become a public document available for review.**

1. Robinson Stuart A
 LAST NAME FIRST NAME MIDDLE INITIAL SUFFIX
 [REDACTED] [REDACTED] FL [REDACTED]
 2. CURRENT MAILING ADDRESS: (STREET OR PO BOX) (CITY/TOWN) (STATE) (ZIP CODE)

3. List any Public Position(s) you held for any length of time in calendar years 2025 or 2026.

PUBLIC POSITION	MUNICIPALITY, STATE OR REGIONAL ENTITY	DATE ELECTED, APPOINTED OR HIRED	TERMINATION OR RESIGNATION DATE (IF APPLICABLE)
Director of Investigations	Palm Beach County, FL	10/2017	N/A
PUBLIC POSITION	MUNICIPALITY, STATE OR REGIONAL ENTITY	DATE ELECTED, APPOINTED OR HIRED	TERMINATION OR RESIGNATION DATE (IF APPLICABLE)
PUBLIC POSITION	MUNICIPALITY, STATE OR REGIONAL ENTITY	DATE ELECTED, APPOINTED OR HIRED	TERMINATION OR RESIGNATION DATE (IF APPLICABLE)

4. List any elected office (state, municipal or regional) for which you were/are a candidate in either calendar year 2025 or 2026.

ELECTED OFFICE	MUNICIPALITY, STATE OR REGIONAL ENTITY	DATE CANDIDACY DECLARED
N/A		

5. List full name of spouse if you were married or were a party to a civil union for any part of 2025.
 Jennifer A Robinson

6. This question has **two parts**, each referring to occupational income received during calendar year 2025.

PART I: Provide a separate answer for each instance in which you, your spouse or dependent child received either \$1,000 or more gross income from an employer during 2025; or \$1,000 or more gross income through self-employment. Income received from public employment or service, including any stipend received for serving as an elected or appointed official, must be disclosed. List the following:

PERSON WHO RECEIVED INCOME	NAME & ADDRESS OF EMPLOYER OR SELF-EMPLOYMENT ENTITY	DATES AND NATURE OF OCCUPATION OR PROFESSION
Stuart A Robinson	Palm Beach County Government	2017-present, Inspector General Manag
Jennifer A Robinson	Boynton Financial	2019-present. Financial advisor.

PART II: If you, your spouse or dependent child were self-employed and received more than \$250 in gross income for services rendered to a state or municipal agency, list the following:

PERSON WHO RECEIVED INCOME	NAME & ADDRESS OF AGENCY RECEIVING SERVICES	DATES AND NATURE OF SERVICES RENDERED
N/A		

7. List any real estate, wherever located, other than real estate that is used **exclusively** (see instructions) as your principal residence, in which you, your spouse or dependent child had a financial interest during any part of calendar year 2025. If no street address exists, use legal description.

PERSON WITH INTEREST	NATURE OF INTEREST	ADDRESS OR LEGAL DESCRIPTION
Stuart and Jennifer Robinson	Owner	34 Sheafe St, Unit 2, Boston, MA

8. If you, your spouse or dependent child received **any** income as a beneficiary of any trust, list the following:

NAME OF PERSON RECEIVING TRUST INCOME: N/A

NAME OF TRUST: _____

TRUSTEE NAME AND ADDRESS: _____

LIST EACH TRUST ASSET, IF KNOWN, FROM WHICH MORE THAN \$1,000 IN GROSS INCOME WAS RECEIVED (ASSET VALUE NEED NOT BE DISCLOSED): _____

9. If you, your spouse or dependent child held a management position or were a director, officer, partner, or trustee of any business, organization or other entity (for profit or non-profit), whether paid or unpaid for such service, list the following:

NAME OF FAMILY MEMBER	NAME & ADDRESS OF ENTITY	POSITION
N/A		

10. If during the 2025 calendar year any person or entity provided you with out-of-state travel valued at over \$250, AND you would not have been provided with such travel but for the fact that you held a public office or position, you must list the source, value and description of the travel and related expenses below. Attach additional sheets if necessary.

Out-of-state travel includes all related expenses such as transportation, lodging, meals and entertainment. All of these expenses are considered together when determining whether the \$250 limit has been reached.

Exceptions: You do not have to disclose out-of-state travel that is provided to you either by your regular private employer or by the state or municipal agency of which you are a member or by which you are employed.

NAME AND ADDRESS OF TRAVEL PROVIDER	TRAVEL PURPOSE AND DESTINATION	DESCRIPTION AND COST OR FAIR MARKET VALUE OF EXPENSE (TRANSPORTATION, LODGING, MEALS & ENTERTAINMENT)

N/A

11. If at any point during calendar year 2025, you, your spouse, or dependent child individually or collectively held a 10% or greater ownership interest, or a \$5,000 or greater ownership or investment interest in any business (including holding publicly traded stock in a company), you must list the following (attaching additional sheets if necessary):

NAME OF FAMILY MEMBER	NATURE OF INTEREST	NAME & ADDRESS OF BUSINESS (NO ADDRESS NEEDED FOR PUBLICLY TRADED STOCK HOLDINGS)

N/A

12. If, during calendar year 2025, any business you listed in Question #11 had one or more business transactions with a Rhode Island state or municipal agency that, collectively, exceeded \$250, list the following:

NAME OF BUSINESS	WAS INTEREST IN BUSINESS HELD ALL YEAR? IF NOT, LIST DATE INTEREST ACQUIRED OR DIVESTED	NAME OF STATE OR MUNICIPAL AGENCY TRANSACTING BUSINESS	DATE AND NATURE OF TRANSACTION

N/A

13. If, during calendar year 2025, any business listed in Question #11 was subject to direct regulation by a Rhode Island state or municipal agency (see instructions for examples of direct regulation), list the following:

NAME OF BUSINESS	WAS INTEREST IN BUSINESS HELD ALL YEAR? IF NOT, LIST DATE INTEREST ACQUIRED OR DIVESTED	NAME OF STATE OR MUNICIPAL AGENCY REGULATING BUSINESS	MANNER IN WHICH BUSINESS IS REGULATED

N/A

14. This question relates to business interests, acquired or divested AFTER calendar year 2025, **that are regulated by a public agency**. Answer below regarding any businesses in which you, your spouse, or dependent child individually or collectively ACQUIRED or DIVESTED a 10% or greater ownership interest or a \$5,000 or greater ownership or investment interest (including holdings of publicly traded stock) AFTER JANUARY 1, 2026 but prior to filing this statement, IF said business was subject to direct regulation by a Rhode Island state or municipal agency. (See instructions for examples of direct regulation.)

NAME OF BUSINESS	NATURE OF INTEREST AND DATE ACQUIRED OR DIVESTED	NAME OF STATE OR MUNICIPAL AGENCY REGULATING BUSINESS	MANNER IN WHICH BUSINESS IS REGULATED
N/A			

15. This question relates to business interests, acquired or divested AFTER calendar year 2025, **that did business with a public agency**. Answer below regarding any business in which you, your spouse, or dependent child individually or collectively ACQUIRED or DIVESTED a 10% or greater ownership interest or a \$5,000 or greater ownership or investment interest (including holdings of publicly traded stock) AFTER JANUARY 1, 2026 but prior to filing this statement, IF said business had one or more business transactions with a Rhode Island state or municipal agency that, collectively, exceeded \$250.

NAME OF BUSINESS	NATURE OF INTEREST AND DATE ACQUIRED OR DIVESTED	NAME OF STATE OR MUNICIPAL AGENCY TRANSACTING BUSINESS	DATE AND NATURE OF TRANSACTION
N/A			

16. If you, your spouse, or dependent child were indebted in an amount exceeding \$1,000 to any person, business, financial institution, or other organization, list the name and address of the lender or creditor. This does NOT include, and you should not list, the following types of debt: (a) debt owed to a family member within the third degree of consanguinity or affinity (see instructions); (b) debt that is secured solely by a mortgage of record on real property that is used exclusively as a principal residence, if the debt is held by a financial institution regulated by any state or by the United States; or (c) debt owed to a credit card company, unless the collection of such credit card debt resulted in court proceedings and the issuance of a default judgment that was not fully satisfied/paid by the start of the relevant filing year.

NAME OF DEBTOR	NAME AND ADDRESS OF LENDER OR CREDITOR
N/A	

I certify under penalty of perjury that this Financial Statement is a complete and accurate response to the questions presented as to the financial information and interests of myself, my spouse, and my dependent children. I understand that a failure to provide complete and accurate responses to each question is a violation of the law that may result in the imposition of substantial penalties, including fines. I understand that I am subject to the statutory and regulatory provisions of the Rhode Island Code of Ethics (available at <https://ethics.ri.gov> or by contacting the Ethics Commission) and that I may seek assistance and guidance from the Ethics Commission as to any issues or questions I have relative to my conduct under the Code of Ethics or as to the information that must be disclosed on this Financial Statement.

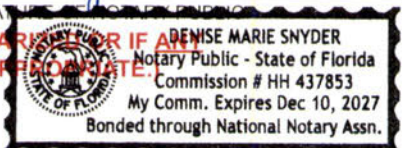

SIGNATURE

8/7/2026

State of Florida County of Palm Beach
Subscribed and sworn to before me at Wellington, FL this 7th day of August 2026.
My Commission expires 12/10/2027 ID # Denise Marie Snyder

SIGNATURE OF NOTARY PUBLIC

THIS STATEMENT WILL BE RETURNED IF IT IS NOT SIGNED AND NOTARIZED PRIOR IF ANY QUESTION IS NOT ANSWERED. (USE "N/A" OR "NONE" WHERE APPROPRIATE.)





John A. Carey
Inspector General

**OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY**



Inspector General
Accredited

“Enhancing Public Trust in Government”

**Investigative Report
2019-0007
PBC Electrical Repair Services
Contractor
February 7, 2022**

Insight – Oversight – Foresight



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

INVESTIGATIVE REPORT 2019-0007

DATE ISSUED: FEBRUARY 7, 2022



Inspector General
Accredited

"Enhancing Public Trust in Government"

PBC ELECTRICAL REPAIR SERVICES CONTRACTOR

SUMMARY

WHAT WE DID

The Palm Beach County Office of Inspector General (OIG) received a complaint from a whistleblower (WB1) alleging that Altima Lighting, Inc. (Altima), an electrical vendor for Palm Beach County (County) since 2003¹, "may be submitting fraudulent invoices" to the County. According to WB1, Altima submitted invoices for reimbursement for electrical parts allegedly purchased from Lighting Kingdom, Inc. (Lighting Kingdom), a company with the same principal and mailing address, owners, and operators as Altima. WB1 believed that Altima used Lighting Kingdom as a "shell company" to overcharge and overbill the County.

Based upon the complaint and an initial review of the contracts between Altima and the County, applicable invoices and company filings, and County policies, we initiated an investigation of the following allegation:

Allegation (1): Altima submitted invoices that falsely represented the source and price of materials purchased for the County, in violation of Altima's

contractual requirement to charge the County the original manufacturer's /supplier's cost for parts.

During the investigation, the OIG discovered that several County departments did not have record of receiving supporting documentation attached to invoices from Altima. We thereafter added an additional allegation:

Allegation (2): Altima did not provide contractually required original manufacturer/supplier cost documentation with its invoices to the County, in violation of its County contracts.

Our investigation included a review of County Centralized Master Agreement (CMA); Altima and Lighting Kingdom invoices and records; electrical material suppliers' invoices; and financial records. We interviewed two whistleblowers, several County employees, and Altima's General Manager, Michael Ricker Sr.

WHAT WE FOUND

Allegation (1) is supported. Throughout the entirety of its contractual

¹ The complainant stated 2001 but we later verified with the Purchasing Dept. that Altima had been a vendor since 9/22/2003.

relationship with the County, Altima submitted invoices to the County for reimbursement for parts and supplies supposedly purchased from Lighting Kingdom. The County reimbursed Altima for the price of parts stated on the invoices of its supplier, Lighting Kingdom. Though Altima represented to the County that Lighting Kingdom was the original manufacturer/supplier from who Altima purchased parts, Lighting Kingdom was not. Lighting Kingdom did not manufacture parts, and we found no contracts or payments showing that Altima actually purchased parts from Lighting Kingdom. Instead, Lighting Kingdom, a company with the same principal business and mailing addresses, and owners and operators as Altima, would purchase parts from original suppliers and manufacturers, and then Altima would provide the parts to the County with a mark-up. Lighting Kingdom did not provide parts to any other customers, or purchase parts for any purpose other than to facilitate Altima providing them to the County at a mark-up.

During our investigation, Michael Ricker, the General Manager of Altima and Vice President of Lighting Kingdom, acknowledged that Altima marked-up parts obtained through Lighting Kingdom.

We reviewed 464 delivery orders provided to the OIG by the County that were paid to Altima that included \$1,554,908.01 in materials reimbursements.²

However, according to the County's financial management system, the County paid Altima for more materials than reflected in the documents provided to our office. From June 2014 through April 7, 2020, the County paid Altima \$2,101,481.76 for materials.

Because Altima did not submit the required original manufacturer's/supplier documentation and because not all records were retained, we surmise that the amount overbilled from 2014 through 2020 could have been in excess of \$1 million³.

In the instances that we were able to match Lighting Kingdom's supplier invoices with the invoices Altima submitted

to the County, we found that **Altima overbilled the County by \$180,210.22 for materials; an increase of 107.20% over original supplier/manufacturers' cost. We find that amount to be an Identified Cost.⁴**

The majority of Altima's supplier invoices lacked required specificity to allow any determination of proper billing.⁵ The County did not retain other Altima billing records.

² 29 of those delivery orders contained no materials charges.

³ This estimate is based on applying the identified 107.2% average rate of overbilling to the entire \$2,101,481.76 that the County paid for materials from 2014 to 2020.

⁴ Identified costs are costs that have been identified as dollars that have the potential of being returned to the entity to offset the taxpayers' burden.

⁵ Consequently, we are unable to determine the propriety or impropriety of the billing amounts in those invoices.

Therefore, we find \$1,860,194.89 to be a Questioned Cost.⁶

We found sufficient information to warrant referring our findings to the State Attorney's Office for a determination of whether the facts arise to a criminal act under section 812, Florida Statutes.

We also found sufficient information to warrant referral of our findings to the United States Attorney's Office for a determination of whether they constitute a violation of Title 18, section 1343, United States Criminal Code.

We notified law enforcement of this matter.

Allegation (2) is supported. For 305 delivery orders paid by the County, totaling \$754,536.46⁷ in materials costs, Altima failed to provide the County with original manufacturer/supplier cost documentation, as required by the CMA contracts. This amount is included as part of our Questioned Cost total.

WHAT WE RECOMMEND

We make four (4) recommendations that will assist the County and its vendors in ensuring that vendors follow contract terms.

The County concurred with our recommendations and has or will be modifying procedures to ensure compliance.

⁶ Questioned costs can include costs or financial obligations incurred pursuant to: a potential violation of a provision of a law, regulation, contract, grant, cooperative agreement, other agreement, policies and procedures, or document governing the expenditure of funds; a finding that, at the time of the OIG activity, such cost or financial obligation is not supported by adequate documentation; or, a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of potential fraud or waste.

⁷ These delivery orders are included in the delivery orders totaling \$1,554,908.01 noted in Allegation (1) that could not be matched to true supplier invoices.

BACKGROUND

Altima

Altima filed its Articles of Incorporation with the Florida Secretary of State Division of Corporations (Sunbiz) on October 14, 1996. Altima listed Cynthia Caillouette (Ms. Caillouette) as the incorporator, sole director, and registered agent. In 1997, Altima filed its Annual Report listing Ms. Caillouette as the President and Paul Caillouette (Mr. Caillouette) as Vice President and the mailing address and principal place of business as 3630 Consumer Street, Suite 104, Riviera Beach, FL. Michael Ricker was an Altima employee for 20 years. Documents submitted by Altima to the County listed him as Altima's General Manager.

From 2007 until 2020, Altima's Annual Reports showed that Altima's mailing address and principal place of business was 8361 Currency Drive in Riviera Beach, Florida. Altima was an active vendor for the County from September 22, 2003 until May 21, 2020, when Altima declined the County's request for the extension of County contracts for the period of May 22, 2020 through August 21, 2020. Throughout the contracts terms, Altima had a business phone number, a physical location, and a website.

Altima's list of customers and vendors, vehicles, intellectual property, inventory, and other specified assets were sold to Altima Lighting and Electrical Contracting Corp. in July 2020. This Report examines Altima's activities until that sale. Thereafter, on September 10, 2020, Altima filed Articles of Dissolution indicating that its shareholders authorized the voluntary dissolution of the company, effective September 11, 2020.

Lighting Kingdom

Lighting Kingdom filed Articles of Incorporation with the Florida Division of Corporations on August 29, 2001. Lighting Kingdom's 2002 Annual Report listed a principal place of business as 3630 Consumer Street, Riviera Beach, FL, and Paul Caillouette as its President and Registered Agent and Michael Ricker as its Vice President.

Then, in 2006, Lighting Kingdom updated its Sunbiz records to reflect 8361 Currency Drive in Riviera Beach, Florida as its new principal place of business and mailing address. From 2006 until 2019, Lighting Kingdom listed Michael Ricker as its Vice President, 1000 NW 50th Drive, Okeechobee, FL 34972. Then, in 2020, Lighting Kingdom filed an Annual Report listing Michael Ricker as the President and Registered Agent at 1000 NW 50th Drive, Okeechobee, FL 34972, and Mr. Caillouette as Vice President.

At the time that this investigation commenced, Lighting Kingdom did not have a business phone number, a website, or a storefront. An OIG examination of Lighting Kingdom's business and financial records shows that Lighting Kingdom has not provided parts for any customers beyond those provided to service Altima's contracts with the County.

The individuals who purchased Altima also purchased all the shares of stock in Lighting Kingdom in July of 2020. This Report examines Lighting Kingdom's activities prior to that sale.

Lighting Kingdom's Relationship with the County

From June 8, 2015 through June 7, 2021, Lighting Kingdom was pre-qualified as a County vendor under County contract 15-046/KM. This contract was titled "Request For Pre-Qualification of Vendors for Electrical Supplies and Equipment, Purchase and Delivery of, Term Contract." Lighting Kingdom was one of 23 vendors for this contract.

Even though Lighting Kingdom was pre-qualified as a County vendor, the County never purchased anything from Lighting Kingdom.

Altima CMA 14-037, ELECTRICAL SERVICES, MINOR AND INCIDENTAL, MAINTENANCE & REPAIR, TERM CONTRACT

In 2014, the County released Notice of Solicitation Bid #14-037/CC for electrical services, minor and incidental, maintenance & repair, term contract. Paragraph 13 of the Special Conditions stated,

13. TIME AND MATERIAL CONTRACT (MATERIAL PRICING AT COST)

The price to be paid for **materials** sold to Palm Beach County as a result of this bid award shall be based on the **bidder's cost of the actual items plus shipping cost**. With each invoice that includes materials not covered by the service as defined herein, **the bidder shall supply original manufacturer's/supplier's cost documentation** to the Palm Beach County Department requesting the service as well as to the Finance Department, Pre-Audit Division, PO Box 4036, West Palm Beach, Florida 33402-4036. **In no event shall the prices, based on cost, exceed the bidder's price to its most favored customer for the same item in like quantity, or the current market price, whichever is lower.** [Emphasis added]

On March 27, 2014, Mr. Ricker signed a response to Bid #14-037/CC on Altima's behalf as Altima's General Manager. In its bid, Altima acknowledged,

that its offer includes and accepts all terms, conditions, and specifications of the County's bid solicitation as originally published, without exception, change or alteration of any kind, except as may have been published by the County in official amendments prior to this date of submittal.

On May 5, 2014, the County awarded Term Contract #14037 for Bid #14-037/CC (Lot #1) to Altima, effective May 22, 2014 through May 21, 2015, with the option to renew for four (4) additional 12-month periods. The County renewed the contract with Altima each of the next two (2) years, which were designated CMA 14-037A and CMA 14-037B. The contract expired on May 21, 2017, when CMA 17-044 replaced it.

Altima CMA 16-021, LIGHT POLE AND OUTDOOR LIGHTING, MAINTENANCE AND REPAIR, TERM CONTRACT

In 2015, the County released Notice of Solicitation Bid #16-021/CC. The bid opening occurred on March 3, 2016. Altima submitted a bid response signed by Mr. Ricker on March 3, 2016, which stated,

By signature on this document, bidder acknowledges and agrees that its offer includes and accepts all terms, conditions, and specifications of the County's bid solicitation as originally published, without exception, change or alteration of any kind, except as may have been published by the County in official amendments prior to this date of submittal.

Paragraph 12 of the special conditions for Bid #16-021/CC, stated,

12. TIME AND MATERIAL CONTRACT (MATERIAL PRICING AT COST)

The price to be paid for materials sold to Palm Beach County as a result of this bid award **shall be based on the bidder's cost of the actual items plus shipping cost.** With each invoice that includes materials not covered by the service as defined herein, **the bidder shall supply original manufacturer's/supplier's cost documentation** to the Palm Beach County Department requesting the service as well as to the Finance Department, Pre-Audit Division, PO Box 4036, West Palm Beach, Florida 33402-4036. **In no event shall the prices, based on cost, exceed the bidder's price to its most favored customer for the same item in like quantity, or the current market price, whichever is lower.** [Emphasis added]

The County awarded Term Contract 16-021 to Altima on April 5, 2016. The Contract was for a term of 12 months with the option to renew for four (4) additional 12-month periods. The contract effectively began on April 18, 2016. The County signed contract renewals with Altima, which were designated 16-021A, 16-021B and 16-021C, each of the next three (3) years. The contract expired on April 17, 2020 when Altima opted not to renew it.

CMA 17-044 ELECTRICAL REPAIR SERVICES, MINOR/INCIDENTAL, TERM CONTRACT

On March 23, 2017, the County opened Bid number 17-044, which had been solicited to replace term contract 14-037. Altima submitted a bid response signed by Mr. Ricker on March 23, 2017, which stated,

By signature on this document, bidder acknowledges and agrees that its offer includes and accepts all terms, conditions, and specifications of the County's bid solicitation as originally published, without exception, change or alteration of any

kind, except as may have been published by the County in official amendments prior to this date of submittal.

In the special conditions section of this contract, condition number 13 stated:

13. TIME AND MATERIAL CONTRACT (MATERIAL PRICING AT COST)

The price to be paid for materials sold to Palm Beach County as a result of this bid award **shall be based on the bidder's cost of the actual items plus shipping cost.** With each invoice that includes materials not covered by the service as defined herein, **the bidder shall supply original manufacturer's/supplier's cost documentation to the Palm Beach County Department requesting the service as well as to the Finance Department,** Pre-Audit Division, PO Box 4036, West Palm Beach, Florida 33402-4036. **In no event shall the prices, based on cost, exceed the bidder's price to its most favored customer for the same item in like quantity, or the current market price, whichever is lower.** Any Federal or State taxes paid by the bidder to its suppliers for materials sold to Palm Beach County as a result of this bid award are not reimbursable by Palm Beach County to the bidder. [Emphasis added]

The County Awarded Term Contract 17-044 to Altima on May 16, 2017. The Contract was for a term of 12 months with the option to renew for four (4) additional 12-month periods. The contract effectively began on May 22, 2017. The County renewed the contract with Altima each of the next two (2) years, which were designated 17-044A and 17-044B. The contract expired on May 21, 2020 when Altima opted not to renew it.

County Departments Using Term CMAs 14-037, 16-021, and 17-044

Prior to the expiration of CMAs 14-037, 16-021, and 17-044, Altima provided services for multiple County departments. The four (4) departments that accounted for 98 percent of Altima's work for the County were Facilities Development and Operations (Facilities), Fire Rescue, Parks and Recreation (Parks), and Water Utilities.

ALLEGATIONS AND FINDINGS

Allegation (1):

Altima submitted invoices that falsely represented the source and price of materials purchased for the County, in violation of Altima's contractual requirement to charge the original manufacturer/supplier cost.

Governing Directives:

County CMAs 14-037/CC, 16-021/CC and 17-044/CC

Finding:

The information obtained **supports** the allegation.

OIG Interview of WB1

WB1 told the OIG that Altima was submitting invoices to the County for electronic materials and components it purchased from Lighting Kingdom, a company with similar owners and operators as Altima.

WB1 provided the OIG with records Altima and Lighting Kingdom filed with the Florida Division of Corporations that showed that Altima and Lighting Kingdom had the same principal business and mailing addresses. However, WB1 provided records showing that on Lighting Kingdom parts documentation attached to Altima's invoices to the County, Lighting Kingdom's address was 1000 NW, 50th Dr., Okeechobee, FL 34972. The 1000 NW, 50th Dr., Okeechobee, FL address is a residence/ranch owned in part by Mr. Ricker. Mr. Ricker, according to publicly available filings with the Florida Division of Corporations, had served as Lighting Kingdom's President, Vice President, and Registered Agent. Additionally, he had signed Altima's bid responses to the County.

Additionally, WB1 told the OIG that Facilities Trades Crew Chiefs approved invoices from vendors, including Altima, for work completed and materials used. While processing invoices, County staff noticed that Lighting Kingdom's documentation for material purchases submitted with Altima's invoices had parts descriptions that were very generic and lacked the manufacturer's information that the contracts required.

WB1 suspected that Lighting Kingdom did not have active business operations or assets that would distinguish it from Altima and that the owners of Altima were using Lighting Kingdom to artificially inflate reimbursable costs and overbill the County.

OIG Review of County Records

The OIG requested delivery orders and supporting documents from the Facilities, Fire Rescue, Parks, and Water Utilities departments (hereafter "County") for the Altima contracts relevant to our investigation and the amounts Altima billed to the County from June 2014 through April 2020. The County provided 464 delivery orders with supporting documents, totaling \$2,914,295.92, of which \$1,554,908.01 was for materials.

However, according to Advantage, the County's financial management and budgeting system, the County paid Altima for more materials than reflected in the documents provided to our office. From June 2014 through April 7, 2020, for CMAs 14-037, 16-021, and 17-044, the County paid Altima \$3,726,481.66. Of that total, \$2,101,481.76 was for materials, \$1,275,646.40 for labor, and \$349,353.50 for lifts, cranes and other equipment rentals. Based on the Advantage data, we found that the payments to Altima were 56.39% for materials, 34.23% for labor, and 9.37% for lifts, cranes and other equipment rentals.

Altima and Lighting Kingdom Business Addresses

In June 2019, the OIG observed 8361 Currency Dr., Riviera Beach, Florida, which was the mailing and principal place of business address for both Altima and Lighting Kingdom.

The address was a single story stand-alone commercial building surrounded by a chain link fence. A truck inside the fence displayed Altima's name and phone number. Lighting Kingdom's company name did not appear on any readily observable building or vehicle signage.



The OIG conducted numerous internet searches for Lighting Kingdom. Each of these searches showed Lighting Kingdom's location as 8361 Currency Dr., West Palm Beach, FL 33404, the same as Altima.

For the period we reviewed, Lighting Kingdom's payments to manufacturers for materials were made with checks with its address listed as 8361 Currency Drive, Riviera Beach, FL. Similarly, invoices from manufacturers listed Lighting Kingdom's address as 8361 Currency Drive, Riviera Beach, FL. However, the Lighting Kingdom documentation submitted to the County with Altima's invoices showed Lighting Kingdom's address as 1000 NW, 50th Dr., Okeechobee, FL 34972. We found no business or financial records for Lighting Kingdom with the 1000 NW, 50th Dr, Okeechobee, FL 34973 address, other than the supporting documentation provided to the County.

OIG Review of Lighting Kingdom's Financial Records

The OIG reviewed Lighting Kingdom's financial records for the period of July 2014 through October 2019. The records showed \$2,158,950.46 in deposits and \$2,133,336.32 in withdrawals. We observed that \$2,136,700.46 (98.97%) of the total deposits into Lighting Kingdom's account were from Altima's business bank account. Of the remaining \$22,250.00, \$21,460.00 was a single supplier refund for defective materials Lighting Kingdom had purchased using that Lighting Kingdom account.

Lighting Kingdom Deposits (July 2014 - October 2019)	
Monies from Altima	\$2,136,700.46
Refund for defective parts	\$21,460.00
Other	\$790.00
TOTAL	\$2,158,950.46

We observed that \$1,948,188.97 (91.32%) of the total withdrawals from the Lighting Kingdom business account were for the purchase of materials. Of the remaining amount, \$158,260.00 (7.42%) went to Mr. Caillouette and Mr. Ricker,⁸ and \$26,887.35 (1.26%) went to cash, Altima, PBC Tax Collectors, and the Florida Department of Revenue.

Lighting Kingdom Withdrawals (July 2014 - October, 2019)	
Purchases of materials	\$1,763,041.62
Monies to Mr. Caillouette and Mr. Ricker	\$158,260.00
Cash, Alima, PBC Tax Collectors, FL DOR	\$26,887.35
TOTAL	\$1,948,188.97

None of the funds in the Lighting Kingdom accounts we reviewed were used for payroll expenses, such as wages, benefits, or payroll taxes for employees, or for business expenses, such as supplies, shipping costs, small business insurance, advertising/marketing, rent, storage, utilities, or transportation costs. The material purchases were for parts provided to the County relating to its contracts with Altima.

Upon review of Lighting Kingdom's financial records, we found no indication that Lighting Kingdom had any business transaction, except those relating to Altima's contracts with the County. Additionally, we found no indication that Altima paid Lighting Kingdom pursuant to a purchase and sale contractual agreement for between the parties for parts or an invoicing and payment process. Instead, Altima deposited funds into Lighting Kingdom's bank account, *and thereafter*, Lighting Kingdom used those funds to purchase materials from original manufacturers and suppliers. Those parts would then be supplied to the County. We found no evidence of an invoicing and payment process wherein Lighting Kingdom would invoice Altima for parts, followed by Altima's payment for parts invoiced. Altima's checks to Lighting Kingdom did not specify invoice numbers or reasons for payments.

Lighting Kingdom's Purchase of Materials

Lighting Kingdom purchased materials from 37 manufacturers/suppliers, six (6) of which accounted for nearly 80% of total purchases. These manufacturers/suppliers were:

- Topaz Lighting Corp. (Topaz),
- LSI Lighting Solutions (LSI),
- Contemporary Lighting Sales, Inc. (Contemporary),

⁸ Mr. Caillouette received \$69,150.00 and Mr. Ricker received \$89,110.00.

- Deco Lighting (Deco),
- Simkar LLC (Simkar), and
- NLS Lighting (NLS).

The OIG requested Altima and Lighting Kingdom sales records from Topaz, LSI, Contemporary, Deco, Simkar and NLS. Simkar went out of business prior to the OIG investigation and did not produce records. The remaining five (5) manufacturers/suppliers only had records for Lighting Kingdom purchases.

Topaz Materials Purchases by Lighting Kingdom and Supplied to the County by Altima

Topaz is a New York corporation registered to do business in Florida. Topaz manufactures electrical and lighting materials, specializing in light bulbs and ballasts.

Topaz posts pictures and specifications sale items on its website, but does not list prices. Topaz only sells its products through distributors. A Topaz customer service representative told the OIG that Lighting Kingdom Inc. at 8361 Currency Dr., Riviera Beach, Florida was a Topaz distributor. There were no distributors of Topaz materials in the 34972 zip code or in Okeechobee County.

The OIG obtained invoices, billing, and payment records from Topaz that represented Lighting Kingdom's purchasing history from November 11, 2015 through August 29, 2019. Those records showed Lighting Kingdom purchased 22,450 items with individual prices ranging from \$0.99 to \$922.94 for a total cost to Lighting Kingdom of \$499,878.50. Individual order amounts ranged from \$19.42 to \$19,175.00. Shipping and handling costs were \$226.28 for the entire purchase history. We observed that several item numbers and descriptions in the Topaz records were a close match or an exact match to the item numbers or descriptions in the Lighting Kingdom documentation submitted to the County with Altima's delivery orders.

The "Bill to" and "Ship to" sections of the invoices showed "Lighting Kingdom 8361 Currency Dr., Riviera Beach, FL 33404." According to these records, materials were not billed or shipped to Lighting Kingdom at 1000 NW 50th Dr., Okeechobee, FL 34972.

Deco Materials Purchases by Lighting Kingdom and Supplied to the County by Altima

Deco Lighting electronically provided records that represented Lighting Kingdom's purchasing history and invoices from July 2014 through July 2019. Deco Lighting provided 27 invoices that showed Lighting Kingdom purchased 826 items from Deco Lighting, with unit prices ranging from \$111.13 to \$495.00 for a total purchase amount of \$163,894.24.

The "Sold to" section on all invoices showed "Lighting Kingdom 8361 Currency Drive., Riviera Beach, FL 33404." The "Shipped to" section also typically showed "Lighting

Kingdom 8361 Currency Drive, Riviera Beach, FL 33404” but in some of the invoices, the “Shipped to” section showed other locations where it appears delivered materials went directly to County job sites. According to these records, materials were not billed or shipped to Lighting Kingdom at 1000 NW 50th Dr., Okeechobee, FL 34972.

LSI Materials Purchases by Lighting Kingdom and Supplied to the County by Altima

LSI electronically provided records that represented Lighting Kingdom's purchasing history and invoices from June 2015 through July 2019. LSI provided invoices and purchase orders that showed Lighting Kingdom purchased 89 items, with unit prices ranging from \$15.00 to \$1,250.00 for a total purchase amount of \$282,318.38, including shipping and handling charges of \$404.43.

The “Bill to” section on all invoices showed “Lighting Kingdom 8361 Currency Drive., Riviera Beach, FL 33404.” The “Ship to” section also typically showed “Lighting Kingdom 8361 Currency Drive, Riviera Beach, FL 33404” but in some of the invoices, the “Ship to” section showed other locations where it appears delivered materials went directly to County job sites. According to these records, materials were not billed or shipped to Lighting Kingdom at 1000 NW 50th Dr., Okeechobee, FL 34972.

NLS Materials Purchases by Lighting Kingdom and Supplied to the County by Altima

NLS electronically provided records that represented Lighting Kingdom's purchasing history and invoices from May 2017 through February 2020. Lighting Kingdom purchased 227 items from NLS, with unit prices ranging from \$28.00 to \$712.00 and lot prices ranging from \$10,811.00 to \$69,947.39, for a total purchase amount of \$152,802.36, including shipping and handling charges of \$249.97.

The “Bill to” section on all invoices showed “Lighting Kingdom 8361 Currency Drive, Riviera Beach, FL 33404.” The “Ship to” section was typically “Lighting Kingdom 8361 Currency Drive., Riviera Beach, FL 33404” but on some of the invoices, the “Ship to” was other locations where it appeared delivered materials went directly to County job sites. According to these records, materials were not billed or shipped to Lighting Kingdom at 1000 NW 50th Dr., Okeechobee, FL 34972.

Contemporary Materials Purchases by Lighting Kingdom and Supplied to the County by Altima

The records provided by Contemporary represented Lighting Kingdom's purchasing history, invoices, and purchase orders from October 2014 through September 2019. Contemporary provided invoices and purchase orders that showed Lighting Kingdom purchased several different part types for a total quantity of 1,080 parts with unit prices ranging from \$5.00 to \$3,256.00 for a total purchase amount of \$221,421.37, including shipping and handling charges totaling \$934.12.

The “Bill to” and “Ship to” sections of the invoices showed “Lighting Kingdom 8361 Currency Dr., Riviera Beach, FL 33404.” According to these records, materials were not billed or shipped to Lighting Kingdom at 1000 NW 50th Dr., Okeechobee, FL 34972.

Interview of Frank Tormes, Owner of Contemporary

Mr. Tormes told the OIG that his primary contacts at Lighting Kingdom were Mr. Caillouette and Mr. Ricker.⁹ Mr. Caillouette and Mr. Ricker ordered from him under the Lighting Kingdom name, never Altima. Mr. Tormes added that because he was the sales representative for several wholesalers, many of the records he provided included invoices for transactions that went through Contemporary for parts from other wholesalers. In those instances, Lighting Kingdom ordered from Contemporary, paid the wholesalers, the wholesalers shipped directly to Lighting Kingdom, and Contemporary collected its sales commission. In other instances, Contemporary sold and shipped directly to Lighting Kingdom. Mr. Tormes was also the sales representative for Simkar, which had not responded to an OIG subpoena or contact attempts. Mr. Tormes stated Simkar had gone out of business sometime in 2018. He added, however, that some of the records he provided were transactions for Simkar parts. He had Simkar parts in stock, which he sold directly to Lighting Kingdom.

OIG Review of Lighting Kingdom Materials Invoices and Loss Calculation Methodology

We compared the descriptions of materials on the Lighting Kingdom invoices the OIG received from the County to the descriptions of materials from the records provided by Topaz, LSI, Contemporary, Deco and NLS (hereafter collectively “the suppliers”). We found that the description of materials on the Lighting Kingdom invoices submitted with Altima’s requests for payment to the County often included information that was similar or identical to information the suppliers provided to the OIG.¹⁰

For example, a March 16, 2018 Lighting Kingdom materials invoice accompanying Altima’s request for payment had part **LPT16/830/E26/G2-74** in its description column. The Lighting Kingdom invoice does not list an original manufacturer/supplier for this part. The OIG located a March 6, 2018 Topaz invoice to Lighting Kingdom that included part **LPT16/830/E26/G2-74**. A side-by-side comparison of the March 6, 2018 Topaz invoice to Lighting Kingdom and the March 16, 2018 Lighting Kingdom invoice that Altima attached as its “original manufacturer/supplier” supporting documentation to the County for “actual cost” reimbursement (i.e. proof of cost) shows:

⁹ Mr. Caillouette and Mr. Ricker served as President and/or Vice President during periods relevant to this investigation.

¹⁰ Appendix 1 of this Report details the entirety of Lighting Kingdom invoices that included information similar or identical to information on invoices provided by suppliers.

Lighting Kingdom, Inc. 1000 NW 50th Drive Okeechobee, FL 34972		Invoice			
		Date	Invoice #		
		3/16/2018	1292		
<table border="1"> <tr> <td>Bill To</td> </tr> <tr> <td>Altima Lighting 8361 Currency Drive Riviera Beach, FL 33404</td> </tr> </table>				Bill To	Altima Lighting 8361 Currency Drive Riviera Beach, FL 33404
Bill To					
Altima Lighting 8361 Currency Drive Riviera Beach, FL 33404					
		P.O. No.	Terms		
		29666	Net 30		
		Project			
Quantity	Description	Rate	Amount		
9	LPT16/830/E26/G2-74	105.00	945.00		

The March 6, 2018 Topaz invoice to Lighting Kingdom that included the materials above depicted the Lighting Kingdom P.O. Number "29666."

 TOPAZ Friendly Service... Powerful Solutions™ TOPAZ LIGHTING CORP 925 WAVERLY AVE HOLTSVILLE, NY 11742 UNITED STATES 631-758-5507 www.topaz-usa.com		9/5/2019 2:26:59 PM INVOICE Page 1 of 1 Invoice Number: 1463146 Invoice Date: 3/6/2018 Order Number: SO1462675							
Bill to: 54761 LIGHTING KINGDOM 8361 CURRENCY DRIVE RIVIERA BEACH, FL 33404 UNITED STATES		Ship to: 54761 - 1 LIGHTING KINGDOM 8361 CURRENCY DRIVE RIVIERA BEACH, FL 33404 UNITED STATES							
Division: LIGHTING Payment Terms: Net 30 Days P.O. Number: M29666 Your Reference: Order Date: 3/6/2018 RSM: ADAM KROOP OSR: Mfr. Rep.: CSA ELECTRICAL SALES, INC		Shipping Agent: UPS Shipping Service: GROUND Shipment Date: 3/6/2018 Warehouse: Topaz Jacksonville, FL (25) Release Number: Incoterms:							
Line No.	No.	Product Code	Description	Unit of Measure	Qty. Ordered	Qty. Invoiced	Qty. on BO	Unit Price	Amount Invoiced
1	BMMH175MT/4W-73	73977	1-PK 175W MH QUAD-TAP HID KIT M57/M107	Piece					
2	BMLU400MT/4W-73	73965	1-PK 400W HPS S51 QUAD-TAP BALLAST KIT	Piece					
3	MH400/U/ED28-37	77687	1/12-PK 400W REDUCED-SIZED CLEAR	Piece	24	24		12.9500	310.80
4	MH250/U-37	74653	1/12-PK 250W ED28-SHAPE CLEAR M58/E	Piece					
5	LPT16/830/E26/G2-74	74115	1/12-PK 16W E26 POST-TOP RETROFIT 3000K G2	Piece	10	10		26.2500	262.50

The original parts supplier, Topaz, charged Lighting Kingdom \$26.25 each for ten parts that matched the nine (9) items provided to the County. The actual cost of nine (9) items should have totaled of \$236.25. Instead, Altima attached invoice number 1292 from Lighting Kingdom for a total of \$945.00 or \$105.00 per item. For this example, Altima inflated the actual cost of the items from Topaz by \$708.75, or 300%.

In addition to the material description matches between the suppliers' invoices and the Lighting Kingdom invoices, we considered information in the County's delivery orders when evaluating a potential match. Many of the delivery orders collected from the County included information concerning the location of needed services or the nature of the problem. Similar information was often contained in Altima's proposals and/or invoices, Lighting Kingdom's invoices, and the suppliers' invoices. For example, a March 1, 2018 delivery order included the following information:

RETRO FIT 9 INTERIOR LIGHTING FIXTURES TO LEDLOCATION: N. GOVERNMENT CENTER WO# 8371957CONTACT GARY KUS AT 561-776-2050

SHIP TO	FACILITIES DEV. & OPERATIONS N. GOVERNMENT CENTER (561-776-2052) 8130 NORTH JOG ROAD WEST PALM BEACH FL 33412 ATTN: DAN HOENS		CENTRAL DELIVERY ORDER		
			 BOARD OF COUNTY COMMISSIONERS		
ISSUED TO	ALTIMA LIGHTING INC 8361 Currency Drive Riviera Beach FL 33404 USA Cindy/Mike altimalighting@bellsouth.net 561-882-0332		ORDER DATE 03-01-2018	DELIVERY DATE -	F.O.B. Destination
			VENDOR NUMBER ALT10002	VENDOR ADDRESS AD001	VENDOR CONTACT ALT10002
			AGREEMENT NUMBER		
			CMA 680 17044		
ITEM	QUANTITY	UNIT	COMMODITY CODE	ITEM DESCRIPTION	
1	30.00000	HR	91082	LICENSED ELECTRICAL PERSONNEL, STANDARD HOURLY RATE **RETRO FIT 9 INTERIOR LIGHTING FIXTURES TO LEDLOCATION: N. GOVERNMENT CENTER WO# 8371957CONTACT GARY KUS AT 561-776-2050**	

The February 28, 2018 handwritten proposal Altima submitted prior to completing this job depicted "No, county court house" in the JOB NAME section. "P.B.C. Facility" in the PROPOSAL SUBMITTED TO section, and "Retrofit (9) CF High Hats to LED, Color of LED to be made by County, and Wattage" in the ...specifications and estimates for section.

Proposal		Page No.	Of	Pages
ALTIMA LIGHTING INC. 3630 Consumer Street Suite 104 Riviera Beach, Florida 33404 (561) 882-0332 Fax (561) 882-9366				
PROPOSAL SUBMITTED TO <i>P.B.C. Facility</i>	PHONE	DATE <i>2/28/18</i>		
STREET	JOB NAME <i>NO. COUNTY COURT HOUSE</i>			
CITY, STATE and ZIP CODE	JOB LOCATION			
ARCHITECT	DATE OF PLANS	JOB PHONE		
We hereby submit specifications and estimates for:				
<i>1) RETRO FIT (9) CF HIGH HATS TO LED, COLOR OF LED TO BE MADE BY COUNTY, AND WATTAGE</i>				

The March 26, 2018 invoice that Altima submitted after completing this job depicted "PB Cty Facilities Management Division" in the "Bill To" section, "North County Courthouse" in the Ship To section, the delivery order number in the P.O No. (Purchase order number) section and "Retro (9) high hats" in the "Description" section.

Altima Lighting, Inc.		Invoice	
8361 Currency Drive Riviera Beach, FL 33404		Date <i>3/26/2018</i>	Invoice # <i>29666</i>
Bill To PB Cty Facilities Management Division P.O. Box 4036 West Palm Beach, FL 33402	Ship To North County Courthouse PGA Blvd. Palm Beach Gardens, FL		
<i>w/o 8371957</i>		P.O. No. <i>DO 030118-9223</i>	Terms Due Upon Receipt
Description	Quantity	Rate	Amount
Retro (9) high hats			

The elements that the OIG utilized to determine that a product on a Lighting Kingdom invoice matched a product on an invoice received from one of the suppliers were:

- Commonalities in descriptions or specifications
- Notations in the records reflecting the location or nature of the work
- Proximity of the date Lighting Kingdom purchased the part to the date of the invoice containing the potential match.

Loss Calculation for County Delivery Order 04101900007200002829

On Contemporary invoice to Lighting Kingdom dated April 12, 2019, Lighting Kingdom purchased a quantity of 46 for part ATA22R45L40V1 at a rate of \$8.00 per part, for a total of \$368.00.

Contemporary Lighting		Invoice					
6913 N.W. 52 St. Miami, FL 33166		<table border="1"> <tr> <th>Date</th> <th>Invoice #</th> </tr> <tr> <td>4/12/2019</td> <td>19-0120</td> </tr> </table>		Date	Invoice #	4/12/2019	19-0120
Date	Invoice #						
4/12/2019	19-0120						
Bill To LIGHTING KINGDOM, INC. 8361 CURRENCY DRIVE RIVIERA BEACH, FLORIDA 33404		Ship To LIGHTING KINGDOM, INC. 8361 CURRENCY DRIVE RIVIERA BEACH, FLORIDA 33404					
P.O. No.	Terms	Due Date	Rep	Ship Date	Ship Via	FOB	Project
M30601	Net 30	5/12/2019	FT	4/12/2019	BEST WAY		
Description	Qty	Rate	Amount				
PRICE OF ITEM - ATA22R45L40U1	46	8.00	368.00				
Thank you for your business.							
Sales Tax (7.0%)		\$0.00					
Total (0.0%)		\$368.00					
Payments		\$-368.00					
Balance Due		\$0.00					
Phone #	Fax #	E-mail					
305-592-3262	305-592-3403	Contemporaryltg@aol.com					

However, Altima submitted a Lighting Kingdom invoice to the County dated April 10, 2019¹¹ that showed a quantity of 46 for part ATA22R45L40U1¹² billed at a rate of \$218.02 per part, for a total of \$10,028.92.

Lighting Kingdom, Inc. 1000 NW 50th Drive Okeechobee, FL 34972		Invoice	
Bill To Altima Lighting, Inc. 8361 Currency Drive Riviera Beach, FL 33404		Date	Invoice #
		4/10/2019	1635
P.O. No. M-30601		Terms Net 30	Project
Quantity	Description	Rate	Amount
46	ATA22R45L40V1	218.02	10,028.92
1	100A 3P Bolt In Breaker	584.00	584.00
20	20A 1P Bolt In Breaker	25.00	500.00
1	ACW2109774	2,119.61	2,119.61
Total			\$13,232.53

The County reimbursed Altima \$10,028.92 for these parts. Altima increased the rate per part by \$210.02 for each of the 46 parts, for a total mark-up of \$9,660.92. This was a 2,625% increase (i.e. Altima's cost to purchase the parts).

OIG Analysis of Altima Overbilling

We identified 71 Altima invoices the County paid where Altima attached supporting invoices from Lighting Kingdom reflecting costs that far exceeded the original manufacturer/supplier costs. Instead of purchasing the parts directly, Altima deposited money into Lighting Kingdom's account. Then, Lighting Kingdom purchased the materials at costs that were substantially below the cost reflected in the supporting documentation

¹¹ We note that the Lighting Kingdom invoice attached to Altima's request for payment to the County was dated *two days* prior to the date on the Contemporary Lighting invoice to Lighting Kingdom. It is also important to note the disparity between the actual cost of the parts and the cost billed to the County for the parts.

¹² The Lighting Kingdom invoice attached to Altima's County submission replaced the letter "U" in Contemporary's invoice with a "V."

submitted to the County with Altima's invoices. In the 71 invoices, we identified 169 line items calling for specific parts that matched suppliers' records. When comparing the price Lighting Kingdom paid the suppliers (i.e. actual cost) and the price of the materials on the Lighting Kingdom invoices (i.e. vendor cost billed to the County), we found that Altima overbilled the County by \$180,210.22.

OIG Review of Altima Materials Purchases without a Direct Match to County Invoices

The OIG found Altima materials invoices submitted to the County totaling \$1,313,621.14 lacked sufficient description of parts for us to identify a direct match to parts supplied by the original manufacturer/supplier.

If these materials invoices were marked-up at the same 107.20% rate on average as the identified matches, those invoices may have caused an additional amount overbilled to the County of approximately \$679,634.10.

OIG Interview of Michael W. Ricker Sr.

The OIG interviewed Mr. Ricker at his home address,¹³ 1000 NW 50th Dr., Okeechobee, Florida. Mr. Ricker stated he was an employee of Altima for approximately 20 years. He stated his title at Altima was Service Manager. He believed Altima came into existence in 1995 and had been a County vendor for ten years. Mr. Ricker stated that Mr. and Mrs. Caillouette were Altima's owners until the summer of 2020. Mr. Ricker left Altima in May of 2020. Over the past five years, Mr. Ricker estimated that Altima averaged from ten to 16 employees. Mr. Ricker, Mr. Caillouette, and Mrs. Caillouette all had equal access to and used the same Altima email account to communicate.

Mr. Ricker told the OIG that Altima had one-year contracts with the County, with four years of renewals. In 2020, Mr. Caillouette chose not to renew them. Two of the contracts were services contracts and one was a "pre-qual." A service contract was for existing items and a pre-qual was for pre-qualification to bid for a new County project. The County picked the lowest bidder after invitations were sent out to vendors on the prequalification list.

Mr. Ricker stated that he was "pretty much" familiar with the terms of the Altima County contracts—he said it was part of his duties to be familiar with them. Typically, County employees would call Altima with a job assignment, he went to the job site to evaluate the work needed, he wrote a proposal for each request, and then the proposal went through the "proper channels" to get a delivery order.

Mr. Ricker had a specific crew who did County work. Mr. Ricker stated that he "pretty much" handled only County work.

¹³ This is also the address listed as Lighting Kingdom's business address on its invoices submitted by Altima to the County.

Each County department had a point of contact that would contact Altima. Mr. Ricker stated that in the last few years the County was frequently changing employees and hired people who were very unqualified to be in those positions.

Once a job was complete for the County, he notified the County contact employee, who then visited the site and inspected the work. Mrs. Caillouette did all of the invoicing to the County. He said he gave Mrs. Caillouette the handwritten work order that itemized materials used for County projects. The County signed off on the majority of jobs.

The OIG showed Mr. Ricker the specifications for Material Pricing at Cost for CMAs 14-037, 16-021 and 17-044. Mr. Ricker stated that he was "very familiar with these specifications. Mr. Ricker explained that under these contracts invoices had all the materials used on a job itemized and individually listed, with labor also priced individually. Each pricing component had different codes on the invoice.

Mr. Ricker stated that Altima provided the County with all material costs. Mr. Ricker added that the paper work involved was a "real pain in the ass, I mean a lot of paper work went into this."

For time and material type contracts, Mr. Ricker said Altima made its money from labor, not materials--there were "no markups permitted." Because Altima was a service company, many of the parts they used were from its inventory, and they purchased many parts in bulk. He stated Altima itemized them by dividing the price paid for the bulk parts by the amount used on each job. Mr. Ricker stated that 100% of Altima's revenue came from labor, adding that parts are at cost. "In fact, sometimes it cost us money because back then you weren't allowed to charge for shipping either."

Altima stockpiled parts like lightbulbs in the warehouse in Riviera Beach. Altima informed the County of the cost of materials before Altima installed them. Those costs were not estimates and Altima invoiced them to the County with backup invoices from the manufacturer. Parks Division always wanted to know down to the penny what everything cost. Mr. Ricker stated that he only charged for the materials he used on each job. In recent years, he said the County needed information to generate a delivery order, but prior to that, at times Altima performed the work first and then issued a delivery order.

Generally, when Mr. Ricker wrote a proposal he stated he wrote them 10% to 15% high, because it was always easier to reduce the final price than raise it.

Parts prices ranged from \$25.00 to \$15,000.00. Mr. Ricker cited Lighting Kingdom, K&M, Contemporary Lighting, and Graybar as major parts suppliers for Altima. If he used parts from any of these suppliers, he would submit those suppliers' invoices to the County. Mr. Ricker stated that he and Mr. Caillouette purchased parts.

Mr. Ricker described Lighting Kingdom as a distributor of lighting and electrical service and repair items that was in business from 2003 until 2020. Mr. Ricker and Mr. Caillouette were the owners until they left both Altima and Lighting Kingdom in 2020. Mr. Ricker's

home address is the same Okeechobee, Florida address as the one on all of the Lighting Kingdom invoices to the County. According to Mr. Ricker, Lighting Kingdom parts were stored in horse barns in Okeechobee, and in Riviera Beach. Mr. Ricker stated that Lighting Kingdom was a wholesaler that sold to any electrical contractor, including Altima. Lighting Kingdom had a phone number and advertised. He did not know if Lighting Kingdom had a web site. He said that representatives from different manufacturers guided people to contact Lighting Kingdom as the distributor for its products for the area. Lighting Kingdom sold products from Lithonia, Tech Light, Topaz, Simkar, and many more. Lighting Kingdom did not have employees; it consisted of him, Mr. Caillouette, and Mrs. Caillouette keeping the books.

The OIG asked Mr. Ricker to review 76 sets of County Delivery Orders with Altima invoices and Lighting Kingdom supporting documentation. Mr. Ricker acknowledged that they “were good,” had all the required documents, and that County staff had signed off on them. He said that he remembered every one of the jobs associated with the invoices he viewed. When asked about the prices on the Lighting Kingdom invoices he responded that the prices on those invoices reflected “the price that Lighting Kingdom paid for that to sell to Altima.” Mr. Ricker agreed that Lighting Kingdom was not a manufacturer.

The OIG showed Mr. Ricker a March 23, 2016 Lighting Kingdom invoice, number 1021, attached to County purchase order DO 031116-11638 associated with Altima invoice number 27548. The invoice priced part 40 PLT32/E/41-39 at a rate of \$6.38 each for a total of \$255.20. Mr. Ricker stated that rate was what Altima paid for these parts. When asked what Lighting Kingdom paid for the part he answered that Lighting Kingdom probably paid 10% less. Mr. Ricker said that Lighting Kingdom had a 10% markup of its parts to Altima, which they passed to the County. Mr. Ricker also said that even with the 10% markup, Altima “... is still like about 30% cheaper than the parts could have been bought elsewhere.” After the OIG showed Mr. Ricker this set of invoices, Mr. Ricker stated that he thought that in this case the markup was over 50%. Mr. Ricker then was shown the markup calculation for that part, which was 116%. After viewing the markup calculation, he had no further comment about that set of invoices.

The OIG showed Mr. Ricker a May 3, 2016 Lighting Kingdom invoice, number 1031, attached to Altima invoice number 27678 to the County from May 4, 2016. Mr. Ricker identified the parts as manufactured by Topaz. He then acknowledged that the prices listed on the Lighting Kingdom’s invoice are the prices Altima paid and passed to the County, and that Lighting Kingdom’s cost was marked up 10%. Mr. Ricker then said Lighting Kingdom only ordered parts they needed for jobs Altima already had and that Altima employees handled Lighting Kingdom’s parts.

Mr. Ricker was shown a March 21, 2016 Lighting Kingdom invoice, number 1022, part of purchase order number DO 022216-10235 associated with Altima invoice number 27494 and the corresponding Topaz invoice. He disagreed that the parts on the Lighting Kingdom invoices were the same.

Mr. Ricker told the OIG that Lighting Kingdom was marking up its materials and selling them to Altima. He stated that Lighting Kingdom is a separate corporation from Altima, and that one has nothing to do with the other. It was his position that Altima had to bill the County for parts at Altima's cost. He also believed that Lighting Kingdom sold parts more cheaply than other wholesalers did. He said the County was still paying less than what they would have paid if purchased somewhere else. He knew the County bought off lists and that Lighting Kingdom's prices were cheaper than the prices on the County's price lists.¹⁴

While Mr. Ricker initially said that Lighting Kingdom sold to other businesses besides Altima, at first he could not name any other companies that Lighting Kingdom sold to besides Altima. Eventually he said, "That one you'd have to put to Paul." He then named Grady Hall Electric as a possible alternate customer of Lighting Kingdom, and reiterated that we would have to ask Mr. Caillouette about other businesses that purchased from Lighting Kingdom.¹⁵ Mr. Ricker told us that forty percent of Lighting Kingdom's sales were to Altima. He said that most of Lighting Kingdom's customers were companies other than Altima.

OIG comment: The OIG found that Lighting Kingdom's only customer was Altima.

Mr. Ricker then further opined on whether Lighting Kingdom marked up prices for sale to Altima:

"Frankly it really don't matter if they raised them 50% because no two people buy for the same price. I mean this is the most ridiculous f***ing thing you know, sell 'em at your cost."

Mr. Ricker stated that there was no criminal intent involved in Altima's transactions with the County.

OIG Attempt to Interview Paul and Cynthia Caillouette

The OIG attempted to interview Paul and Cynthia Caillouette. Through their attorney, they declined. However, a December 20, 2020 letter from their attorney, Jeffrey Eannarino,¹⁶ to the OIG stated that:

My clients are unable to determine what material costs and expenses might be attributed to jobs completed by Altima for the County, even if they had all the requested records. Thus, they feel that any questions regarding this are better directed to Ricker as my clients have nothing further to offer.

¹⁴ County approved parts lists do not affect the actual cost reimbursement structure of Altima's vendor agreement.

¹⁵ Grady Hall is a Certified Electrical Contractor in Riviera Beach doing business as Howard Hall Electric Inc. That business closed in 1980. Grady Hall's license is still active with an address in Martin County. There were no transactions between Lighting Kingdom and Grady Hall or Howard Electric in records examined by the OIG.

¹⁶ OIG Appendix 2 shows the entirety of this letter.

In the letter, Mr. Eannarino further stated on behalf of the Caillouettes that:

Altima had half dozen employees including service manager Ricker. Mr. Caillouette and Ricker were shareholders in a separate company, Lighting Kingdom, Inc. ("LK"), a wholesale supply company that sold light fixtures to Altima.

...

Ricker was the only contact between Altima and the County. Ricker had 5-6 individual contacts with the County and held weekly lunch meetings with these contacts over the course of Altima's relationship with the County. Neither of the Caillouttes were privy to these meetings or met with County personnel.

...

Much of Ricker's compensation was bonuses based on revenue generated by Altima and, while not client specific, the County account contributed to this. Ricker exclusively negotiated and managed the County account, that included generating all invoices to and from LK, Altima and the County.

...

The County contract came up for the first time in that heated discussion¹⁷ whereupon Mr. Caillouette first learned that Ricker had signed a material cost pricing contract with the County... The only other contract the Caillouettes were aware of at that time was a single pre-qual contract. At no point prior to this were either of the Caillouttes aware that the County changed to a material cost contract, nor would they have ever agreed to it; or, that there were multiple contracts with the County, or that Ricker may not have honored the Contracts.

...

Ricker assured Mr. Caillouette ... that he had always sold materials to the County at or below their best customer pricing.

Conclusion

Throughout its contractual relationship with the County, Altima purchased materials for County projects from Lighting Kingdom. While Lighting Kingdom was an independently incorporated entity, it was not at any time an "original manufacturer/supplier" of materials. Additionally, Lighting Kingdom appears to have been a company owned and operated solely to provide materials for Altima's contract with the County at prices substantially higher than what Altima could have purchased the items from original manufacturers/suppliers. Lighting Kingdom had the same principal business and mailing address, and owners and operators as Altima. Altima entirely funded Lighting Kingdom, and Lighting Kingdom's role in County materials purchases appears to be solely that of an artificially inserted intermediary to inflate materials costs.

¹⁷ Attorney Eannarino estimated that this conversation occurred in February of 2020.

Altima's purchases through Lighting Kingdom, shipped to Altima's business address, were marked up an average of 107.20% over the costs charged by the true manufacturers/suppliers. These deceptions resulted in an identified cost of \$180,210.22. The County should pursue recoupment of those monies.

Altima submitted invoices to the County for payment with attached supporting documentation for materials from Lighting Kingdom that listed Mr. Ricker's home address as its business address. As this address was not used for any other Lighting Kingdom business transactions, invoices, or checks, it was possibly used on documentation submitted with Altima's invoices to the County as a way of disguising Lighting Kingdom's relationship to Altima and its principals.

Allegation 1 is supported.

Allegation (2):

Altima did not provide contractually required original manufacturer/supplier cost documentation, in violation of County contracts.

Governing Directives:

County CMAs 14-037/CC, 16-021/CC and 17-044/CC

Finding:

The information obtained **supports** the allegation.

OIG Review of the County's Received Altima Materials Cost Documentation

The OIG reviewed the 435 delivery orders the County provided related to Altima invoices that included materials costs. These delivery orders should have included original manufacturer's/supplier's cost documentation. However, 305 (70%) of Altima's submissions did not have the documentation, as illustrated below:

County Department	Altima Delivery Orders	Delivery Orders without Required Materials Invoice	Percentage Without Required Invoice
Facilities	82	7	9%
Fire Rescue	175	168	96%
Parks	126	118	94%
Water Utilities	52	12	23%
Total	435	305	70%

OIG Comparison of Altima Invoices Provided to the County with Altima Invoices Provided by the Caillouettes

The OIG reviewed Altima invoices provided by Mr. and Mrs. Caillouette through their attorney. These matched the Altima invoices provided to the County.

The Lighting Kingdom invoices provided by the Caillouettes did not match the Lighting Kingdom invoices attached to Altima's County submissions. However, while the Lighting Kingdom invoices had the same format, same Okeechobee address and same "Bill To" address as the invoices provided to the County:

- Unlike the invoices provided to the County, these invoices included the manufacturers' name and invoice number in the description section.
- When compared with known suppliers' invoices, Lighting Kingdom invoices marked up the rate of the materials sold by ten percent, instead of the larger mark ups identified in the Lighting Kingdom invoices provided to the County.
- The invoices did not match any known Lighting Kingdom invoices provided to the County, or if when we found a matching invoice number, the two were completely different.

The Caillouettes provided 160 non-duplicate Lighting Kingdom invoices from December 15, 2016 through May 8, 2020. Of those, County records did not match 151 of them. The other nine had the same invoice number as the invoice provided to the County, but the dates, quantities, descriptions, price rates, and total prices were different.¹⁸

OIG Review of Altima Emails

The County provided the OIG with all the email communications between Altima and the County from July 1, 2014 through September 20, 2020. The OIG reviewed 5,345 emails and found no additional original manufacturer's/supplier's cost documentation.

OIG Interview of Water Utilities Support Services Manager Conrad Ailstock, and Procurement Coordinator Dawn Jones

Mr. Ailstock and Ms. Jones told the OIG that after Altima completed work, Water Utilities procurement staff got a copy of its invoices from Water Utilities field staff. The employees in the field acknowledged completed work but did not approve payments. Water Utilities procurement staff approved payment requests and forwarded them to the County Finance Department for payment processing.

They stated that when contracts required a materials list, the materials cost on vendors' invoices were compared to costs on the third party vendors' materials invoices. The invoices were then forwarded to the Finance Department. They also forwarded the materials invoices to the Finance Department.

¹⁸ The OIG also subpoenaed Altima and Lighting Kingdom records from Mr. Ricker. Mr. Ricker told the OIG he had no records that were responsive to the subpoena.

Mr. Ailstock and Ms. Jones were familiar with work completed by Altima under CMAs14-037, 16-021, 17-044, and 18-012. They confirmed that under the time and materials specification of these contracts, the vendor should have submitted third party materials invoices and Water Utilities should have required it.

Mr. Ailstock and Ms. Jones stated that 12 sets of Altima invoices were missing materials invoices due to employee oversight and error. Altima was required to send the materials invoices attached to the Altima invoices but did not send them unless asked. If Altima had provided Water Utilities with the materials invoices, Water Utilities would have had them in their possession.

In 2018, a County Purchasing Department request caused Water Utilities to review Altima's invoices for jobs costing more than \$25,000.00. As a result of this request, Water Utilities realized that Altima had not submitted some third party materials invoices. Water Utilities staff requested Altima provide the invoices for those jobs, and Mr. Ricker hand-delivered missing invoices.

Mr. Ailstock and Ms. Jones stated that the Water Utilities Department has instituted a new system within its internal processes to catch deficiencies in materials invoice submissions. The staff now ensures that procurement specialists have entire contracts available at all times.

OIG Review of Parks Invoices and Emails

In June 2020, the OIG received Altima invoicing records from Parks. The majority of the invoices did not include the contracts' required original manufacturer's/supplier's cost documentation. The OIG asked Parks to provide the missing invoices or explain the reason for invoices not provided. Parks Support Services Manager Tom Landy responded with an email, which stated in part:

.... We reviewed our files for each of the Parks Maintenance transactions listed on the attached and find no additional supporting parts invoices for same. We have provided all the supporting documentation we have on file for the transactions in question. While in some cases Altima provided a detailed parts and quantity listing in the invoice, **more often than not it simply billed for "parts", which was their standard billing procedure.** [Emphasis added]

OIG Interview of Parks Support Services Manager Tom Landy

Mr. Landy stated that the Parks Trades Crew and Electrical Trades Crew Chiefs met with vendors on site to determine the scope of work. Field staff needed to know and understand contract terms and conditions. Field staff obtained a cost estimate and wrote a requisition for approval that went to a supervisor. The Supervisor then approved the requisition and could authorize projects up to \$10,000.00. Projects up to \$20,000.00 needed approval from the Division Director and beyond \$20,000.00 from the Parks Director.

The OIG explained that from the 116 Altima related delivery orders that per the contracts should have included an itemized manufacturer's parts invoice, 110 did not.¹⁹ Mr. Landy responded that Parks did not have those parts invoices. Mr. Landy told the OIG that Parks had a small staff that dealt with several thousand-purchase orders a year and that staff were not contract experts. He and his staff expected that Parks field staff understand and implement contracts properly.

Mr. Landy stated that the County's online Advantage system did not easily identify the contract language that specified material pricing at cost.

The OIG showed Mr. Landy an invoice packet for Altima purchase order 050818 02158 in which the Altima invoice had itemized parts and prices, but did not show where these parts were purchased, the purchase price, or who the manufacturer was. Mr. Landy agreed that this did not satisfy the contractually required specifications.

Prior to the interview, Mr. Landy told the OIG he reviewed invoices packets and found many did not include supporting parts invoices. He believed it would be helpful if the parts language of the contract was in Advantage.

OIG Interview of Fire Rescue Capital Projects Manager James McNamara

Mr. McNamara told the OIG that he oversees new construction and renovations and manages the building maintenance section for Fire Rescue. His position requires him to hire vendors and to be familiar with contracts.

Fire Rescue created purchase orders for needed construction, repairs, or maintenance. In some instances, Mr. McNamara could solicit vendors directly for a quote for services. Once he got quote(s), he assessed them based on industry standards then sent them to the Fire Rescue Finance Department for processing and a work order. Vendors were responsible for billing for the time and materials they used.

Mr. McNamara stated that he was able to tell if the quoted price was appropriate for the job needed. When the job was completed, he looked at the invoice that approved payment. The invoice was the same as the quote on most occasions.

Mr. McNamara was familiar with CMAs 14-037, 16-021, and 17-044 with Altima. He worked with Altima and Mr. Ricker since 2014; prior to that, another vendor had the electrical repair contract. Mr. McNamara never met anyone else from Altima but Mr. Ricker and "Glen," an electrical repairperson. He did not know if Mr. Ricker was the owner of Altima but he assumed he was. He also recalled that Mrs. Caillouette was the person who sent Altima's invoices via email. Mr. Ricker preferred to communicate by phone; he did not use many emails. Mr. McNamara considered Altima's work to be excellent, reliable, and responsive. Altima was a vendor Fire Rescue used over the years to repair light poles and sight lightings under contract 16-021. Fire Rescue used Altima to re-lamp

¹⁹ After further OIG review of records, 118 of 126 Parks invoices did not include materials invoices.

all sight lighting throughout 49 fire stations every year. Contracts 14-037 and 17-044 covered electrical repairs.

For emergencies, Mr. McNamara contacted Altima to go to the site first, with a simultaneous project order created. For non-emergency jobs, he first requested a quote from Altima. Mr. McNamara stated that when Altima invoiced Fire Rescue, they would have to show invoices and the materials used.

Mr. McNamara told the OIG that if Fire Rescue got a quote, Altima did not have to supply a parts list with the payment invoice. Mr. McNamara always dealt with Mr. Ricker from Altima. He usually notified Mr. Ricker of a work project via email, and Mr. Ricker assessed the job and submitted a quote. He also sometimes met with Mr. Ricker on site during the assessment of the work. Mr. Ricker was extremely knowledgeable and guided Fire Rescue with good recommendations.

Mr. McNamara stated that Altima should have been charging the County for materials at cost. Mr. McNamara knew Altima did not submit proof of cost invoices on 90 percent of its jobs because they were quotes and quotes did not require that. Mr. McNamara, and County Purchasing and Finance, approved the materials without proof of cost if they were quotes. Mr. McNamara estimated that Fire Rescue did not collect proof of cost invoices on 80 percent of the jobs completed by Altima.

The OIG showed Mr. McNamara several sets of invoices for jobs completed by Altima for Fire Rescue. Mr. McNamara acknowledged that in his expert opinion, the quotes from Altima appeared “about right” and he approved the work without proof of cost invoices. He also acknowledged that he did not request proof of cost on materials on quoted jobs from Altima. Mr. McNamara stated after Altima visited the work site, assessed the job, and provided Fire Rescue with a quote, he assessed the quote to see if it matched industry standards and pricing of any other jobs they had done then before approving it.

Mr. McNamara stated that in the past couple of years Fire Rescue has not been approving invoices without back-up proof of cost parts invoices. He said that ultimately County Finance had the final approval for payment.

OIG Interview of WB2

WB2 is familiar with Facilities processes, and regularly reviewed Altima invoices.

WB2 was suspicious of Altima when Facilities started seeing the receipts Altima submitted. The parts receipts were from a company WB2 had never heard of, Lighting Kingdom. WB2 researched Lighting Kingdom and found that its business address was the same as Altima’s address, but the address on the Lighting Kingdom invoice was an address in Okeechobee County. WB2 knew Mr. Ricker lived in Okeechobee County believed the address on the invoice was Mr. Ricker’s home address.

WB2 never read the materials specifications of the contract. WB2 heard that the vendor had to provide invoices, that materials had to be OEM, and that the parts invoices could not be marked up.

Altima provided invoices that showed hours worked and the source of materials. WB2 saw many Lighting Kingdom materials invoices. When WB2 asked Mr. Ricker about Lighting Kingdom, Mr. Ricker began supplying receipts from Altima, but in the same format as the Lighting Kingdom receipts. WB2 received the Altima Invoices and made sure hours and materials for the job all added up before approving payment.

WB2 stated that materials invoices should have provided manufacturer names but they did not. On its invoices, it appeared Lighting Kingdom was the manufacturer of parts but WB2 knew Mr. Ricker used lightbulbs manufactured by Topaz.

WB2 believes that other vendors provided accurate invoices; Altima was the only vendor WB2 encountered that provided suspicious invoices.

Once an Altima job was completed and approved, Facilities Procurement received the approval for payment. Procurement at times found issues and could ask for corrections or additions.

OIG Interview of Michael W. Ricker Sr.

The OIG showed Mr. Ricker the transactions without materials invoices table and explained that in our review of several invoices for work performed by Altima in the past five years, 60%²⁰ of the contractually required itemized parts invoices were missing. Mr. Ricker responded by saying “We did not, did not and I can honestly sit here and swear, did not submit anything without an itemized invoice and we knew exactly how to do this and who to send it to.”

He said Altima always provided the County with itemized invoices with separate itemized parts invoices, adding, “There is no way in hell that we would have gotten paid without it.” He said that Mrs. Caillouette would always send the invoice to the Departments. The Finance Department also got a copy and somebody at the County had to sign off on it.

Conclusion

We find that on at least 305 occasions, Altima did not submit contractually required parts invoices to the County. The invoices amounted to **\$754,536.46**. While County Departments may not on several occasions have requested these invoices, the contractual requirement for the provision of invoices rested with Altima. An OIG review of Altima and County records shows that Altima did not fulfill its responsibilities under this requirement.

²⁰ At the time of Mr. Ricker’s interview, the OIG believed the percentage was 60% but when the records were re-analyzed to include Altima invoices with itemized materials, the percentage was 70%.

Allegation 2 is supported.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Identified Costs: \$180,210.22

Questioned Costs: \$1,860,194.89

Avoidable Costs: \$0

ACKNOWLEDGEMENT

The Inspector General's Investigations Division would like to thank the Facilities, Fire Rescue, Parks, and Water Utilities staff for their cooperation throughout this investigation.

The OIG would also like to thank WB1 and WB2, both of whom took proactive effort to ensure that the County and taxpayers' interests and finances were protected from waste, fraud, and abuse.

RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends that:

1. The County obtain contractually required invoice information and supporting documentation from vendors prior to approving invoices for payment, and retain that documentation and information.
2. The County verify the suppliers for County vendors on cost-based contracts are independent of the County vendor prior to approving invoices for payment or require vendors to provide notice of its affiliation with any of its suppliers.
3. The County provide training to employees who review and approve vendor invoices for payment regarding the contractually required invoice information (e.g. part numbers) and supporting documentation (e.g. original supplier invoices) that must be submitted by vendors based on the agreement.
4. The County consider modifying its Advantage system to include a link to contract terms, and/or additional detail.

RESPONSE FROM MANAGEMENT

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, the County was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. The County's written response is attached to this report as Attachment A.

RESPONSE FROM WB1

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, WB1 was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within 20 calendar days. WB1 responded, "I agree with the report."

RESPONSE FROM WB2

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, WB2 was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within 20 calendar days. WB2 did not submit a response.

RESPONSE FROM MICHAEL RICKER

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Mr. Ricker was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. An extension for response was granted for a response within 20 days. Mr. Ricker did not submit a response.

RESPONSE FROM CYNTHIA CAILLOUETTE

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Mrs. Caillouette was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. An extension for response was granted for a response within 20 days. Mrs. Caillouette did not submit a response.

RESPONSE FROM PAUL CAILLOUETTE

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Mr. Caillouette was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. An extension for response was granted for a response within 20 days. Mr. Caillouette did not submit a response.

This Investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.

APPENDIX 1
**Table of OIG Matched Original
Supplier Parts**

County Delivery Order Date	Supplier	Supplier Part	Altima/Lighting Kingdom Part Description	Qty	Supplier Rate per Part	Supplier Amount	Altima LKngdm Rate per Part	Altima Lighting Kingdom Amount	Increase Rate per Part	Increase Total Identified Cost
2/22/2016	Topaz	B2642UN V/ME-TPZ	C2642UNVME	5	\$ 13.60	\$ 68.00	\$ 18.60	\$ 93.00	\$ 5.00	\$ 25.00
2/22/2016	Topaz	PLC26/E/4 1-39	PL426E	10	\$ 1.75	\$ 17.50	\$ 3.50	\$ 35.00	\$ 1.75	\$ 17.50
3/11/2016	Topaz	PLT32/E/4 1-39	PLT32/E/41-39	40	\$ 2.95	\$ 118.00	\$ 6.38	\$ 255.20	\$ 3.43	\$ 137.20
4/4/2016	Topaz	L4T8E/83 5/15/F/G5-70	L4T8E/835/18/U/ P	24	\$ 10.00	\$ 240.00	\$ 21.50	\$ 516.00	\$ 11.50	\$ 276.00
4/4/2016	Topaz	B4321UN VHP/A-2	B432/UN/VPH	6	\$ 11.50	\$ 69.00	\$ 19.17	\$ 115.02	\$ 7.67	\$ 46.02
4/29/2016	Topaz	MH400/U-37	400W MH Lamp	1	\$ 6.95	\$ 6.95	\$ 14.00	\$ 14.00	\$ 7.05	\$ 7.05
4/29/2016	Topaz	BMMH400 MT/5W-73	400W MH Ballast	1	\$ 42.52	\$ 42.52	\$ 85.04	\$ 85.04	\$ 42.52	\$ 42.52
4/29/2016	Topaz	MH175/U/ MED-37	175W MH Med Base Lamp	1	\$ 7.95	\$ 7.95	\$ 14.00	\$ 14.00	\$ 6.05	\$ 6.05
4/29/2016	Topaz	MH175/U-37	175W MH Lamp	1	\$ 6.25	\$ 6.25	\$ 14.00	\$ 14.00	\$ 7.75	\$ 7.75
4/29/2016	Topaz	BMMH175 MT/4W-73	175W MH Ballast	1	\$ 27.75	\$ 27.75	\$ 85.04	\$ 85.04	\$ 57.29	\$ 57.29
4/29/2016	Topaz	MH1000/U -37	1000W MH Mini Lamp	5	\$ 13.75	\$ 68.75	\$ 31.50	\$ 157.50	\$ 17.75	\$ 88.75
4/29/2016	Topaz	BMMH100 OMT/5W-73	1000W MH Ballast	5	\$ 69.00	\$ 345.00	\$ 138.00	\$ 690.00	\$ 69.00	\$ 345.00
5/4/2016	Topaz	MH400/U-37	400W MH Lamp	14	\$ 6.95	\$ 97.30	\$ 14.00	\$ 196.00	\$ 7.05	\$ 98.70
5/4/2016	Topaz	BMMH400 MT/5W-73	400W MH Ballast	13	\$ 42.52	\$ 552.76	\$ 85.04	\$ 1,105.52	\$ 42.52	\$ 552.76
6/24/2016	Topaz	F-WPS-29WLED-67	F-WPS-29W LED Small W/P	13	\$ 95.00	\$ 1,235.00	\$ 165.55	\$ 2,152.15	\$ 70.55	\$ 917.15
6/24/2016	Topaz	F-CNPY-34WLED-AR-67	F-CNPY-34W LED/AR	2	\$ 129.95	\$ 259.90	\$ 194.95	\$ 389.90	\$ 65.00	\$ 130.00
7/1/2016	Topaz	LPT16/85 0/INT/E26-74	LED 16W Lamp	4	\$ 29.00	\$ 116.00	\$ 44.44	\$ 177.76	\$ 15.44	\$ 61.76
7/1/2016	Topaz	FP39/850/ HO-1	F39 T5 850 HO Lamp	20	\$ 3.95	\$ 79.00	\$ 9.76	\$ 195.20	\$ 5.81	\$ 116.20
8/11/2016	Topaz	BMMH250 MT/5W -73	250W MH Ballast	13	\$ 38.85	\$ 505.05	\$ 85.04	\$ 1,105.52	\$ 46.19	\$ 600.47
8/11/2016	Topaz	MH250/U-37	250W MH Lamp	15	\$ 6.25	\$ 93.75	\$ 14.00	\$ 210.00	\$ 7.75	\$ 116.25
8/12/2016	Topaz	MH400/U/ ED28-37	400W MH Mini Lamp	3	\$ 12.95	\$ 38.85	\$ 21.00	\$ 63.00	\$ 8.05	\$ 24.15
8/12/2016	Topaz	BMMH400 MT/5W-73	400W MH Ballast	3	\$ 42.52	\$ 127.56	\$ 85.04	\$ 255.12	\$ 42.52	\$ 127.56
8/12/2016	Topaz	MH175/U/ MED-37	175W MH Lamp	6	\$ 7.95	\$ 47.70	\$ 14.00	\$ 84.00	\$ 6.05	\$ 36.30
8/17/2016	Topaz	MH175/U/ MED-37	175W MH Med Base Lamp	8	\$ 7.95	\$ 63.60	\$ 14.00	\$ 112.00	\$ 6.05	\$ 48.40
8/17/2016	Topaz	BMMH175 MT/4W-73	175W M Ballast 240V	3	\$ 27.75	\$ 83.25	\$ 85.04	\$ 255.12	\$ 57.29	\$ 171.87
9/14/2016	Topaz	MH250/U-37	250W MH Lamp	5	\$ 6.25	\$ 31.25	\$ 14.00	\$ 70.00	\$ 7.75	\$ 38.75
9/14/2016	Topaz	BMMH250 MT/5W -73	250W MH Ballast	3	\$ 38.85	\$ 116.55	\$ 85.04	\$ 255.12	\$ 46.19	\$ 138.57
9/21/2016	Topaz	MH400/U-37	400W MH Lamp	1	\$ 6.95	\$ 6.95	\$ 14.00	\$ 14.00	\$ 7.05	\$ 7.05

9/21/2016	Topaz	BMMH400 MT/5W-73	400W MH Ballast	1	\$ 42.52	\$ 42.52	\$ 85.04	\$ 85.04	\$ 42.52	\$ 42.52
9/21/2016	Topaz	MH175/U/ MED-37	175W MH Lamp	2	\$ 7.95	\$ 15.90	\$ 14.00	\$ 28.00	\$ 6.05	\$ 12.10
9/21/2016	Topaz	BMMH175 MT/4W-73	175W MH Ballast	1	\$ 27.75	\$ 27.75	\$ 85.04	\$ 85.04	\$ 57.29	\$ 57.29
9/21/2016	Topaz	MH1000/U /BT37-37	1000W MH Mini Lamp	3	\$ 15.00	\$ 45.00	\$ 31.50	\$ 94.50	\$ 16.50	\$ 49.50
9/21/2016	Topaz	BMMH100 OMT/5W-73	1000W MH Ballast	2	\$ 69.00	\$ 138.00	\$ 138.00	\$ 276.00	\$ 69.00	\$ 138.00
9/22/2016	Topaz	MH1000/U -37	1000W MH Lamp	1	\$ 13.75	\$ 13.75	\$ 25.00	\$ 25.00	\$ 11.25	\$ 11.25
9/22/2016	Topaz	BMMH100 OMT/5W-73	1000W MH Ballast	1	\$ 69.00	\$ 69.00	\$ 138.00	\$ 138.00	\$ 69.00	\$ 69.00
10/14/2016	Topaz	BMMH100 OMT/5W-73	1000W MH Ballast	10	\$ 69.00	\$ 690.00	\$ 138.00	\$ 1,380.00	\$ 69.00	\$ 690.00
10/14/2016	Topaz	MH1000/U -37	1000W MH Lamp	10	\$ 13.75	\$ 137.50	\$ 27.50	\$ 275.00	\$ 13.75	\$ 137.50
10/17/2016	Topaz	MH175/U-37	175W MH Mog Lamp	39	\$ 6.25	\$ 243.75	\$ 14.00	\$ 546.00	\$ 7.75	\$ 302.25
10/17/2016	Topaz	BMMH175 MT/4W-73	175W MH 480V 5Tap Ballast	15	\$ 27.75	\$ 416.25	\$ 85.04	\$ 1,275.60	\$ 57.29	\$ 859.35
10/17/2016	Topaz	MH400/U/ ED28-37	400W MH Mini (ED28) Lamp	1	\$ 12.95	\$ 12.95	\$ 22.00	\$ 22.00	\$ 9.05	\$ 9.05
10/18/2016	Topaz	BMMH400 MT/5W-73	400W MH Ballast	27	\$ 42.52	\$ 1,148.04	\$ 85.04	\$ 2,296.08	\$ 42.52	\$ 1,148.04
10/18/2016	Topaz	MH400/U-37	400W MH Lamp	30	\$ 6.95	\$ 208.50	\$ 14.00	\$ 420.00	\$ 7.05	\$ 211.50
10/18/2016	Topaz	MH400/T1 5-37	400W MH Mogel Lamp	60	\$ 13.95	\$ 837.00	\$ 24.00	\$ 1,440.00	\$ 10.05	\$ 603.00
11/7/2016	Topaz	LPT45/85 0/INT/E26-74	LPT45 850 Com Cob LED Lamps	22	\$ 55.00	\$ 1,210.00	\$ 90.91	\$ 2,000.02	\$ 35.91	\$ 790.02
11/10/2016	Topaz	MH1000/U -37	1000W MH Lamp	42	\$ 13.75	\$ 577.50	\$ 25.00	\$ 1,050.00	\$ 11.25	\$ 472.50
11/17/2016	Topaz	MH400/ U-37	400W MH Mogel Lamp	7	\$ 6.95	\$ 48.65	\$ 14.00	\$ 98.00	\$ 7.05	\$ 49.35
11/17/2016	Topaz	BMMH400 MT/5W-73	MH 400 Multi Ballast	6	\$ 42.52	\$ 255.12	\$ 85.04	\$ 510.24	\$ 42.52	\$ 255.12
11/17/2016	Topaz	MH70/U/M ED-37	70W MH Med Base Lamp	1	\$ 7.95	\$ 7.95	\$ 21.00	\$ 21.00	\$ 13.05	\$ 13.05
11/17/2016	Topaz	MH100/U/ MED-37	100W MH Med Base Lamp	1	\$ 7.95	\$ 7.95	\$ 21.00	\$ 21.00	\$ 13.05	\$ 13.05
12/14/2016	Topaz	MH1000/U /BT37-37	MH1000/U/BT37 -49 Mini	8	\$ 15.00	\$ 120.00	\$ 31.50	\$ 252.00	\$ 16.50	\$ 132.00
12/14/2016	Topaz	BMMH100 OMT/5W-73	MH1000 Multi Ballast	4	\$ 69.00	\$ 276.00	\$ 138.00	\$ 552.00	\$ 69.00	\$ 276.00
4/19/2017	Topaz	MH1000/U -37	MH1000/U-37	3	\$ 13.75	\$ 41.25	\$ 31.50	\$ 94.50	\$ 17.75	\$ 53.25
4/19/2017	Topaz	BMMH100 OMT/5W-73	MH 1000W 5 Way	3	\$ 69.00	\$ 207.00	\$ 138.00	\$ 414.00	\$ 69.00	\$ 207.00
4/19/2017	Topaz	MH400/U-37	400W ED37	3	\$ 6.95	\$ 20.85	\$ 14.00	\$ 42.00	\$ 7.05	\$ 21.15
4/19/2017	Topaz	BMMH400 MT/5W-73	MH 400W 5 Way	3	\$ 42.52	\$ 127.56	\$ 85.04	\$ 255.12	\$ 42.52	\$ 127.56
4/19/2017	Topaz	MH250/U-37	MH250/U-37	2	\$ 6.25	\$ 12.50	\$ 14.00	\$ 28.00	\$ 7.75	\$ 15.50
4/27/2017	Contemporary	SAL-L-3-50-U3-RPSSAL	SAL-L-5-3-U-SAL	30	\$ 639.00	\$ 19,170.00	\$ 1,270.00	\$ 38,100.00	\$ 631.00	\$ 18,930.00
4/27/2017	Contemporary	SAL-L-3-50-U3-TASAL	SAL-L-5-3-U-TASAL	30	\$ 639.00	\$ 19,170.00	\$ 1,270.00	\$ 38,100.00	\$ 631.00	\$ 18,930.00

4/27/2017	Contemporary	WSM-LED-75L-50-U1	WSM-75L-50-U1	2	\$ 369.00	\$ 738.00	\$ 676.50	\$ 1,353.00	\$ 307.50	\$ 615.00
4/27/2017	Contemporary	LSMA4C W-X-TSW-1400MA-F-2-BZ-347-480VW2A FMT	LSMA4CW-XT5-1400/MA	2	\$ 985.00	\$ 1,970.00	\$ 1,805.83	\$ 3,611.66	\$ 820.83	\$ 1,641.66
4/27/2017	Contemporary	LPC-5-CW-G-H-1-WH Canopy Light	LPC-5-CW-6-H-1-WH	4	\$ 369.00	\$ 1,476.00	\$ 676.50	\$ 2,706.00	\$ 307.50	\$ 1,230.00
4/27/2017	Contemporary	RTAP-20-7-188-10.5BC-SATIN-136-6-D180	RTAP-20-7-188-10.5-180	11	\$ 1,564.00	\$ 17,204.00	\$ 2,867.33	\$ 31,540.63	\$ 1,303.33	\$ 14,336.63
4/27/2017	Contemporary	RTAP-20-7-188-10.5BC-SATIN-136-6-QD	RTAP-20-7-188-10.5-QD	2	\$ 1,880.00	\$ 3,760.00	\$ 2,446.67	\$ 4,893.34	\$ 566.67	\$ 1,133.34
10/16/2017	Contemporary	Tasal	Sq Pole Adaptors	12	\$ 29.00	\$ 348.00	\$ 46.00	\$ 552.00	\$ 17.00	\$ 204.00
11/2/2017	Topaz	MH1000/U-37	1000W MH Lamp	6	\$ 13.75	\$ 82.50	\$ 25.00	\$ 150.00	\$ 11.25	\$ 67.50
11/2/2017	Topaz	MH1500/U-37	1500W Lamps	7	\$ 18.00	\$ 126.00	\$ 29.00	\$ 203.00	\$ 11.00	\$ 77.00
11/2/2017	Topaz	BMMH100 OMT/5W-73	1000W MH Ballast	6	\$ 69.00	\$ 414.00	\$ 120.00	\$ 720.00	\$ 51.00	\$ 306.00
11/2/2017	Topaz	BMMH1500/480V-5B	1500W MH Ballast	7	\$ 145.00	\$ 1,015.00	\$ 258.00	\$ 1,806.00	\$ 113.00	\$ 791.00
11/15/2017	Topaz	MH175/U-37	175MH Lamps	15	\$ 6.25	\$ 93.75	\$ 14.00	\$ 210.00	\$ 7.75	\$ 116.25
11/15/2017	Topaz	MH400/U/ED28-2	400MH Mini Lamps	1	\$ 12.95	\$ 12.95	\$ 22.00	\$ 22.00	\$ 9.05	\$ 9.05
11/15/2017	Topaz	BMMH175 MT/4W-73	175MH 480V Ballast	10	\$ 27.75	\$ 277.50	\$ 85.04	\$ 850.40	\$ 57.29	\$ 572.90
11/15/2017	Topaz	BMMH400 MT/5W-73	400MH Multi Ballast	1	\$ 42.50	\$ 42.50	\$ 98.00	\$ 98.00	\$ 55.50	\$ 55.50
12/13/2017	Topaz	MH400/U-37	400W MH Lamp	1	\$ 6.95	\$ 6.95	\$ 14.00	\$ 14.00	\$ 7.05	\$ 7.05
12/13/2017	Topaz	BMMH400 MT/5W-73	400W MH Ballast	1	\$ 42.52	\$ 42.52	\$ 105.00	\$ 105.00	\$ 62.48	\$ 62.48
12/13/2017	Topaz	MH1000/U/BT37-37	1000W MH Lamp Mini	4	\$ 15.00	\$ 60.00	\$ 39.00	\$ 156.00	\$ 24.00	\$ 96.00
12/13/2017	Topaz	BMMH100 OMT/5W-73	1000W MH Ballast	3	\$ 69.00	\$ 207.00	\$ 125.00	\$ 375.00	\$ 56.00	\$ 168.00
12/27/2017	Topaz	MH1000/U-37	1000W MH Lamp	20	\$ 13.75	\$ 275.00	\$ 25.00	\$ 500.00	\$ 11.25	\$ 225.00
12/27/2017	Topaz	BMMH100 OMT/5W-73	1000W MH Ballast	4	\$ 69.00	\$ 276.00	\$ 120.00	\$ 480.00	\$ 51.00	\$ 204.00
12/29/2017	Topaz	MH1000/U-37	1000W MH Lamp	6	\$ 13.75	\$ 82.50	\$ 25.00	\$ 150.00	\$ 11.25	\$ 67.50
12/29/2017	Topaz	BMMH100 OMT/5W-73	1000W MH Ballast	1	\$ 69.00	\$ 69.00	\$ 120.00	\$ 120.00	\$ 51.00	\$ 51.00
12/29/2017	Topaz	MH1000/U-37	1000W MH Lamp	6	\$ 13.75	\$ 82.50	\$ 25.00	\$ 150.00	\$ 11.25	\$ 67.50
12/29/2017	Topaz	BMMH100 OMT/5W-73	1000W MH Ballast	2	\$ 69.00	\$ 138.00	\$ 120.00	\$ 240.00	\$ 51.00	\$ 102.00

1/8/2018	Topaz	BMMH100 OMT/5W- 73	1000W MH Ballast	4	\$ 69.00	\$ 276.00	\$ 120.00	\$ 480.00	\$ 51.00	\$ 204.00
1/8/2018	Topaz	MH1000/U -37	1000W MH Lamp	5	\$ 13.75	\$ 68.75	\$ 25.00	\$ 125.00	\$ 11.25	\$ 56.25
1/17/2018	Topaz	LPT45/85 0/E39/G2- 74	LED 45W Retrofit E39 5K	26	\$ 48.95	\$ 1,272.70	\$ 85.00	\$ 2,210.00	\$ 36.05	\$ 937.30
1/17/2018	Topaz	LPT36/85 0/E39/G2- 74	LED 36W 5K Corncob	3	\$ 43.95	\$ 131.85	\$ 78.00	\$ 234.00	\$ 34.05	\$ 102.15
3/1/2018	Topaz	LPT16/83 0/E26/G2- 74	LPT16/830/E26/ G2-74	9	\$ 26.25	\$ 236.25	\$ 105.00	\$ 945.00	\$ 78.75	\$ 708.75
3/6/2018	Contemp orary	SAL-L-3- 50-U1- SALBLS	Simkar LED Lot Light	1	\$ 680.00	\$ 680.00	\$ 1,299.83	\$ 1,299.83	\$ 619.83	\$ 619.83
3/6/2018	Contemp orary	TASAL	Fixture Bracket	1	\$ 29.00	\$ 29.00	\$ 71.50	\$ 71.50	\$ 42.50	\$ 42.50
4/5/2018	NLS	VSR-1-T3- 48L-1- 50K-HV- DPR6- WHT-10K	VSR-1-T3-1-SK- UNV-DPR-WHT- 10K	18	\$ 569.00	\$ 10,242.00	\$ 842.67	\$ 15,168.0 6	\$ 273.67	\$ 4,926.06
4/19/2018	Topaz	MH1000/U / BT37-37	1000W MH Mini Lamp	3	\$ 15.00	\$ 45.00	\$ 32.00	\$ 96.00	\$ 17.00	\$ 51.00
4/19/2018	Topaz	BMMH100 OMT/5W- 73	1000W MH Multi Ballast	2	\$ 69.00	\$ 138.00	\$ 138.00	\$ 276.00	\$ 69.00	\$ 138.00
4/20/2018	NLS	VSR-1-T3- 48L-1- 50K-UNV- DPR6- BRZ-10K	USR-1-T3-486- 5X-UNV-DPR- BRZ-10K	1	\$ 569.00	\$ 569.00	\$ 1,249.00	\$ 1,249.00	\$ 680.00	\$ 680.00
4/26/2018	Topaz	MH175/U- 37	175W MH Lamp	1	\$ 6.25	\$ 6.25	\$ 14.00	\$ 14.00	\$ 7.75	\$ 7.75
4/26/2018	Topaz	MH175/U/ MED-37	175W MH Med Base Lamp	12	\$ 7.95	\$ 95.40	\$ 14.00	\$ 168.00	\$ 6.05	\$ 72.60
4/26/2018	Topaz	BMMH175 MT/4W-73	175 MH Ballast	6	\$ 27.75	\$ 166.50	\$ 85.04	\$ 510.24	\$ 57.29	\$ 343.74
5/2/2018	Topaz	MH1000/U -37	1000W MH Mog Lamp	68	\$ 13.75	\$ 935.00	\$ 25.00	\$ 1,700.00	\$ 11.25	\$ 765.00
5/17/2018	Contemp orary	SAL-L-3- 50-U3- SALBLS- RPSSAL	SAL-L-3-5-U3- RP	4	\$ 680.00	\$ 2,720.00	\$ 1,270.00	\$ 5,080.00	\$ 590.00	\$ 2,360.00
5/17/2018	Contemp orary	SAL-L-3- 50-U3- SALBLS	SAL-L-3-5-U3- SAL	4	\$ 680.00	\$ 2,720.00	\$ 1,270.00	\$ 5,080.00	\$ 590.00	\$ 2,360.00
5/17/2018	Contemp orary	WJM-A- 94-1-18 BRZ (\$98.00) and Tasal (\$29.00)	Pole Adaptors	4	\$ 127.00	\$ 508.00	\$ 209.00	\$ 836.00	\$ 82.00	\$ 328.00
5/17/2018	Contemp orary	SAL-L-3- 50-U3- SALBLS	SAL-5-U-SALD- BZ	10	\$ 680.00	\$ 6,800.00	\$ 1,270.00	\$ 12,700.0 0	\$ 590.00	\$ 5,900.00
5/17/2018	Contemp orary	TASAL	TASAL	10	\$ 29.00	\$ 290.00	\$ 79.90	\$ 799.00	\$ 50.90	\$ 509.00
5/17/2018	Contemp orary	A94-1-18- BZ	A-95-1-72-Z-BZ	10	\$ 281.00	\$ 2,810.00	\$ 425.20	\$ 4,252.00	\$ 144.20	\$ 1,442.00
6/14/2018	Topaz	MH250/U- 37	250W MH Lamp	13	\$ 6.25	\$ 81.25	\$ 14.00	\$ 182.00	\$ 7.75	\$ 100.75
6/14/2018	Topaz	BMMH400 MT/5W-73	205W MH Ballast	4	\$ 42.52	\$ 170.08	\$ 85.04	\$ 340.16	\$ 42.52	\$ 170.08
6/21/2018	Topaz	MH1000/U -37	1000W MH Lamp	1	\$ 13.75	\$ 13.75	\$ 27.50	\$ 27.50	\$ 13.75	\$ 13.75

6/21/2018	Topaz	BMMH100 OMT/5W- 73	1000W MH Ballast	1	\$ 69.00	\$ 69.00	\$ 138.00	\$ 138.00	\$ 69.00	\$ 69.00
6/27/2018	Deco	D305- LED43184 0UNVBZS	D305-LED-43- 18-40-UNV-BZ- SP	6	\$ 395.00	\$ 2,370.00	\$ 457.17	\$ 2,743.02	\$ 62.17	\$ 373.02
8/4/2018	Contemp orary	DH24FHD N2-WED	DH24FHDN2- WED	7	\$ 865.00	\$ 6,055.00	\$ 1,343.26	\$ 9,402.82	\$ 478.26	\$ 3,347.82
8/4/2018	Topaz	F- ARL/300W /50K/SF- 80	F- ARL/300W/50K/ SF	3	\$ 295.00	\$ 885.00	\$ 790.00	\$ 2,370.00	\$ 495.00	\$ 1,485.00
8/4/2018	Contemp orary	SAL-L-3- 50-U1	SAL/L/3/50/U1/T ASAL	5	\$ 640.00	\$ 3,200.00	\$ 1,174.00	\$ 5,870.00	\$ 534.00	\$ 2,670.00
8/4/2018	Contemp orary	A94-1-18- BZ-2	WJM A/94/1/18/BZ/Z	3	\$ 98.00	\$ 294.00	\$ 248.01	\$ 744.03	\$ 150.01	\$ 450.03
8/4/2018	Contemp orary	A94-2-90- 18-2-BZ-2	WJM A/94/2/90/18/2/B Z	1	\$ 119.00	\$ 119.00	\$ 219.00	\$ 219.00	\$ 100.00	\$ 100.00
8/4/2018	Contemp orary	WSM- LED-50L- 50-U1	WSM-LED-50L- 50-U1	13	\$ 113.00	\$ 1,469.00	\$ 677.00	\$ 8,801.00	\$ 564.00	\$ 7,332.00
8/4/2018	Contemp orary	EN2LED4- RFA-F-65- 50-U1	EN2-LED-4-D- FA-P-56-50-U1	18	\$ 135.00	\$ 2,430.00	\$ 249.00	\$ 4,482.00	\$ 114.00	\$ 2,052.00
8/4/2018	Contemp orary	GVV-3-6- 04-U-L- LPL-BRZ	GUU-3-6-94-U- L-LPL-BRZ	6	\$ 160.00	\$ 960.00	\$ 365.00	\$ 2,190.00	\$ 205.00	\$ 1,230.00
8/11/2018	Contemp orary	WSM- LED-50L- 50-U1	WSM-SOL-5-U1- BZ	45	\$ 113.00	\$ 5,085.00	\$ 677.00	\$ 30,465.0 0	\$ 564.00	\$ 25,380.00
8/11/2018	Contemp orary	SAL-L-3- 50-U1	SAL-L-3-5-UI-BZ	20	\$ 640.00	\$ 12,800.00	\$ 1,270.00	\$ 25,400.0 0	\$ 630.00	\$ 12,600.00
9/6/2018	Topaz	MH1000/U /BT37-37	1000W MH Mini Lamp	3	\$ 15.00	\$ 45.00	\$ 28.00	\$ 84.00	\$ 13.00	\$ 39.00
9/6/2018	Topaz	BMMH100 OMT/5W- 73	1000W MH Ballast	3	\$ 69.00	\$ 207.00	\$ 138.00	\$ 414.00	\$ 69.00	\$ 207.00
9/6/2018	Topaz	MH400/U- 37	400W MH Mini Lamp	1	\$ 6.95	\$ 6.95	\$ 14.00	\$ 14.00	\$ 7.05	\$ 7.05
9/6/2018	Topaz	BMMH400 MT/5W-73	400W MH Ballast	1	\$ 42.50	\$ 42.50	\$ 85.04	\$ 85.04	\$ 42.54	\$ 42.54
10/24/2018	Topaz	MH400/U/ ED28-37	400W MH Mini Lamp	36	\$ 12.95	\$ 466.20	\$ 24.00	\$ 864.00	\$ 11.05	\$ 397.80
10/24/2018	Topaz	MH175/U- 37	175W MH Lamp	6	\$ 6.25	\$ 37.50	\$ 14.00	\$ 84.00	\$ 7.75	\$ 46.50
10/24/2018	Topaz	MH175/U/ MED-37	175W MH Med Base Lamp	2	\$ 7.95	\$ 15.90	\$ 24.00	\$ 48.00	\$ 16.05	\$ 32.10
10/24/2018	Topaz	BMMH400 MT/5W-73	400W MB Ballast	4	\$ 42.50	\$ 170.00	\$ 85.04	\$ 340.16	\$ 42.54	\$ 170.16
12/3/2018	Contemp orary	SALHO2X L350U1	SAL-HO-2XL- 350-K-U1	1	\$ 1,496.00	\$ 1,496.00	\$ 2,351.43	\$ 2,351.43	\$ 855.43	\$ 855.43
12/3/2018	Contemp orary	TASALHO	TASAL-HO	1	\$ 52.00	\$ 52.00	\$ 116.00	\$ 116.00	\$ 64.00	\$ 64.00
12/4/2018	Topaz	MH1000/U /BT37-37	1000W MH Mini Lamp	12	\$ 15.00	\$ 180.00	\$ 28.00	\$ 336.00	\$ 13.00	\$ 156.00
12/4/2018	Topaz	MH400/U/ ED37-2	400W MH Mini Lamp	5	\$ 6.95	\$ 34.75	\$ 14.00	\$ 70.00	\$ 7.05	\$ 35.25
12/4/2018	Topaz	BMMH100 OMT/5W- 73	1000W MH Ballast	1	\$ 69.00	\$ 69.00	\$ 138.00	\$ 138.00	\$ 69.00	\$ 69.00
12/4/2018	Topaz	BMMH400 MT/5W-73	400W MH Ballast	1	\$ 42.50	\$ 42.50	\$ 85.00	\$ 85.00	\$ 42.50	\$ 42.50
1/3/2019	Topaz	MH1000/U -37	1000W MH Mog Lamp	36	\$ 15.10	\$ 543.60	\$ 25.00	\$ 900.00	\$ 9.90	\$ 356.40

1/3/2019	Topaz	BMMH100 OMT/5W- 73	MH 1000W Multi Ballast	7	\$ 69.00	\$ 483.00	\$ 138.00	\$ 966.00	\$ 69.00	\$ 483.00
1/8/2019	Contemporary	WSM LED 75L 50 U1	WSM 75L-50-U1	21	\$ 136.00	\$ 2,856.00	\$ 250.00	\$ 5,250.00	\$ 114.00	\$ 2,394.00
1/30/2019	Contemporary	WSM LED 75L 50 U1	WSM 75-6-50- U1	12	\$ 136.00	\$ 1,632.00	\$ 250.00	\$ 3,000.00	\$ 114.00	\$ 1,368.00
1/30/2019	Contemporary	TASAL	TASAL	1	\$ 29.00	\$ 29.00	\$ 55.00	\$ 55.00	\$ 26.00	\$ 26.00
1/30/2019	Contemporary	SAL-L-3- 50-U1	SAL-3-50-U1	1	\$ 640.00	\$ 640.00	\$ 1,174.00	\$ 1,174.00	\$ 534.00	\$ 534.00
1/31/2019	Topaz	F-WP- 18WLED- B2-75	F-WP-18W LED- BZ-75-340	8	\$ 34.00	\$ 272.00	\$ 80.50	\$ 644.00	\$ 46.50	\$ 372.00
2/1/2019	Contemporary	WSM LED 75L 50U1 PC BUTTON	WSM 75-6-50- U1/PC	10	\$ 146.00	\$ 1,460.00	\$ 310.80	\$ 3,108.00	\$ 164.80	\$ 1,648.00
2/14/2019	Topaz	F- FL/90/50K /SF/BZ-67	F-FL/90/5K/BZ- 67	2	\$ 137.50	\$ 275.00	\$ 190.00	\$ 380.00	\$ 52.50	\$ 105.00
2/28/2019	Topaz	MH1000/U -37	1000W MH Mog Lamp	2	\$ 15.10	\$ 30.20	\$ 25.00	\$ 50.00	\$ 9.90	\$ 19.80
2/28/2019	Topaz	BMMH100 OMT/5W- 73	MH 1000W Multi Ballast	2	\$ 69.00	\$ 138.00	\$ 138.00	\$ 276.00	\$ 69.00	\$ 138.00
3/4/2019	Topaz	F-WP- 28W/50K/ BZ/ HE	F-WP- 25W/50K/BZ	6	\$ 68.90	\$ 413.40	\$ 139.50	\$ 837.00	\$ 70.60	\$ 423.60
3/15/2019	Topaz	BMMH175 MT/ 4W- 73	175W MH Ballast	15	\$ 27.75	\$ 416.25	\$ 85.04	\$ 1,275.60	\$ 57.29	\$ 859.35
3/15/2019	Topaz	BMMH400 MT/5W-73	400W MH 5Tap Ballast	2	\$ 46.75	\$ 93.50	\$ 98.00	\$ 196.00	\$ 51.25	\$ 102.50
3/15/2019	Topaz	MH175/U - 37	175W MH Lamp	19	\$ 6.25	\$ 118.75	\$ 14.00	\$ 266.00	\$ 7.75	\$ 147.25
3/15/2019	Topaz	MH400/U/ ED28-37	400W MH Mini Lamp	2	\$ 12.00	\$ 24.00	\$ 22.00	\$ 44.00	\$ 10.00	\$ 20.00
3/18/2019	Topaz	BMMH400 MT/5W-73	400W MH Ballast	7	\$ 42.50	\$ 297.50	\$ 85.04	\$ 595.28	\$ 42.54	\$ 297.78
3/18/2019	Topaz	MH400/U/ ED37-2	400W MH Lamp	8	\$ 6.95	\$ 55.60	\$ 14.00	\$ 112.00	\$ 7.05	\$ 56.40
4/1/2019	Topaz	F- ARL/150/5 0K/S3	150W LED Flood Fixture	2	\$ 159.00	\$ 318.00	\$ 350.00	\$ 700.00	\$ 191.00	\$ 382.00
4/10/2019	Contemporary	ATA22R4 5L40U1	ATA22R45L40V 1	46	\$ 8.00	\$ 368.00	\$ 218.02	\$ 10,028.9 2	\$ 210.02	\$ 9,660.92
5/8/2019	Topaz	F- AWP/30/5 0K/BZ-80	F- AWP/30/50K/BZ- 80-69	4	\$ 68.20	\$ 272.80	\$ 155.00	\$ 620.00	\$ 86.80	\$ 347.20
6/12/2019	Topaz	MH100/U/ MED-37	100MH Med Base Lamp	1	\$ 7.95	\$ 7.95	\$ 16.00	\$ 16.00	\$ 8.05	\$ 8.05
6/12/2019	Topaz	BMMH100 MT/4W-73	100MH Multi Ballast	1	\$ 33.85	\$ 33.85	\$ 59.00	\$ 59.00	\$ 25.15	\$ 25.15
6/12/2019	Topaz	MH175/U/ MED-37	175MH Lamp	4	\$ 7.95	\$ 31.80	\$ 14.00	\$ 56.00	\$ 6.05	\$ 24.20
6/12/2019	Topaz	BMMH175 MT/ 4W- 73	175MH Mulit Ballast	1	\$ 27.75	\$ 27.75	\$ 85.04	\$ 85.04	\$ 57.29	\$ 57.29
6/20/2019	Deco	DWH- LED46050 UNV	DWH-LED-4- 60W-50-UNV	2	\$ 188.00	\$ 376.00	\$ 299.00	\$ 598.00	\$ 111.00	\$ 222.00
6/25/2019	Topaz	MH175/U/ MED-37	175W MH Lamp	28	\$ 7.95	\$ 222.60	\$ 14.00	\$ 392.00	\$ 6.05	\$ 169.40
6/25/2019	Topaz	MH400/U/ ED28-37	400W MH Mini Lamp	4	\$ 12.00	\$ 48.00	\$ 24.00	\$ 96.00	\$ 12.00	\$ 48.00

6/25/2019	Topaz	BMMH175 MT/4W-73	175W MH Ballast	7	\$ 31.92	\$ 223.44	\$ 85.04	\$ 595.28	\$ 53.12	\$ 371.84
6/25/2019	Topaz	MH250/U- 37	250W MH Lamp	39	\$ 6.25	\$ 243.75	\$ 14.00	\$ 546.00	\$ 7.75	\$ 302.25
6/25/2019	Topaz	BMMH250 MT/5W - 73	250W MH Ballast	5	\$ 38.85	\$ 194.25	\$ 85.04	\$ 425.20	\$ 46.19	\$ 230.95
8/5/2019	Topaz	MH1000/U -37	1000W MH Mog Lamp	110	\$ 15.10	\$ 1,661.00	\$ 25.00	\$ 2,750.00	\$ 9.90	\$ 1,089.00
8/5/2019	Topaz	BMMH100 OMT/5W- 73	MH 1000W Multi Ballast	1	\$ 75.95	\$ 75.95	\$ 138.00	\$ 138.00	\$ 62.05	\$ 62.05
8/7/2019	Topaz	MH1000/U -37	1000W MH Mog Lamp	169	\$ 15.10	\$ 2,551.90	\$ 25.00	\$ 4,225.00	\$ 9.90	\$ 1,673.10
10/8/2019	Topaz	MH1000/U -37	1000W MH Mini Lamp	5	\$ 15.10	\$ 75.50	\$ 34.00	\$ 170.00	\$ 18.90	\$ 94.50
10/8/2019	Topaz	BMMH100 OMT/5W- 73	1000W MH Ballast	4	\$ 75.95	\$ 303.80	\$ 138.00	\$ 552.00	\$ 62.05	\$ 248.20
11/20/2019	NLS	NV-2-T4- 96L-1- 50K-UNV- DPS11- BRZ-10K	NV-2-T4-96L-1- 50K-UNV- DPS11-BRZ-10K	4	\$ 780.75	\$ 3,123.00	\$ 1,450.00	\$ 5,800.00	\$ 669.25	\$ 2,677.00
					Total	\$ 168,113.2 7		\$ 348,323. 49		\$ 180,210.2 2
									Total Markup	107.20%

APPENDIX 2

EANNARINO LAW
PROFESSIONAL ASSOCIATION

Jeffrey S. Eannarino
office@eannarinolaw.com

December 19, 2020

Sent Via email to: SRobinson@pbcgov.org

Stuart A. Robinson
Director of Investigations
Office of Inspector General Palm Beach County
100 Australian Ave.
West Palm Beach, Florida 33406

RE: September 25, 2020 Subpoenas Duces Tecum directed to the Custodian of Records, Altima Lighting, Inc., Lighting Kingdom, Inc., Cynthia Caillouette and Paul Caillouette.

Dear Mr. Robinson;

Thank you for confirming receipt of my client's organized timely productions. In response to your additional request, my client's former employee was service manager Michael W. Ricker, Sr. ("Ricker"). Ricker exclusively handled the Altima Lighting, Inc., ("Altima") account with Palm Beach County ("County"). All records relating to work done by Altima for the County were created and produced by Ricker. My clients are unable to determine what material costs and expenses might be attributed to jobs completed by Altima for the County, even if they had all the requested records. Thus, they feel that any questions regarding this are better directed to Ricker as my clients have nothing further to offer.

Notwithstanding, my clients have authorized me to convey this additional background that you may find useful in your investigation. Altima was a 23-year-old licensed electrical contractor primarily engaged in the business of repairing, maintaining and installing exterior commercial light fixtures. Altima's shareholders were Cynthia and Paul Caillouette ("Caillouettes"). Altima had a half dozen employees including service manager Ricker. Mr. Caillouette and Ricker were shareholders in a separate company, Lighting Kingdom, Inc., ("LK"), a wholesale supply company that sold light fixtures to Altima. Altima was sold in an asset sale on or about August 1, 2020 so its shareholders could retire and, LK was sold in a stock sale around the same time and to same buyer.

One of Altima's many customers was the County. Altima has had multiple contracts to maintain County lights since 1996. Ricker was the only contact between Altima and the County. Ricker had 5-6 individual contacts with the County and held weekly lunch meetings with these contacts over the course of Altima's relationship with the County. Neither of the Caillouettes were privy to these meetings or met with County personnel.

The Caillouettes decision to sell Altima arose in early 2016 when they decided they were ready to retire and entertained an offer to sell the company. Unfortunately, their retirement would have to wait when on or about September of 2016, the family of one of their electricians who tragically died in an accident while working for Altima filed a negligence lawsuit in Palm Beach County. Circuit Court case numbered 2016CA010873 was filed against several defendants, including a single count against Altima for violation of Fla. Stats. §440.111(b). When Altima's liability carrier refused to defend it, this office successfully obtained a dismissal on Altima's behalf in October of 2018.



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EANNARINO LAW
PROFESSIONAL ASSOCIATION

continued, page 2 of 2

On or about early February, 2020, Mr. Caillouette advised Ricker he was retiring and closing the doors. Ricker's then compensation was approximately \$200,000.00 annually. He did not handle the prospect of losing his income well. Much of Ricker's compensation was bonuses based on revenue generated by Altima and, while not client specific, the County account contributed to this. Ricker exclusively negotiated and managed the County account which included generating all invoices to and from LK, Altima and the County. Shortly after that meeting, Ricker stormed into Mr. Caillouette's office threatening to walk out and take two employees with him; that Ricker was Altima and not the Caillouettes; and that the County would only do business with Ricker and not Altima or the Caillouettes. The County contract came up for the first time in that heated discussion whereupon Mr. Caillouette first learned that Ricker had signed a material cost pricing contract with the County. Mr. Caillouette advised Ricker the contract was unacceptable, that it made no business sense, and that he was canceling it.

On or about February 18, 2020, Mr. Caillouette replied to an email from Palm Beach County purchasing department requesting renewal of contract #17044B and advising purchasing that Altima would not be renewing the contract. The only other contract the Caillouettes were aware of at the time was a single *pre-qual* contract. This further enraged Ricker, and the relationship went from tenuous to hostile. At no point prior to this were either of the Caillouettes aware that County changed to a material cost contract, nor would they have ever agreed to it; or, that there were multiple contracts with the County; or that Ricker may not have honored the Contracts.

Not long thereafter, Ricker advised Mr. Caillouette that the County was conducting an "*inter-fice internal investigation*" stemming from a whistle blower claiming a County employee was mishandling things. Ricker assured Mr. Caillouette that the investigation had nothing to do with Altima and that he had always sold materials to the County at or below their best customer pricing. Ricker further assured Mr. Caillouette that he had it under control, that he provided the County with everything they requested, and for Mr. Caillouette to stay out of it as it was his contract with the County.

In closing, I appreciate that your office is entitled to investigate and that you do not wish to disclose whatever prompted this investigation. Now that my clients have fully complied with your requests, and have provided additional information establishing that my client's retirement was not sudden; that they were completely unaware of any "material cost" contract(s) with the County signed by Ricker; that they cancelled the only contracts they were aware of upon learning of the same; please be advised that my clients are prepared to vigorously defend any suggestion, allegation or action, that the Caillouettes somehow acted improperly or in any way intentionally misled, or overbilled Palm Beach County.

Please direct any further correspondence regarding this matter to our office.

Very truly yours,

Jeff Eannarino

Jeffrey S. Eannarino
For the Firm

cc. Clients



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ATTACHMENT A



February 2, 2022

Mr. Stuart A. Robinson, Director of Investigations
Office of Inspector General
P.O. Box 16568
West Palm Beach, FL 33416

Dear Mr. Robinson:

I am in agreement with the OIG recommendations in Case Number 2019-0007. County Departments have modified and/or **will be** modifying procedures to ensure compliance with all requirements of cost-based contracts no later than June 1, 2022. This includes proper training of key staff that are required to sign off on the contracted work and processing of invoices with required documentation. The training includes, but is not limited to, familiarizing appropriate staff with contractual requirements, checklists and proper input of the invoices into the financial system(s).

Designated staff will verify suppliers of a county vendor associated with cost-based contracts are independent of the vendor prior to approving invoices, to the extent possible. The requirement that vendors and suppliers of cost-based contracts are completely independent of each other and/or all affiliations are disclosed, will be included as a part of future solicitations and resulting contracts.

Further, County staff will collaborate with the Clerk of Circuit Court and Comptroller staff to analyze and make modifications to the Advantage financial system to include appropriate controls associated with cost-based contracts, where feasible.

It is always our responsibility to ensure the requirements of contractual agreements are met by the vendor and the County. The County staff that brought this matter to the attention of the OIG is to be commended for identifying this issue and elevating it. I encourage employees to identify irregularities in any of our work processes and embrace opportunities to improve by submitting them to supervisors, department heads or Administration. I look forward to continuously improving internal controls and processes in carrying out the mission and goals of County government.

Sincerely,

A handwritten signature in blue ink that reads "VBaker".

Verdenia C. Baker
County Administrator

Cc: John Carey, Inspector General

County Administration

P.O. Box 1989
West Palm Beach, FL 33402-1989
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**Palm Beach County
Board of County
Commissioners**

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Gregg K. Weiss, Vice Mayor
Maria G. Marino
Dave Kerner
Maria Sachs
Melissa McKinlay
Mack Bernard

County Administrator

Verdenia C. Baker

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John A. Carey
Inspector General

**OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY**



Inspector General
Accredited

“Enhancing Public Trust in Government”

Investigative Report

2024-0006

City of Riviera Beach Failure to Report Water Contamination

November 18, 2024



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

INVESTIGATIVE REPORT 2024-0006

DATE ISSUED: November 18, 2024



Inspector General
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"Enhancing Public Trust in Government"

CITY OF RIVIERA BEACH FAILURE TO REPORT WATER CONTAMINATION

SUMMARY

WHAT WE DID

The Palm Beach County Office of Inspector General (OIG) reviewed media reports and had subsequent conversations with the Florida Department of Health (FDOH) and the Mayor of the City of Riviera Beach, Florida (City) regarding the City Utility Special District (Utility District) staff's possible misconduct, mismanagement of the City Utility District, and failure to ensure compliance with the monitoring, reporting, and public notification provisions of the Federal and State Safe Drinking Water Acts.

Based upon our review of information regarding the management and operation of the City Utility District and our initial discussions with the City's Mayor and the FDOH, the OIG initiated an investigation of the following allegation:

Allegation (1):

City Utility Special District staff failed to comply with required water testing, reporting, and public notification protocols, and provided inaccurate or misleading information to the FDOH and/or the public regarding E.

We found that on at least 130 occasions between January and September 2023, City Utility District staff failed to report, or adequately supervise other employees responsible for reporting, water testing results for wells and water distribution points to the FDOH, as required.

Additionally, City Utility District staff failed to immediately report "present" E. coli results for Well #14 and a distribution point on Caribbean Boulevard, and submitted false, altered, and/or misleading test results to the FDOH for Wells #861 and #862. As a result, Wells #861 and #862 were improperly reactivated for use as part of the City's drinking water system.

We also found that on multiple occasions, City Utility District senior staff willfully ignored, instructed other staff to ignore, or provided misleading information about the water testing results to the FDOH and the public.

coli/fecal contamination or Total Coliform contamination.

During this investigation, our office regularly coordinated with the FDOH on matters falling within both offices' jurisdiction. The OIG identified potential violations that contributed to the FDOH's issuance of Warning Letter WP-085-24 dated July 22, 2024 and Warning Letter WP-134-24 dated October 28, 2024, which are attached to this report as Appendix 2 and Appendix 3.

This OIG Report addresses alleged misconduct by City employees; it does not address matters under the purview of the FDOH, such as compliance inspections, enforcement actions, or the administration of the public drinking water systems program.

Our investigation centered on whether City Utility District staff failed to adequately supervise and manage the City Utility District or sufficiently ensured regulatory requirements were met.

During our investigation we examined over ten thousand emails; hundreds of water testing results; and written communications between City Utility District employees, the FDOH, and Advanced Innovations, LLC d/b/a Capzer Pharmaceuticals (Capzer). We also interviewed current and former employees of the City Utility District, the FDOH, and Capzer.

Regular and repeat water testing, accurate reporting of results to the FDOH, and compliance with public notice provisions in the Federal and State Safe Drinking Water Acts are paramount to ensuring that public water systems provide customers with drinking water

that is free of harmful contaminants and safe for public consumption. Compliance with applicable regulatory provisions minimizes health risks resulting from poor operating procedures and management. Accordingly, public water systems have a critical duty to hire and retain qualified and knowledgeable staff who are competent to manage the operation and maintenance of water distribution and collection systems.

WHAT WE FOUND**Allegation (1) is supported.**

We found that City Utility District staff failed to perform their duties and/or failed to adequately supervise the performance of other employees responsible for compliance with the Federal and State Safe Drinking Water Acts.

Specifically, we found that City Utility District staff, on an ongoing and systemic basis, failed to follow required water testing, reporting, and public notification protocols, and on several occasions provided false or misleading information to the FDOH and the public regarding possible E. coli/fecal contamination or Total Coliform contamination.

City Utility District Executive Director Michael Low failed to provide adequate supervision over the City Utility District. He did not implement adequate internal controls to ensure accurate and complete reporting of water testing results to the FDOH before or after former City Compliance Manager Williams separated from the City Utility District, and did not ensure that employees within his direct chain of command were assigned to

tasks they were both willing and able to perform. Additionally, he misled the public, his supervisors, and the FDOH by stating, without any regulatory or technical basis, that a water sample that tested “present” for Total Coliform at a Caribbean Boulevard distribution point was a “false present.”

City Utility District Assistant Executive Director Steven Doyle failed to provide adequate supervision over the City Utility District. Mr. Doyle directly supervised key employees, yet did not take steps to ensure that City Utility District staff adhered to water monitoring and reporting requirements.

City Utility District Compliance Manager Anthony Williams repeatedly and intentionally failed to report water testing results to the FDOH and provided false, altered, or misleading information to the FDOH regarding Wells #862 and #861, which resulting in those wells being improperly placed in service in the water distribution system.

City Utility District Water Treatment Plant Superintendent Melvin Pinkney failed to provide adequate supervision and to ensure that testing results were reported to the FDOH. He failed to timely report fecal contamination results for Well #14 and the distribution point at 4822 Caribbean Boulevard. The fecal contamination test results for Well #14 and the Caribbean Boulevard distribution point should have been immediately reported to the FDOH, and a public boil water notice should have been issued. Instead, the contamination was reported weeks later, with no boil water notice issued.¹

As a direct result of the City Utility District staff's lack of compliance with required water testing, reporting, and public notification protocols, as well as the staff's provision of inaccurate, altered, or misleading information to the FDOH and/or the public, the safety of City water for public consumption could not be accurately assessed.

We found sufficient information to warrant referring our findings to the FDOH for administrative review and to law enforcement (with copy to the State Attorney's Office) for determination of whether the facts arise to a criminal act under Florida Statutes.

WHAT WE RECOMMEND

We make the following recommendations:

1. The City Utility District implement internal processes and controls requiring dual acknowledgment of receipt and review of water sample results from laboratories prior to submission to the FDOH. This measure aims to minimize the risk of fraudulent reporting; improve timely and appropriate response and remediation; and enhance the transparency, integrity, and reliability of reporting.
2. The City Utility District institute regular training requirements for all City Utility District employees relating to the rules and regulations for the operation of the City Utility District.
3. The City Utility District institute a policy requiring the creation of a process for resolving complaints regarding the

¹ As of the November 18, 2024, Mr. Low, Mr. Doyle, Dr. Williams, and Mr. Pinkney have all left City employment. Mr. Low, Doyle, and Pinkney were all City employees at the time of their OIG interviews.

City Utility District, to include but not limited to, a) allegations of violations of City Utility District rules, b) lack of compliance with the Federal and State Safe Drinking Water Act or other rules and regulations applicable to the operation of the City Utility District and the City's public drinking water distribution system, and/or c) staff's failure to report accurate information to the City Utility District Management, the public, or any oversight authority.

4. The City take appropriate personnel action.

The City's response to our recommendations is provided in Attachment A.

The FDOH was provided a copy of our report for comment and its response is provided in Attachment B.

Mr. Low's response is provided in Attachment C.

Mr. Doyle's response is provided in Attachment D.

Dr. Williams' response, submitted by his attorney, is provided in Attachment E.

Mr. Pinkney was provided a copy of our report but did not respond.

BACKGROUND

The City of Riviera Beach

The City was incorporated in 1922. The City Charter was initially adopted by referendum on April 17, 1973, and subsequently revised by referendum on March 11, 2008 to create a new, revised City Charter that generally superseded and replaced the earlier charter, and which has been amended from time to time. The City is located along the Atlantic shore of southeast Florida in Palm Beach County and has a population of approximately 34,093.



The City operates under the Council-Mayor-Manager form of government. The City Council is comprised of a mayor and five (5) voting members. The Council Members are elected to three-year staggered terms and are responsible for the legislative and policy making authority for the City. The Mayor is head of the City government for all ceremonial purposes, and is a non-voting council member.

The City Manager is appointed by the City Council and is responsible for the proper administration of all affairs of the City. The Mayor must report to the City Manager violations or neglect of duty on the part of employees of the City that may come to the Mayor's knowledge, and must report to the City Council all violations and neglect of duty of any official that may come to the Mayor's knowledge.

The City of Riviera Beach Utility Special District

The City created the City of Riviera Beach Utility Special District in 2004 pursuant to City Ordinance No. 2972; Chapter 189, Florida Statutes; and other applicable laws, as a separate legal entity and special district with the purpose to: (i) acquire² the City's utility facilities, and to make improvements and extensions to such facilities; (ii) construct, own, improve, expand, operate, manage and maintain the facilities; (iii) provide the most economic and efficient water, wastewater, and reclaimed water utility services to retail and bulk service customers; and (iv) make provision for rates, fees, and charges. The City Utility District's Policy manual acknowledges that in addition to providing potable water and/or wastewater service, the City Utility District has the ability to provide fire protection service to customers.

The City Council members serve as the five (5) member City Utility District Board of Directors, and the mayor of the City serves as an ex-officio member. The City Utility District Charter provides that the City will provide operating and management personnel to the City Utility District and that pursuant to an agreement



² The City Utility District acquired water and wastewater facilities, property, and assets owned by the City.

between the two entities, the City Clerk, City Finance Director, and City Attorney act as the City Utility District Clerk, City Utility District Finance Director, and City Utility District Attorney, respectively. On September 23, 2004, the City Utility District and the City entered into a Service Agreement establishing that the City would provide a City Utility District Director.

The City Utility District states on its website that its mission is “[t]o provide safe, reliable and quality water and wastewater services for our customers.”³ Additionally, the website states,

The Utility Special District department works daily with city officials and public health partners to prepare for impacts to our customers. Administration, Water Treatment Plant, Water Distribution and Wastewater Collection divisions within the Utility Special District continues to develop Continuity of Operation Plans to ensure our operations continue in the event of an emergency.

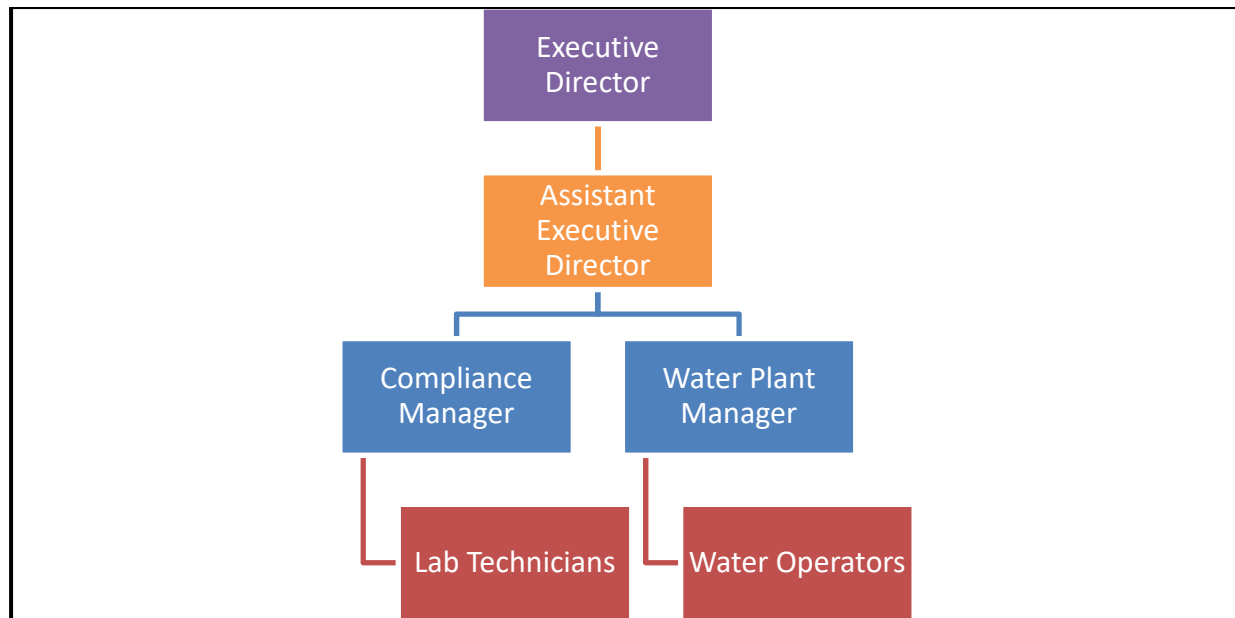
Utilities Administration provides executive oversight and administrative support to all departments within the Utility Special District so that the Utility functions as a single, cohesive operation to better serve our customers. It provides personnel administration and development, records management, and project planning, funding, and management for all major water and sewer capital improvements. The Utilities Administration also acts as a liaison with other City departments, as well as Federal, State, and local organizations and regulatory agencies on all water and sewer issues.

The Utility Special District’s service area encompasses a wide swath from Silver Beach Road south to 45th Street and the Florida Turnpike east to the Atlantic Ocean.

The City provided the OIG with an organizational chart for the City Utility District. The portion of that chart relevant to this report⁴ is as follows:

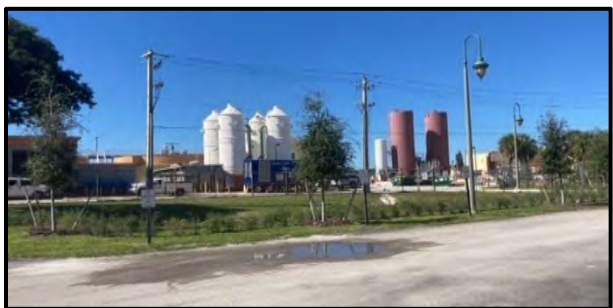
³ <https://www.rivierabch.com/government/utility>

⁴ The pictured organizational chart does not list every position within the City Utility District. Multiple positions that are not relevant to the matters addressed in this report are not pictured.



The City Utility District Water Treatment Facility

The Water Treatment Division of the City Utility District is responsible for the daily operation of the City's water system. The City's drinking water is obtained from raw water from the East Coast Surficial aquifers, and pumps this water out of the ground through 27 ground supply production wells located throughout the City and three re-pump stations and transported to the water treatment⁵ facility through a network of pipelines. The 27 wells within the City Utility District distribution system include Wells #14, #861, #862, and #961.

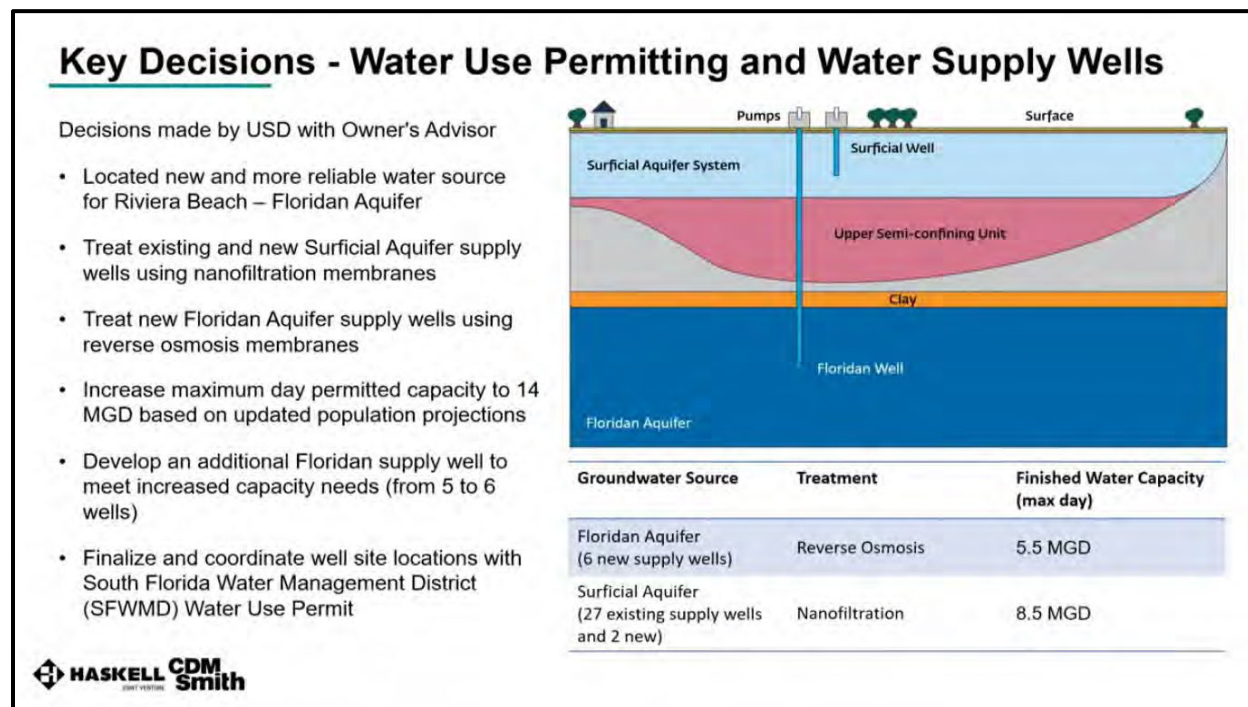


The current water treatment facility was built in 1958, and was acquired by the City Utility District after its creation in 2004. Eventually, the City Utility District Board determined a new treatment facility is needed. In November 2021, the Board selected the Haskell Company and CDM Smith, Joint Venture (Joint Venture), to replace its water treatment plant at 800 Blue Heron Blvd. The Joint Venture received a Notice to Proceed on January 18, 2023.

In February 2024, the Joint Venture briefed the City Utility District Board Members on the Progress Update regarding the Water Treatment Plant Replacement Project and indicated that the estimated cost of the project could exceed \$200 million. During the April 2024 City Utility District meeting, the Joint Venture presented three design concepts

⁵ "Water treatment plant" means those components of a public water system used in collection, treatment, and storage of water for human consumption. See §403.866, F.S.

(baseline, 40% over baseline, and 100% over baseline) and estimated that the cost to complete the entire project for the construction of the water treatment plant at Blue Heron and Avenue L, drill nine additional supply wells in the surficial and Florida aquifer systems, and upgrade the distribution system could exceed \$300 million.



Florida's Safe Drinking Water Act Program

Congress originally passed the Federal Safe Drinking Water Act (SDWA) in 1974 to protect public health by regulating the nation's public drinking water and its sources—rivers, lakes, reservoirs, springs, and ground water wells. The United States Environmental Protection Agency (EPA) administers the SDWA.

The SDWA gives primary responsibility for public water systems⁶ programs to states to implement the program. The Florida legislature enacted the Florida Safe Drinking Water Act (sections 403.850-.864, F.S.), and gave the Florida Department of Environmental Protection (FDEP) authority to serve as the primary agency responsible for enforcing the SDWA and authority to adopt and enforce the Florida Safe Drinking Water Act drinking

⁶ Section 403.852(2), F.S. defines a "public water system" or "PWS" as a system for the provision to the public of water for human consumption through pipes or other constructed conveyances if such system has at least 15 service connections or regularly serves at least 25 individuals daily at least 60 days out of the year. A public water system is either a community water system or a non-community water system. The term "public water system" includes:

(a) Any collection, treatment, storage, and distribution facility or facilities under control of the operator of such system and used primarily in connection with such system.

(b) Any collection or pretreatment storage facility or facilities not under control of the operator of such system but used primarily in connection with such system."

A "community water system" (CWS) means a public water system that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents. See §403.852(3), F.S.

water regulations (Chapters 62-550⁷, 62-555⁸, and 62-560⁹, Florida Administrative Code (F.A.C.)) that are no less stringent than the SDWA.

The FDEP and the FDOH entered into an Interagency Agreement authorizing the FDOH to oversee construction and operation of public water systems and to implement the safe drinking water program under the SDWA and the corresponding Florida Safe Drinking Water Act in six counties (Hillsborough, Miami-Dade, Palm Beach, Polk, Sarasota, and Volusia).¹⁰

Well

Public water systems can draw from various sources, including surface water (lakes, rivers, reservoirs) and groundwater through wells. Rule 62-550.200(123), F.A.C. defines a “well” as follows:

“Well” means any excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed when the intended use of such excavation is to conduct ground water from a source bed to the surface, by pumping or natural flow, when ground water from such excavation is used or is to be used for a public water supply system.

In 1984, the State of Florida created what is now the Well Surveillance Program to ensure that potentially contaminated wells are located and tested. The Well Surveillance Program protects public health by monitoring and identifying threats to the drinking water supply, ensuring that contaminated sites posing the greatest risk get cleaned up first, and preventing long-term consumption of contaminated drinking water. The Program is composed of well surveys, complaint sampling, monitoring areas of concern due to known contamination, public information, and remediation. The FDOH and FDEP have responsibility for the Program.

Distribution

Section 403.866(5), Florida Statutes, defines “water distribution system” as those components of a public water system used in conveying water for human consumption from the water treatment plant to the consumer's property, including pipes, tanks, pumps, and other constructed conveyances.

⁷ Chapter 62-550, F.A.C. sets forth set drinking water standards; monitoring requirement; maximum contaminant levels (MCLs) and treatment techniques to be met by public water systems; and the testing protocol required for certified laboratories.

⁸ Chapter 62-555, F.A.C. sets forth the permitting requirements for public water systems, including the location and construction of wells and the treatment plant.

⁹ Chapter 62-560, F.A.C. gives the description of the violations of Chapters 62-550, 62-555, and 62-560, F.A.C. and resulting penalties and notice requirements.

¹⁰ Section 403.862(1)(c), F.S

The Federal EPA's website states,¹¹

Drinking water distribution systems connect water treatment plants or water sources (in the absence of treatment) to customers via a network of pipes, storage facilities, valves, and pumps. In addition to providing water for domestic use, distribution systems may supply water for fire protection, agricultural, and commercial uses. Public water systems are responsible for operating and maintaining their distribution systems, which extend from the designated entry point to the distribution system – typically the source or water treatment plant - up to the service connection, after which the piping is the property owner's responsibility.

Distribution systems represent the vast majority of the physical infrastructure for water systems and serve as the final barrier against contamination. Distribution systems must be operated and maintained to reduce the risk of contamination from external sources or internal sources such as microbial growth or corrosion within the system. [Emphasis added]

Coliforms

Currently, approximately 90 contaminants are regulated under national primary drinking water regulations established by the EPA. Total coliforms are a group of related bacteria found in plant material, water, and soil. Coliforms are also present in the digestive tracts and feces of humans and animals. Most of these bacteria are not harmful to humans. The EPA considers total coliforms a useful indicator of possible water contamination from other pathogens. Total coliforms are used to determine the adequacy of water treatment and the integrity of the distribution system.¹²

Public water systems must take total coliform bacteria samples at regular intervals at sites that are representative of water throughout the distribution system and in numbers proportionate to the population served by the system in accordance with a written sampling plan that addresses location, timing, frequency, and rotation period.¹³

If any routine or repeat water sample is total coliform positive or "present," the system (i.e., the lab) must further analyze that sample to determine if *E. coli* are present. Within 24 hours the owner or operator of the system must collect a set of repeat total coliform samples in the distribution system under the Revised Total Coliform Rule¹⁴; additionally, all groundwater sources must be sampled for *E. coli* under the Ground Water Rule.

¹¹ <https://www.epa.gov/dwreginfo/drinking-water-distribution-system-tools-and-resources>

¹² <https://www.epa.gov/dwreginfo/revised-total-coliform-rule-and-total-coliform-rule>

¹³ Rule 62-550.830, F.A.C.; 40 C.F.R. §141.858

¹⁴ The Environmental Protection Agency (EPA) published the Revised Total Coliform Rule (RTCR) in the Federal Register on February 13, 2013 (78 FR 10269) and minor corrections on February 26, 2014 (79 FR 10665). The RTCR is the revision to the 1989 Total Coliform Rule (TCR) and is intended to improve public health protection. Florida adopted the RTCR by Rule 62-550.830, F.A.C.

E. coli

Escherichia coli (E. coli) is a species of fecal coliform bacteria. Fecal coliform tests are a more specific indicator of water contamination. E. coli come from the feces of humans and warm-blooded animals and is considered the best indicator of fecal water contamination. If E. coli is present, harmful bacteria or other pathogens may also be present. Not all E. coli make people sick. Some rare types of E. coli, such as O157:H7, can cause serious illness.¹⁵

Public water systems must comply with the maximum contaminant levels (MCL) for E. coli for water within the system and treatment technique requirements established in 40 C.F.R. Part 141, which is incorporated by reference in Rule 62.550.830, F.A.C.

Laboratory Testing

For the purpose of determining compliance with standards in Chapter 62-550, F.A.C., water testing samples must be analyzed by a laboratory certified in drinking water by the FDOH. Analytical results for samples must be reported by the laboratory in a format specified in Rule 62-550.730, F.A.C. and in accordance with Chapter 62-160, F.A.C., as reflected below.

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT (62-550.730 Reporting Format Effective 01/10/02, Revised 02/03/02)						Lab Receipt Date & Time: _____ Analysis Date & Time: _____ Sample Acceptance Criteria: Sample Preservation: ☐ On ice ☐ Not On ice ☐ _____°C Disinfectant Check: ☐ Not Detected ☐ _____ mg/L This sample does not meet the following NELAC requirements:	
(INSERT LAB NAME, ADDRESS, & CERTIFICATION NUMBER) Report Number: _____ Sub-Contract Lab ID: _____ Analysis Requested: (check all that apply) ☐ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other: _____ Public Water System (PWS) Name: _____ PWS I.D.: _____ PWS Address: _____ City: _____ PWS or PWS Owner's Phone #: _____ Fax #: _____ Collector: _____ Collector's Phone #: _____ Type of Supply: (check only one) ☐ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System ☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other: _____ Reason for Sampling: (check all that apply) ☐ Distribution Routine ☐ Distribution Repeat ☐ Raw (triggered or assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey ☐ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Boil Water Notice ☐ Other: _____ Sample Collection Date: _____							
To be completed by collector of sample						To be completed by lab	
Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type ¹	Disin- fectant Residual (mg/L)	pH	Analysis Method(s) ²	
						Non- Coliform	Total Coliform
						Fecal E. coli, Enterococci, or Coliphage ³	Data Qualifier ⁴
						Lab Sample #	
Average of disinfectant residuals for distribution routine & repeat samples. ⁵ Free chlorine or Total chlorine (circle one) Disinfectant Residual Analysis Method: ☐ DPD Colorimetric ☐ Other: _____ Person performing disinfectant analysis is (see instructions on reverse): ☐ A certified operator (# _____) ☐ Supervised by certified operator (# _____) ☐ Employed by a certified lab ☐ Employed by DEP or DOH ☐ Authorized representative of supplier of water						Unless otherwise noted, all tests are performed in accordance with NELAC standards, and the results relate only to the samples. Date and time PWS notified by lab of positive results: _____ Date and time DEP/DOH notified by lab of positive results: _____ Date Report Issued: _____ Lab Signature: _____ Title: _____	
(INSERT NAME, ADDRESS, PHONE NUMBER OF PERSON TO RECEIVE RESULTS)						DEP/DOH USE ONLY ☐ Satisfactory ☐ Incomplete Collection Information ☐ Repeat Samples Required ☐ Replacement Samples Required Date Reviewed by DEP/DOH: _____ DEP/DOH Reviewing Official: _____	

¹⁵ <https://www.cdc.gov/ecoli/about/kinds-of-ecoli.html>

For the purpose of reporting, a result marked “A” means “absent” for a contaminant, and “P” means “present” for a contaminant.

Training

Water systems must employ or contract with a certified operator¹⁶ licensed by the FDEP. The mission of the Florida Operator Certification Program is to promote public health and safety by ensuring that all persons working in drinking water and water distribution meet the highest standards as determined by the rules and regulations of the FDEP under the guidelines of the EPA. A "Continuing Education Unit" is required at each renewal cycle.

The EPA provides free trainings and webinars for drinking water professionals, public officials, and anyone interested in gaining knowledge and skills related to compliance with the Safe Drinking Water Act, Building the Capacity of Drinking Water Systems, Drinking Water Grant Opportunities, Water Technical Assistance, and more.¹⁷

OIG Interview of Rafael Reyes, the FDOH - Environmental Public Health and Communications Director

Mr. Reyes told the OIG that the FDOH’s drinking water program has full autonomy to enforce the Federal Safe Drinking Water Act. The City’s water system, as a public water purveyor, is part of the systems that the FDOH regulates.

Mr. Reyes stated that wells are overseen under the Federal Ground Water rules. Under those rules, there is a requirement to collect well samples on a monthly basis. The federal rule requires municipalities to analyze for one of the three fecal indicators: coliphage, enterococci or E.coli. Most utilities systems analyze for E.coli because of the federal fecal indicator tests, it is the least expensive method.

If an active well tests “present” for E.coli, the well should be disconnected from the water distribution system, and a Tier 1 public notice should be issued within 24 hours of finding out the result. Once the well has been disconnected, the utilities system is then to collect five additional samples and analyze them. If the contamination still persists, the utilities system should take corrective action to eliminate any sanitary problems. Mr. Reyes stated the utilities system can leave the well on and still take the five samples, but if any of the five samples come back “present,” another Tier 1 public notice would have to be issued.

In Florida, in addition to the fecal indicator, water systems also have to be analyzed for Total Coliform. Total Coliform testing details whether there is bacteria present that could

¹⁶ Section 403.866(3), F.S. states, “operator” means any person, including the owner, who is in onsite charge of the actual operation, supervision, and maintenance of a water treatment plant, water distribution system, or domestic wastewater treatment plant and includes the person in onsite charge of a shift or period of operation during any part of the day.

¹⁷ <https://www.epa.gov/dwreginfo/drinking-water-training>

lead to fecal contamination. When a sample is “present” for Total Coliform, any of three fecal indicators need to be tested for; most systems then test for E.coli.

If an active well tests “present” for Total Coliform, the utilities system has to retest the well per Chapter 62.555 and 62.550 of the Florida Administrative Code. Those rules state that a utilities system with a “present” Total Coliform test, must collect two additional samples from the well within 24 hours. If the well keeps testing present for Total Coliform, the utilities system should disinfect the well and then start collecting a new bacteriological survey.

Mr. Reyes stated that for a distribution point to be put back in service after a “present” Total Coliform sample there needs to be three repeat samples; one at the original site, one upstream within five connection points, and one downstream within five connection points.¹⁸

If a well has been disconnected for less than six months, a utilities system has to do five consecutive samples of negative results. If a well has been disconnected for more than six months, it has to get 10 to 20 consecutive samples of negative results.

These requirements are part of public water systems’ training and detailed responsibilities. As public water systems notify the FDOH, they should also be working on a public notice to provide to the FDOH for review, approval, or changes. Boil water notices depend on the severity of the contamination.

Mr. Reyes stated that the FDOH issues warning letters which state potential violations. Utility districts have a chance to request a meeting with the FDOH and discuss the validity of alleged violations. On occasion violators plead ignorance. In that case, there is a statutory obligation for the FDOH to provide information and guidance to individuals and that utility district.

Mr. Reyes stated that the term “false present” is not a proper term for E. coli and Total Coliform tests; the proper term is “invalid sample.” An invalid sample occurs when there is a second “present” sample at the original site and the other two resampling points are negative.

OIG Interview of Emmanuel Peters, FDOH Environmental Health Specialist

Mr. Peters told the OIG that any City Utility District employee who collects and submits bacteriological reports to the FDOH needs to have knowledge of the Florida Department of Environmental Protection Drinking Water Program and the Federal Safe Drinking Water Act. Compliance managers, Assistant Directors, and Executive Directors of a utility district should have knowledge of the Safe Drinking Water Act policies and procedures in order to run a safe utility district. Mr. Peters stated that he usually provides training and guidance when he conducts inspections or site surveys at utility districts. He recalls conducting a

¹⁸ “Connection points” are usually distinct property addresses.

site survey for the City Utility District in January 2023 and meeting City Utility District employees Melvin Pinkney, Anthony Williams, and David Salas.

ALLEGATIONS AND FINDINGS

Allegation (1):

City Utility District staff failed to comply with required water testing, reporting, and public notification protocols, and provided inaccurate or misleading information to the FDOH and/or the public regarding E. coli/fecal contamination or Total Coliform contamination.

Governing Directives:

The governing directives relevant to this report are detailed in full in Appendix 1. The directives are listed as follows:

Federal “Safe Drinking Water Act:”

Title 40 C.F.R. Ch. 1, Subchapter D, Part 141 National Primary Drinking Water Regulations.

Subpart A- General

- o 40 C.F.R. §141.1 Applicability.

Subpart D- Reporting and Recordkeeping

- o 40 C.F.R. §141.31 Reporting requirements

Subpart Q—Public Notification of Drinking Water Violations

- o 40 C.F.R. § 141.201 General public notification requirements
- o 40 C.F.R. §141.202 Tier 1 Public Notice- Form, manner, and frequency of notice.
- o 40 C.F.R. §141.203 Tier 2 Public Notice—Form, manner, and frequency of notice.

Subpart S—Ground Water Rule

- o 40 C.F.R. §141.400 -General requirements and applicability.
- o 40 C.F.R. §141.402- Ground Water Source Microbial Monitoring and Analytical Methods.
- o 40 C.F.R. §141.403 Treatment Technique Requirements for Ground Water Systems.

Subpart Y—Revised Total Coliform Rule

- o 40 C.F.R. §141.851 – General.
- o 40 C.F.R. § 141.853 - General monitoring requirements for all public water systems.
- o 40 C.F.R. §141.857 Routine monitoring requirements for public water systems serving more than 1,000 people.
- o 40 C.F.R. §141.858 Repeat monitoring and E. coli requirements.
- o 40 C.F.R. §141.859 Coliform treatment technique triggers and assessment requirements for protection against potential fecal contamination.

Florida Safe Drinking Water Act and Implementing Regulations

Part VI. Water Supply; Water Treatment Plants (403.850 to 403.892)

- o Section 403.850., F.S.- Short title
- o Section 403.853, F.S. – Drinking Water Standards
- o Section 403.857, F.S.- Notification of users and regulatory agencies.

Title 62. Department of Environmental Protection

Chapter 62–550. Drinking Water Standards, Monitoring, and Reporting (62–550.102 to 62–550.830)

- o Rule 62-550.102, F.A.C.- Intent and Scope
- o Rule 62-550.310, F.A.C.- Primary Drinking Water Standards: Maximum Contaminant Levels and Maximum Residual Disinfectant Levels.
- o Rule 62-550.730, F.A.C.- Reporting Requirements for Public Water Systems
- o Rule 62-550.828, F.A.C. – Ground Water Rule.
- o Rule 62-550-830, F.A.C. – Revised Total Coliform Rule.

Chapter 62-555, F.A.C.- Permitting, Construction, Operation, and Maintenance of Public Water Systems (62–555.310 to 62–555.900)

- o Rule 62-555.310, F.A.C.- Source and Siting Requirements for Public Water Systems.
- o Rule 62-555.315- Public Water System Wells—Security; Number; Capacity; Under the Direct Influence of Surface Water; Control of Copper Pipe Corrosion and Black Water; and Disinfection and Bacteriological Surveys and Evaluations.

Chapter 62-560, F.A.C. – Requirements for Public Water Systems that Are Out of Compliance (62–560.310 to 62–560.700)

- o Rule 62-560.310, F.A.C. Violations.
- o Rule 62-560.400, F.A.C. - Scope of Drinking Water Public Notification Rules.
- o Rule 62-560.410, F.A.C. - Public Notification - Primary Standards.

The FDOH issued multiple warning letters to the City Utility District, including Warning Letter WP-085-24, dated July 22, 2024 and Warning Letter WP-134-24, dated October 28, 2024, which are attached to this report as Appendix 2 and Appendix 3, noting potential violations of the Florida and Federal Safe Drinking Water Acts. This OIG Investigative Report is not a final adjudication of the matters under the jurisdiction of the FDOH. Instead, this Report addresses our findings relating to alleged mismanagement, misconduct, and other abuses by individual City or City Utility District employees that created conditions within the organization that would allow those potential violations to occur.

Finding:

The information obtained **supports** the allegation.

We found that City Utility District staff failed to perform their duties and/or failed to adequately supervise the performance of other employees responsible for compliance with the Federal and State Safe Drinking Water Acts.

Specifically, City Utility District staff did not comply with required water testing, reporting, and public notification protocols, and provided inaccurate or misleading information to the FDOH and/or the public regarding E. coli/fecal contamination or Total Coliform contamination.

OIG Methodology for Examination of Water Testing Results

During the course of our investigation, the OIG received and compared Drinking Water Microbial Sample Collection & Laboratory Reporting forms (Water Sample Result Forms) for the City's water samples from three sources:

- Business for Advanced Innovations, LLC d/b/a Capzer Pharmaceuticals (Capzer), a Lake Worth, Florida lab services company entrusted with testing City water during the time period of this investigation,
- The City Utility District, and
- The FDOH.

The City Utility District is required to routinely test finished¹⁹ water for potential contaminants. Water samples are taken from the entry point to the distribution system and at various points within the distribution system.

1. City Utility District Lab Technicians collected water samples for testing. Lab Technician is an entry-level technical position responsible for collecting and analyzing samples for environmental and monitoring purposes, as required by the FDOH and the FDEP. Currently, the position requires an associate's degree from an accredited college or university with major coursework in biology, chemistry, or a closely related field and six (6) months experience in an environmental laboratory performing sampling or analysis of drinking water or closely related experience. The Lab Technicians work under the general supervision of the Compliance Manager and Water Treatment Superintendent. The Lab Technicians prepare and complete chain of custody forms for documentation of field analysis, fill out fields of the Water Sample Result Form to be completed by the sample collector, and deliver samples to outside laboratories such as Capzer for testing.²⁰
2. Capzer is a laboratory certified by the FDOH (Certificate #E86109601) under the National Environmental Laboratory Accreditation Program (NELAP). Capzer is authorized to conduct water testing for detection of Coliform, Total Aerobic Microbial Count, Total Coliform, Fecal Coliform, and Escherichia coli. Capzer tests water samples received from the City Utility District, fills out fields on the Water Sample Result Form that are to be completed by the laboratory (including lab receipt date and time, analysis date and time, and presence/absence of contaminants), and provides water testing results to the City Utility District.

¹⁹ Rule 62-550.200(45), F.A.C. defines "finished water" as the water that is introduced into the distribution system of a public water system and is intended for distribution and consumption.

²⁰ On less than ten occasions since 2015, the City USD sent water test samples to a different lab services company. Analysis of those tests are not relevant to the actions addressed in our investigation.

3. Thereafter, the City Utility District submits the Water Sample Result Form with the information from the City Utility District and Capzer to the FDOH. The FDOH adds its notations to the Form in an area titled “DEP/DOH USE ONLY.”

To gauge the City Utility District’s compliance with reporting requirements, the OIG reviewed and compared the Water Sample Result Forms the OIG received from Capzer, the City Utility District, and the FDOH for the same dates, times, and sample points. The objective of the analysis was to evaluate the timeliness and accuracy of and to detect any irregularities in the reports.

OIG Interview of Lisa Fiedor, Capzer Pharmaceuticals Project Manager

The OIG interviewed Capzer Pharmaceuticals Project Manager Lisa Fiedor. Ms. Fiedor told the OIG that Capzer started its business in 2011, analyzing water and performing microbial testing for Total Coliform and E. coli, and started the business relationship with the City in 2015. She stated that to her knowledge, the City Utility District went elsewhere for lab services about twice since 2015, but during 2023 solely used Capzer to test bacteriological samples for Total Coliform and E. coli. Ms. Fiedor is the primary Capzer contact for the City Utility District.

Ms. Fiedor explained Capzer’s process for testing Utility District samples:

- The City Utility District filled out the sample collection date, time, location, who the collector was, and whether there was chlorine residual and PH, on the Water Sample Results Form.
- The term “Distribution Repeat” is used after a test sample fails; the next sample is then checked on the form as a Distribution Repeat.
- The “Sample Type” code²¹ on the form can show that the sample collection is not the first sample, it is a repeat sample from a failure sample.
- The term “Clearance” indicates a two day or five day consecutive clearance for a well or distribution location.
- The “Sample Collection Date” on the form indicates the date the water sample is collected by the utility.
- The top right section of the form that contains the “Lab Receipt Date, Time and Temperature²²,” is filled out by Capzer with City Utility District staff present when samples are dropped off.
- The “Analysis Date & Time” is filled out by Capzer when the water sample analysis is completed

²¹ The Water Sample Results Form indicates “Sample type” codes are: D = Distribution (routine compliance), C = Repeat/Check, R = Raw, N = Entry Point to Distribution, P = Plant Tap, S = Special (clearance, etc.).

²² The Water Sample Results Form contains the term “Sample Preservation,” which indicates whether or not the samples were on ice and the temperature of the samples.

Ms. Fiedor stated that if a sample was “absent” for Total Coliform or E. coli, Capzer would write “A” in the appropriate column on the Water Sample Results Form. If E. coli or Total Coliform was “present” in the water sample, Capzer would write “P” on the form.

The section labeled “Date and Time PWS notified by lab of present results” details the date and time Capzer notifies the City Utility District of a “present” result. The notification is always verbal and sometimes is followed by an email. Capzer processed reports with a “present” result within two days of the notification, including notification on Saturdays.

Until City Utility District Compliance Manager Anthony Williams left the district in 2023, Ms. Fiedor sent test results to him, along with City Utility District Water Superintendent Melvin Pinkney.

Ms. Fiedor stated that she has 100% belief in the accuracy of Capzer’s test methods and results. Ms. Fiedor is the final form reviewer. When a mistake is made on a form, Ms. Fiedor crosses out the error, and initials and dates next to the error. A new form would never be used to correct an error; the original form with the corrected, initialed, dated mistake will always be used.

A. Staff Failed to Timely Report Test Results

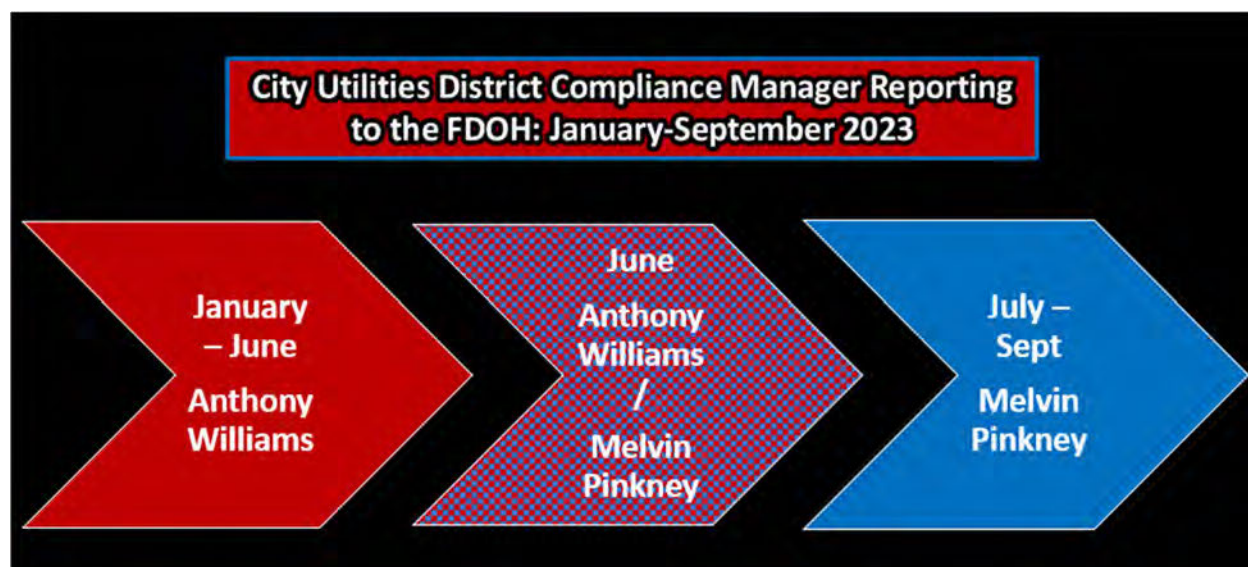
OIG Laboratory Report Analysis

The OIG examined the entirety of City Utility District water testing laboratory reports from January of 2023 through December of 2023. We found that 151 of those laboratory results, all between January and September 2023,²³ may not have been reported to the FDOH within the first ten days following the month in which the result was received, as required in 40 C.F.R. §141.31(a) and Rule 62-550.730(1)(a), F.A.C.²⁴ The OIG-identified potential violations contributed to the FDOH’s issuance of Warning Letter WP-085-24²⁵ dated July 22, 2024 to Riviera Beach. A copy of the Warning Letter is attached hereto as Appendix 2. The FDOH Warning Letter notes 151 possible violations for failure to report water testing results. However, the FDOH notified the OIG that the City Utility District produced evidence after its Warning Letter was issued, which resulted in the FDOH reducing the number of reporting violations to 130 (Attachment B). Thus, this report reflects this additional information.

²³ On one additional occasion in December of 2023, the City USD reported a present test for Total Coliform to the FDOH after its required submission date.

²⁴ In October of 2023, many of these Total Coliform-present reports were submitted, upon Marjorie DeBerry’s appointment as the new City USD Compliance Manager. This OIG Report discusses in detail the circumstances that led to the eventual submission of these ‘*Presence of Total Coliform*’ reports.

²⁵ The EPA generally characterizes Warning Letters as informal enforcement actions.



OIG Interview of Rafael Reyes, FDOH - Environmental Public Health and Communications Director

During this investigation we regularly communicated with the FDOH and provided them with records that the City Utility District failed to submit or altered. Mr. Reyes told us that based on these OIG-provided records, they found additional violations.

Mr. Reyes told the OIG that he has thirty (30) years of experience working with various health departments throughout the State of Florida. He stated that after Marjorie DeBerry was appointed the new City Utility District Compliance Manager, Ms. DeBerry provided documents to him which should have been provided prior to her appointment. After receiving and reviewing the information and records provided by the OIG prior to Ms. DeBerry's provision, the FDOH concurred that between January and September of 2023, the City Utility District did not submit 151²⁶ laboratory test results to the FDOH, as required. The laboratory tests results that were not sent to the FDOH as required included lab test results that showed the presence of contaminants as well as results that showed the absence of any contaminants.

OIG Interview of Swan Allen-Davis, City Utility District Laboratory Technician

The OIG interviewed Swan Allen-Davis, a City Utility District Laboratory Technician. Ms. Allen-Davis told the OIG that she has worked as a lab technician for the City of Riviera Beach from November 2022 to present. Ms. Allen-Davis received her Associates of Science Degree in 2012. Ms. Allen-Davis stated she had "some background" in volatile organics training, documentation and completion for balances, conversions, calibrations, on logging water reports, water and soil testing.

²⁶ Per the previous page of this report, the number of non-submitted tests was later established by the FDOH as 130.

Ms. Allen-Davis' said her duties and responsibilities at the City Utility District include laboratory calibrations for equipment, monthly sampling the City's 42 sites within the distribution system and 27 ground production wells, laboratory drop-offs, special samplings, and sending samples to the appropriate labs to be tested. Ms. Allen-Davis explained that all distribution sites and wells are sampled at least once a month and the testing is spread out over the month. When Lab Techs collect samples, they label a bottle, disinfect the spigot, collect samples in bottles, bag the samples, and immediately put the samples on ice. The collected samples are then sent to Capzer. This testing is designed to detect E. coli and Total Coliform.

She stated that Anthony Williams served as Compliance Manager until June 12, 2023. According to Ms. Allen-Davis, upon his departure, Dr. Williams told the lab technicians that Melvin Pinkney would be their supervisor until a new Compliance Manager was hired. She stated that two days prior to his scheduled departure, Dr. Williams was training Mr. Salas and Mr. Pinkney on how to send reports to the FDOH. Ms. DeBerry was appointed Compliance Manager in October 2023.

Ms. Allen-Davis stated when Dr. Williams worked for the City Utility District, Lab Techs would respond in two different ways to a "present" result for Total Coliform at active distribution sites. Dr. Williams would either have the lab technicians re-sample the same sites, or he would have them perform testing within five service connections upstream and downstream from the sample points for distribution sites only.

Ms. Allen-Davis stated that solely re-sampling the same site was not the correct way of addressing a "present" test. Ms. Allen-Davis told the OIG that she questioned Dr. Williams on why he instructed them to do the re-samplings solely at the same sites instead of the required upstream and downstream testing. In response, Dr. Williams told her that in any given month the City Utility District could only have a maximum of two "present" test results at a site for it to be compliance with the FDOH.

Every time Ms. Allen-Davis solely resampled a site without performing the upstream and downstream testing it was at the direction of Dr. Williams. When Ms. Allen-Davis would do the resampling on active distribution lines, it would usually retest as "present." If it retested "negative," Dr. Williams would then report it to the FDOH.

Ms. Allen-Davis recalled getting a lot of "presents" for Total Coliform tests results during her first six months with the City Utility District. Dr. Williams told her they "had to do something" because they could not keep getting "present" test results.

Ms. Allen-Davis stated that when Well #961 tested "present" for Total Coliform on June 13, 2023 she tested it again on June 14, 2023. Dr. Williams told her to retest before knowing the results of the prior retest. She stated that the only way for her to know if a testing she did was "present" was when the Compliance Manager informed her.

Ms. Allen-Davis stated that on numerous occasions an original lab form that showed a "present" result for Total Coliform would be discarded; Dr. Williams would instruct her to

retest all the sites again that tested “present” for Total Coliform. Often no one would know when a lab form had a “present” Total Coliform result because only the negative forms were submitted. Ms. Allen-Davis has reviewed all Capzer lab reports that were submitted to the FDOH with new Compliance Manager DeBerry. After this review, Ms. Allen-Davis now believes that during Dr. Williams’ time at the City Utility District only the absent/negative results were sent to the FDOH for clearance.

Ms. Allen-Davis stated that Ms. DeBerry informed her that re-testing the same site in the way that Dr. Williams instructed them before should never have been done.

OIG Interview of Melvin Pinkney, City Utility District Water Plant Superintendent

According to the job description for the City Utility District, the Water Plant Superintendent maintains accurate and detailed plant records; communicates with State, local, and county agencies to ensure the City Utility District is following all guidelines and rules of operations; and directs work assignments to make sure they are carried out timely. The Water Treatment Plant Superintendent must hold a water plant operator’s license.

The OIG interviewed Melvin Pinkney. Mr. Pinkney has been employed with the City Utility District since 2017. He was a Water Plant Operator until 2021, when he was promoted to Plant Superintendent. Mr. Pinkney holds a water plant license from the State of Florida, which qualifies him to be a superintendent or supervisor. He attends yearly training courses but has not received training on reporting bacteriological lab reports, Total Coliform reporting rules, or ground water rules.

His responsibilities while employed with the City as a Water Plant Operator included managing the plant, treating the water to make sure the water was safe to drink, maintaining chlorine residuals, making sure all of the equipment at the plant worked, and retaining necessary information. Mr. Pinkney said that since he became the Plant Superintendent, the Lead Operator, Mr. Salas, has performed all reporting and clerical duties for Mr. Pinkney.

Mr. Pinkney told the OIG that while employed as the Compliance Manager, Dr. Williams acted upon any “present” results for main water source lines or wells. When Mr. Pinkney received test results, he would sometimes look at them, but sometimes he would not. Dr. Williams communicated with Mr. Pinkney to inform him of wells that had failed or needed to be shut off. When a well failed during Dr. Williams’ tenure, Dr. Williams notified Mr. Pinkney, who then had it shut off. The City Utility District then would sample the well again to see if it would pass.

Mr. Pinkney stated he was not tasked with becoming the interim Compliance Manager upon Dr. Williams’ departure and was not tasked with reporting to the FDOH at that point. Mr. Pinkney said that Dr. Williams told him that City Utility District Assistant Director Steven Doyle and Mr. Salas would be in charge of compliance upon Dr. Williams’ departure.

Mr. Pinkney told the OIG that in June 2023, reports to the FDOH were submitted late due to Mr. Salas being out on leave. Mr. Pinkney tried to fill in during Mr. Salas' leave and sent the reports to the FDOH in Mr. Salas' absence.

Despite his representation to our office, on July 19, 2023, upon submitting the Utilities District monthly water testing report to the FDOH, Mr. Pinkney emailed Mr. Peters of the FDOH and stated "...Mr. Peters please bear with I am doing the compliance manager position now..."

OIG Interview of David Salas, City Utility District Lead Operator

Mr. Salas told the OIG that he has been the Lead Operator at the City Utility District water plant since 2007. He has reported to Mr. Pinkney for about six years and acts as a liaison between Mr. Pinkney and the other water plant operators. Mr. Salas has not received training in bacteriological reporting rules; those rules are handled by City Utility District compliance staff.

Mr. Salas stated that the Compliance Manager responds and acts on the monthly Capzer test results by instructing Mr. Pinkney of the results and of what action to take in order to make contaminated wells again safe for use. Dr. Williams did not discuss "present" test results with Mr. Salas; Dr. Williams discussed these things with Mr. Pinkney, who sometimes then discussed them with Mr. Salas.

Prior to the City Utility District creating a compliance department, Mr. Salas responded to the FDOH with the City's test lab results. That changed when Dr. Williams joined the City as Compliance Manager in 2021. When Dr. Williams left City employment in June of 2023 until the City hired Ms. DeBerry in October 2023, the City Utility District did not have a Compliance Manager.

Starting on July 7, 2023 Mr. Salas took an approximately two month leave of absence from his City employment. Mr. Salas has no personal knowledge of who assumed the role of Compliance Manager for the time period between Dr. Williams leaving and Ms. DeBerry's hire. Mr. Salas said that he never assumed the role of interim Compliance Manager.

Mr. Salas stated that he never had the City Utility District duty of reporting of laboratory test results after 2021. Mr. Salas stated that he had no knowledge of altered test results and that he never altered lab results. Mr. Salas stated that he had no knowledge that lab reports were not submitted as they should have been.

OIG Interview of Dr. Anthony Williams, former City Utility District Compliance Manager – May 8, 2024

Dr. Williams worked as the Compliance Manager for the City Utility District from February of 2021 until June 16, 2023.²⁷ At the time of this interview, he was working for the City of Delray Beach Water Utilities Department as its Compliance Manager. The Water Utilities Department job description for the Compliance Manager states that the individual

OIG NOTE: At the time of this first OIG interview of Dr. Williams, the OIG had yet to receive laboratory testing reports from Capzer.

“under general supervision, creates and leads the District's compliance program to ensure regulatory requirements for water and sewer operations are met.”

He has a doctorate in public administration and a master's degree in business administration. He also received training from University of Florida TREEO²⁸ program on water cross connections, how to conduct survey inspections, and how to write ordinances. He told the OIG that his supervisors provided him with rules and regulations relating to water quality, and he also learned through conferences and job experience.

Dr. Williams provided training to City lab technicians, including field sampling techniques, aseptic techniques, proper laboratory calibrations, and requirements under Florida Administrative Code Rules 62-550 and 62-555. He stated that FAC 62-550 covers standards for primary and secondary contaminants, microbiological testing, reporting requirements to the FDOH, and record keeping. Dr. Williams also provided lab technicians at the City Utility District with the rules that govern proper reporting requirements of “present” Total Coliform and E coli test results.

The City Utility District utilized Capzer to conduct its water lab tests. The City Utility District sampled 42 drinking water samples a month and all of the wells that were in service.

Mr. Pinkney was the City Utility District Water Plant Superintendent during Dr. Williams' tenure with the City. According to Dr. Williams, Mr. Pinkney would determine if a well should stay in service or out of service once it tested “present” for E. coli. If Mr. Pinkney was not available, Mr. Salas took over plant operations.

Dr. Williams told the OIG that there are two different processes for lab testing and procedures to take after a “present” E. coli lab test. With drinking water that is going through distribution systems and customer homes, if there is a “present” E. coli test at a house or distribution sample, it is necessary to conduct an upstream and downstream

²⁷ According to the City Utility District's current job description, the Compliance Manager creates and leads the Utility District's program to ensure regulatory requirements for water and sewer operation are met, including “ensuring zero non-compliance with permits and regulations.” During Dr. Williams' time as Compliance Manager, the job description stated, “[t]he purpose of this position is to investigate, address and enforce City ordinances and protect the health and safety of the City's citizens.”

²⁸ The University of Florida Training, Research and Education for Environmental Occupations (UF TREEO) is the University's environmental training center providing certification courses and continuing education for essential workers. <https://treeo.ufl.edu/>

sample within five service connections, as well as another test at the original service location. If the subsequent lab results come back negative after a “present” test, there is no a need to report anything to the public.

A “present” E. coli test on a ground water well is considered an automatic E. coli violation. The requirement is then to take five water samples from the well within 24 hours. Dr. Williams stated that in that circumstance it is necessary to inform the FDOH and the public (with a public Tier 1 Notification) that there was a “present” E. coli test result. Dr. Williams stated that a well must be in service and part of the public water distribution system in order for the notification requirement to take effect. Wells that have been out of service for more than six months require ten consecutive absent bacteria results for the FDOH to clear them back into service. The samples can be taken once a day for ten days or two a day for five days. Dr. Williams stated that if there is one “present” bacteria sample in a well’s ten day test period, it can still be cleared if the last two samples are negative.

Dr. Williams could not recall any “present” E. coli tests in either the City Utility District water main distribution system or ground water wells during his employment with the City Water Utility. Dr. Williams stated the he was responsible for notifying the FDOH of any “present” E. coli test results. If he was not available, Mr. Pinkney or Mr. Salas had the notification responsibility.

Mr. Low would also have to be notified of a “present” E. coli test result. Dr. Williams stated that if there were any instances where present lab results were not provided to the FDOH it would have been at the direction of Mr. Low. Dr. Williams stated that he tried to change or add sample locations for retesting but his attempts were shut down by Mr. Low. Dr. Williams did not expound on specifics of these attempts during this interview.

Dr. Williams said that City Utility District laboratory technician Jasmin Holland was familiar with the re-sampling rule for E.coli “present” water test results and would perform the required five service connection upstream and downstream re-samplings.

OIG Re-Interview of Dr. Anthony Williams, former City Water Utility Compliance Manager – August 13, 2024

After the OIG’s interviewed Dr. Williams in May 2024, our office received copies of the City Utility District water testing laboratory results for January to December 2023 directly from Capzer. Our office examined the entirety of the laboratory reports and compared them with the reports the City Utility submitted to the FDOH for the same period. After the OIG’s comparison of the reports, we re-interviewed Dr. Williams.

Dr. Williams stated that his listed job duties did not include the reporting of water testing results to the FDOH; however, he was assigned and performed this task during his time as City Utility District Compliance Manager, primarily because Mr. Pinkney was not capable of performing that task. Dr. Williams told the OIG that Capzer emailed him the test results from the City’s water samples, but that he did not review every single email because there were so many of them.

Dr. Williams stated that sometimes the City Utility District laboratory technicians would verbally tell him that the integrity of the samples they took and submitted to Capzer were in question. Dr. Williams acknowledged that on those occasions, even if those water sample tested “present” for contaminants by Capzer, he at times would not submit those samples to the FDOH. Dr. Williams said that he did not document those occasions or communicate those issues to the FDOH; instead, the “present” samples were never sent to the FDOH. Dr. Williams stated that he was aware that Capzer or the FDOH could invalidate samples, but he was not sure whether he was allowed to invalidate samples. Dr. Williams said that eventually, he told the City Utility District laboratory technicians that they should notate potentially compromised water samples on the chain of custody forms, but he was “not sure” if they ever did so.

Dr. Williams stated that at times he would accompany the City Utility District lab technicians to testing locations to see if they were using proper test taking procedures, and if he felt the lab technicians were performing their job property, he would have those samples submitted in their entirety.

Dr. Williams also questioned whether Capzer’s “present” test results were always accurate. On one occasion, Dr. Williams said that he telephoned Capzer to inquire about a clearance well that had a succession of “present” Total Coliform tests. Capzer told him that the tests were accurate.

Dr. Williams does not think that he ever communicated to the FDOH that he failed to submit “present” water test results on the basis that he worried about the integrity of those tests. Dr. Williams added that “it probably would have been best to do it that way, to get their (the FDOH’s) guidance on that.”

When asked “why wouldn’t you just disclose that to them, to the Department of Health?” Dr. Williams responded “I didn’t, I didn’t know I had to.”

Dr. Williams initially denied only submitting “absent” results for water samples while not submitting “present” results for water samples as a tactic to open a well or to keep a well open.

Dr. Williams was asked to assess his responsibility for not reporting “present” test results to the FDOH:

OIG: At some point somebody's responsible for this and, and you're the compliance manager.

Dr. Williams: I'm not trying to say that I'm not responsible, but in a lot of these instances, the results were given to me from the lab tech. It was scanned into the computer, and after scanning it into the computer, I would formulate the file to send to the health department by putting all of the different weeks together.

OIG: Would you say you're somewhat responsible?

Dr. Williams: I wouldn't say that.

OIG: You're the compliance manager that deals with this.

Dr. Williams: I understand.

...

Dr. Williams: I don't know if I submitted all of those, so I can't really say.

OIG: But that was your job, was submitting it. You already said that.

Dr. Williams: Well, it wasn't my job. I assumed the responsibility.

OIG: Okay, okay, okay. You assumed the responsibility of submitting these reports to the Department of Health.

Dr. Williams: Yeah.

OIG: Do you know why you're only submitting negatives and not "presents"? I mean, this is happening over and over again. I'm not showing just one instance.

Dr. Williams: Not too sure.

Dr. Williams then told the OIG that his process of not sending "present" test results to the FDOH occurred because of the guidance of City Utility District Director Low and Mr. Pinkney. Dr. Williams said that Mr. Low did not directly give this direction to him; the direction came "more from" Mr. Pinkney, who received the direction from Mr. Low. Dr. Williams stated that Mr. Pinkney gave this direction around the time that Dr. Williams began reporting test results.

Dr. Williams: I think that they were telling me to do that primarily because of the condition of the wells and they said it was mostly because the wells, they had a lot that were out of service and I guess whenever they lose a well, forces them to open up the interconnect and stuff like that, which would end up costing the city more money to buy water from Seacoast Utilities. So they were pretty much telling me, hey, let's make sure we get the [absent]. Let's get the results into the health department to kind of clear wells so that they can get wells back in service.

OIG: Is that wrong?

Dr. Williams: I was following direction.

OIG: No, but is it wrong? I understand you're following the right direction.

Dr. Williams: Based on the rules, it definitely would be wrong.

...

Dr. Williams: So I really trusted what they were saying, and when they showed me what the rule says, and they showed me that that's how they typically would do it, I thought, okay, that's okay. And like I said, when I spoke to the health department, especially regarding the clearance wells, I spoke to them directly and they [FDOH employees] told me that regarding the clearance wells because they said that they didn't need all of those samples; that they needed to see two passing results. Just make sure that you show them the two passing results because that's what the requirement was to get it cleared.

OIG: We understand that, but as you can see²⁹, on the same day there was a "present" and a negative and only the "absent" one, the "present" and an "absent," excuse me, and only "absent" ones are being submitted because you wanted the well to get open. That's what you're telling me. That's correct?

Dr. Williams: That's when the direction was given to me to submit those samples that way.

...

OIG: You were told to do that by? ... Who in particular?

Dr. Williams: Mr. Pinkney. And he said he got his direction from Mr. Low to prevent opening the area... just to make sure we get "absent" samples to the health department. So I didn't hear directly from Mr. Low.

OIG: Did at any point you think that was wrong and maybe you should stop?

Dr. Williams: Yeah.

OIG: Was that maybe a reason why you left?

Dr. Williams: Yeah. A big reason.

OIG Interview of Steven Doyle, former City Utility District Assistant Executive Director

According to the City Utility District's job description in effect at the time relevant to this matter, the Utility District Assistant Director helps relieve the department director of the day to day technical and supervisor detail work of the assigned divisions, by overseeing the dealings with the FDEP and the FDOH and ensuring that the water and wastewater systems and laboratories are operating in compliance with the FDEP guidelines.

²⁹ During this portion of the interview, Dr. Williams was examining an OIG spreadsheet detailing the OIG-discovered 151 potential instances of non-reporting of water contamination. That number of non-reporting instances was later re-established by the FDOH as totaling 130.

Mr. Doyle became the City Utility District Assistant Executive Director in February of 2023.³⁰ He stated that he has no knowledge or training about bacteriological water sampling or lab reporting because that is not his area of responsibility.

Mr. Doyle stated that as Compliance Manager, Dr. Williams spoke with Mr. Pinkney and Mr. Salas to coordinate water samplings at wells and main distribution systems. According to Mr. Doyle, it was Dr. Williams' responsibility to report any "present" bacteriological lab reports to the FDOH. Mr. Doyle believes Mr. Pinkney had knowledge of the "present" test results because the lab would call the operators on a "present" result and the operators would report to Mr. Pinkney and Dr. Williams.

Mr. Doyle told the OIG that upon Dr. Williams' departure from City employment, reporting was late because Mr. Salas was out on leave and Mr. Pinkney was assigned to submit the City reports to the FDOH, but was not competent to do that job. Mr. Doyle remembered a conversation with Mr. Low relating to the lab reporting violations that the FDOH discovered. Mr. Low told Mr. Doyle that he was not surprised because the FDOH was looking at everything relating to the City Utility District.

OIG Interview of Michael Low, former City Utility District Executive Director

Mr. Low told the OIG that after approximately 15 years with the City of Boynton Beach Utility District Department, primarily as that department's Deputy Director, in January of 2021, he began working as a consultant to the City Utility District. In January of 2022, Mr. Low began his employment at the City Utility District as Executive Director, responsible for improvement projects and day-to-day operations of the utility.

Mr. Low stated that when he started with the City, the Utility District was "a disaster;" there were extensive issues, but no action was being taken. He said he identified problems with wastewater pumping, the condition of the pumping stations, and he saw a report saying the City Utility District needed \$45 million to fix those problems and another \$30 million to fix the City well field. Mr. Low had both weekly and monthly meetings with his managers, during which they were responsible for disclosing well conditions and "present" tests for bacteria. Mr. Low added that he hoped that urgent issues of "present" tests would be brought to his attention immediately, not just during weekly manager meetings. While Mr. Low expected the managers to bring key issues to his attention, he stated that as Executive Director he could not monitor routine day-to-day operations. Mr. Low stated that he expected to be notified of any test results that were "present" for E. coli or Total Coliform.

Mr. Low stated that Dr. Williams was the employee primarily assigned to reporting to the FDOH, with Mr. Pinkney and Mr. Salas also occasionally handling that duty. Dr. Williams left City employment in early June 2023. After Dr. Williams left Mr. Pinkney reported test results to the FDOH. Mr. Pinkney could delegate that responsibility to Mr. Salas, but

³⁰ Mr. Doyle's OIG interview took place on August 6, 2024, when he was a City employee. He resigned later in August of 2024.

ultimately Mr. Pinkney had the responsibility. Additionally, Mr. Low stated that Mr. Salas went out on leave soon after Dr. Williams departed.

Mr. Low attributed problems with water reporting to poor management by City Utility District department heads. Mr. Low stated that he did not know how things were run; he stated he had multiple responsibilities including trying to build a new water plant and he had managers that were responsible for operations.

Mr. Low stated that Mr. Pinkney did not perform his work up to expectations. Mr. Low characterized Mr. Pinkney as someone who could keep up with a functioning system, but not a system that needed improvement. He had conversations with both City Manager Evans and Mayor Felder about replacing Mr. Pinkney. Nothing came of those conversations.

Mr. Low stated that he never instructed City Utility District staff to fail to submit present bacteriological test results, and never instructed City Utility District staff to alter test results.

OIG Interview of Marjorie DeBerry, Current City Utility District Compliance Manager

Ms. DeBerry stated that on October 9, 2023 she started working as City Utility District Compliance Manager. Soon thereafter, the FDOH asked the City Utility District if they had submitted all required reports. Ms. DeBerry requested water test results for the City Utility District directly from Capzer and reviewed the designated network folder assigned to Dr. Williams prior to his separation from the City. The files in Dr. Williams' network folder appeared to include water testing results Dr. Williams had submitted to the FDOH. Ms. DeBerry also went on the City's network system shared folders and downloaded reports that were submitted to the FDOH.

Ms. DeBerry told the OIG that Ms. Allen-Davis had her own folder because Mr. Pinkney had instructed her to help with keeping track of the reports. There were reports that Ms. Allen-Davis had that Ms. DeBerry did not receive from the lab. Ms. DeBerry spoke to Mr. Low regarding the reports from Ms. Allen-Davis and suggested to Mr. Low that they contact the lab. Mr. Low agreed with the suggestion. Ms. DeBerry contacted Capzer and Florida-Spectrum³¹ laboratories to request a copy of every test report for the period from January to September 2023. She found that some results that the laboratories sent to the City Utility District had not been provided to the FDOH. She then suggested to Mr. Low that the City Utility District report to the FDOH that additional test reports existed; however, Mr. Low instructed her to wait. She then asked Mr. Doyle's opinion, and he agreed that the City should immediately send these previously unreported laboratory test reports to the FDOH.

Ms. DeBerry submitted these test reports to Mr. Reyes of the FDOH, but she did not initially tell Mr. Low. Ms. DeBerry said that to keep her from "getting into trouble," Mr.

³¹ On less than ten occasions during our investigative period, the City used Florida-Spectrum Environmental Services, Inc. for water testing. None of those tests presented information relevant to the issues examined in this OIG Report.

Reyes independently reached out to Mr. Low requesting the reports. Mr. Low did not ask Ms. DeBerry whether she had submitted the records to the FDOH.

Ms. DeBerry told the OIG she asked Ms. Allen-Davis why repeat samples were not collected and sent to the lab. She told Ms. DeBerry that Dr. Williams gave the lab technicians their instructions. Ms. Allen-Davis also stated that when they got “present” results from the lab, Dr. Williams instructed them to re-do the whole list again. Thereafter, he would solely report lab reports with “absent” test results.

B. Well #862- Staff Submitted Altered Test Results and Inaccurate Information to the FDOH

Well #862 – May 2023 Testing

At the beginning of May 2023, City Well #862 was out of service.

The OIG obtained records showing the City Utility District collected water samples from Well #862 on 12 occasions (two samples per day on six separate days) from May 2 to 12, 2023, and sent them to Capzer for testing. Capzer Project Manager Lisa Fiedor emailed the test results for each of these samples to Dr. Williams, Mr. Pinkney, and Utility District lab technician Jasmin Holland.

The testing for that eleven-day period produced Total Coliform “present” results for ten of the twelve testing samples, with no two consecutive samples testing “absent,” as required by Rule 62-555.315(6), F.A.C. The water sample collected at 2:26 PM on May 2 tested “present” for E. coli, and the other eleven samples tested “absent” for E. coli.

Well #862 Test Results – May 2023				
Date	Time	Total Coliform Test Result	E. coli Test Result	Did City Utility <i>Timely</i> Submit Test Results to the FDOH?
5/2/2023	8:52 AM	Present	Absent	No
5/2/2023	2:26 PM	Present	Present	No
5/8/2023	9:11 AM	Present	Absent	No
5/8/2023	3:01 PM	Present	Absent	No
5/9/2023	8:27 AM	Present	Absent	Yes
5/9/2023	1:55 PM	Present altered to reflect no entry	Absent	No
5/10/2023	9:08 AM	Present	Absent	Yes
5/10/2023	3:12 PM	Absent	Absent	Yes
5/11/2023	8:50 AM	Present	Absent	Yes
5/11/2023	1:27 PM	Present altered to Absent	Absent	Yes
5/12/2023	8:05 AM	Absent	Absent	Yes
5/12/2023	2:24 PM	Present	Absent	No

Well #862 – May 9, 2023 Testing

According to the Water Sample Results Form prepared by Capzer that the OIG received directly from the lab, the City Water Utility collected water samples at Well #862 in the morning and afternoon on May 9, 2023 (at 8:27 am and at 1:55 pm). The Water Sample Results Forms also included the results for Well #961³² and Well #922. On both occasions, Well #862 tested “present” for Total Coliform and “absent” for E. coli.

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT
WQ-560 750 Reporting Format (Rev. 01/10/05, Revised 02/2015)

Capzer Pharmaceuticals
 3677 23rd Ave S, Suite A108
 Lake Worth, FL 33461
 Phone: 561-493-4000
 FL DOH Certificate# E861096-01

Report Number: COL-023-094 Sub-Contract Lab ID: N/A

Analysis Requested: (check all that apply)
☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other: _____

Public Water System (PWS) Name: City of Riviera Beach Utilities **PWS I.D.:** 450-1229

PWS Address: 800 W. Blue Heron Blvd
 PWS or PWS Owner's Phone #: (561) 845-4187
 Collector: Swan Allen Davis
 City: Riviera Beach
 Fax #: (561) 840-7292
 Collector's Phone #: (561) 845-4187

Type of Supply: (check only one)
☒ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System
☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other: _____

Reason for Sampling: (check all that apply)
☐ Distribution Routine ☐ Distribution Repeat ☒ Raw (triggered or assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey
☐ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Rob Water Notice ☐ Other: _____

Sample Collection Date: 05/09/23

VENDOR# 44-A

To be completed by collector of sample						To be completed by lab				
Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type ¹	Disinfectant Residual (mg/L)	pH	Analysis Method(s) ²				
						Non-Coliform	Total Coliform	Fecal, E. coli, Enterococci, or Coliphage ³	Data Qualifier ⁴	Lab Sample #
#961	Water Well #961	0847	S	—	—	P	A			CPZ-W23 1442
#962	Water Well #962	0815	S	—	—	A	A			CPZ-W23 1443
#862	Water Well #862	0827	S	—	—	P	A			CPZ-W23 1444
										CPZ-W23
										CPZ-W23
										CPZ-W23
										CPZ-W23

Average of disinfectant residuals for distribution routine & repeat samples.⁵ Free chlorine or Total chlorine (circle one)
 Disinfectant Residual Analysis Method:
☐ DPD Colorimetric ☐ Other: _____

Person performing disinfectant analysis is (see instructions on reverse):
☐ A certified operator (if) _____
☐ Supervised by certified operator (if) _____
☐ Employed by a certified lab ☐ Employed by DEP or DOH
☒ Authorized representative of supplier of water

Unless otherwise noted, all tests are performed in accordance with NELAC standards, and the results relate only to the samples.

Date and time PWS notified by lab of positive results: 05/9/23, 5:10/23
 Date and time DEP/DOH notified by lab of positive results: 05/9/23, 05/10/23
 Date Report Issued: 05/9/23
 Lab Signature: Swan Allen Davis
 Title: **Project Manager**

CLIENT:
 City Of Riviera Beach Utilities
 800 W. Blue Heron Blvd
 Riviera Beach, FL 33404

DEP/DOH USE ONLY
☐ Satisfactory
☐ Incomplete Collection Information
☐ Repeat Samples Required
☐ Replacement Samples Required
 Date Reviewed by DEP/DOH: _____
 DEP/DOH Reviewing Official: _____

* EC 5/10/23 FF

³² There is no evidence that Well 961 was inappropriately returned to service.

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT
(602-580 130 Reporting Format Edition 4-07-1986, Revised 02-20-19)

Capzer Pharmaceuticals
3677 23rd Ave S, Suite A108
Lake Worth, FL 33461
Phone: 561-491-4000
FL DOH Certificate: ES61096-01

Lab Receipt Date & Time: 05/09/23, 1436
Analysis Date & Time: 05/09/23, 1800
Sample Acceptance Criteria: ☒ On Ice ☐ Not On Ice ☒ 2-8°C
Disinfectant Check: ☒ Not Detected ☐ _____ mg/L
This sample does not meet the following NELAC requirements: _____

Report Number: GQL-9023-094 Sub-Contract Lab ID: N/A

Analysis Requested: (check all that apply)
☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other: _____

Public Water System (PWS) Name: City of Riviera Beach Utilities PWS I.D. 450-1229
PWS Address: 800 W. Blue Heron Blvd City: Riviera Beach
PWS or PWS Owner's Phone #: (561) 845-4187 Fax #: (561) 845-7292
Collector: Jasmine Holland Collector's Phone #: (561) 845-4187

Type of Supply: (check only one)
☒ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System
☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other: _____

Reason for Sampling: (check all that apply)
☐ Distribution Routine ☐ Distribution Repeat ☒ Raw (triggered or assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey
☐ Compliance ☐ Replacement (also check type of sample being replaced) ☐ Boil Water Notice ☐ Other: _____

Sample Collection Date: 05/09/23 **VENDOR# 44-A**

To be completed by collector of sample					To be completed by lab				
Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type	Disinfectant Residual (mg/L)	pH	Analysis Method(s):			
						Non-Coliform	Total Coliform	Fecal E. coli, Enterococci, or Coliphage	Lab Sample #
#922	Water Well #922	1438	S	-	-	P	A		CPZ-W23 1438
#922	Water Well #922	1415	S	-	-	A	A		CPZ-W23 1415
#862	Water Well #862	1355	S	-	-	P	A		CPZ-W23 1355
									CPZ-W23
									CPZ-W23
									CPZ-W23

Availability of disinfectant residuals for distribution routine & repeat samples: ☐ Free chlorine ☐ Total chlorine (circle one)
Disinfectant Residual Analysis Method: ☐ DPD Colorimetric ☐ Other: _____
Person performing disinfectant analysis is (see instructions on reverse):
☐ A certified collector (if) _____
☐ Supervised by certified operator (if) _____
☐ Employed by a certified lab ☐ Employed by DEP or DOH
☒ Authorized representative of supplier of water

Unless otherwise noted, all tests are performed in accordance with NELAC standards, and the results relate only to the samples.
Date and time PWS notified by lab of positive results: 05/10/23 9:15 PM
Date and time DEP/DOH notified: _____
Date Report Issued: 05/09/23-05/10/23
Lab Signature: Project Manager
Title: _____

CLIENT:
City of Riviera Beach Utilities
800 W. Blue Heron Blvd.
Riviera Beach, FL 33404

DEP/DOH USE ONLY
☐ Satisfactory
☐ Incomplete Collection Information
☐ Repeat Samples Required
☐ Replacement Samples Required
Date Reviewed by DEP/DOH: _____
DEP/DOH Reviewing Official: _____
05/10/23 EP

However, Dr. Williams sent an email to the FDOH on June 5, 2023, which included an altered version of the Water Sample Results Form for the samples collected in the afternoon on May 9, 2023, in that the results for the sample collection at Well #862 at 1:55 p.m. had been completely removed and not reported. (Additionally, the Results for Well #961 were also missing from the Water Sample Results Form. However, Well #961 was not returned to service.) Instead, the form submitted to the FDOH only included the "absent" for Total Coliform and E. coli results for the water sample collected at Well #922 at 2:15 p.m.

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT
(62-550.730 Reporting Format Effective 01/1995, Revised 02/2010)

Capzer Pharmaceuticals
3677 23rd Ave S. Suite A108
Lake Worth, FL 33461
Phone: 561-493-4000
FL DOH Certificate# E861096-01

Lab Receipt Date & Time: 05/09/23, 1436
Analysis Date & Time: 05/09/23, 1800
Sample Acceptance Criteria:
Sample Preservation: ☒ On Ice ☐ Not On Ice ☒ 2-8°C
Disinfectant Check: ☒ Not Detected ☐ _____ mg/L
This sample does not meet the following NELAC requirements: _____

Report Number: COL-W23-094 Sub-Contract Lab ID: N/A
Analysis Requested: (check all that apply)
☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other: _____
Public Water System (PWS) Name: City of Riviera Beach Utilities PWS I.D. # 450-1229
PWS Address: 800 W. Blue Heron Blvd City: Riviera Beach
PWS or PWS Owner's Phone #: (561) 845-4187 Fax #: (561) 840-7292
Collector: Jasmine Holland Collector's Phone #: (561) 845-4187
Type of Supply: (check only one)
☒ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System
☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other: _____
Reason for Sampling: (check all that apply)
☐ Distribution Routine ☐ Distribution Repeat ☒ Raw (triggered or assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey
☒ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Boil Water Notice ☐ Other: _____
Sample Collection Date: 05/09/23 **VENDOR# 44-A**

To be completed by collector of sample					To be completed by lab			
Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type	Disinfectant Residual (mg/L)	pH	Analysis Method(s):		Lab Sample #
#922	Water Well #922	1415	S	-	-	Coliform-18	Coliform-18	CP2-W23
						Coliform-18	Coliform-18	CP2-W23
						Coliform-18	Coliform-18	CP2-W23
						Coliform-18	Coliform-18	CP2-W23
						Coliform-18	Coliform-18	CP2-W23
						Coliform-18	Coliform-18	CP2-W23

Average of disinfectant residuals for distribution routine & repeat samples: Free chlorine or Total chlorine (circle one)
Disinfectant Residual Analysis Method:
☐ DPD Colorimetric ☐ Other: _____
Person performing disinfectant analysis is (see instructions on reverse):
☐ A certified operator (# _____)
☐ Supervised by certified operator (# _____)
☐ Employed by a certified lab ☐ Employed by DEP or DOH
☒ Authorized representative of supplier of water

Unless otherwise noted, all tests are performed in accordance with NELAC standards, and the results relate only to the samples.
Date and time PWS notified by lab of positive results: 05/10/23, 2:15p
Date and time DEP/DOH notified by lab of positive results: 05/10/23
Date Report Issued: 05/10/23
Lab Signature: [Signature] Title: Project Manager

CLIENT:
City Of Riviera Beach Utilities
800 W. Blue Heron Blvd.
Riviera Beach, FL 33404

DEP/DOH USE ONLY
☐ Satisfactory
☐ Incomplete Collection Information
☐ Repeat Samples Required
☐ Replacement Samples Required
Date Reviewed by DEP/DOH: _____
DEP/DOH Reviewing Official: _____
05/10/23 [Signature]

With the exception of the information about the results for the sample points collected in the afternoon on May 9, 2023, all other content and notations reflected on the version of the Water Sample Results forms Capzer sent to Dr. Williams and the version that Dr. Williams sent to the FDOH were identical, including the following words: "Date and time PWS notified by lab of present test results: "05/10/23, 2:15p." (indicated by  green circle on above illustration).

Well #862 – May 10, 2023 Testing

The City Utility District collected water samples from Well #862 at 9:08 a.m. and 3:12 p.m. on May 10, 2023. According to the Water Sample Results the OIG received from Capzer, the morning sample tested "present" for Total Coliform and "absent" for E. coli, and the afternoon sample tested "absent" for both Total Coliform and E. coli.

Well #862 – May 11, 2023 Testing

According to Water Sample Results the OIG received from Capzer, the following day, on May 11, 2023, the City Utility District collected water samples from City Well #862 at 8:50 a.m. and 1:27 p.m. Both samples tested "present" for total coliform and "absent" for

E. coli. On May 12, 2023, Capzer emailed the results to Dr. Williams, Mr. Pinkney, and Ms. Holland.

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT (5/2 Sub (20) Reporting Format Effective 6/1/1985, Revised 02/28/10)																																																																																																							
 Capzer Pharmaceuticals 3677 23 rd Ave S, Suite A108 Lake Worth, FL 33461 Phone: 561-493-4000 FL DOH Certificate# E861096-01		Lab Receipt Date & Time: <u>05/11/23 1402</u> Analysis Date & Time: <u>05/11/23 1800</u> Sample Acceptance Criteria: Sample Preservation: ☒ On Ice ☐ Not On Ice ☒ <u>1</u> °C Disinfectant Check: ☒ Not Detected ☐ _____ mg/L This sample does not meet the following NELAC requirements: _____																																																																																																					
Report Number: <u>COL-W23-096</u> Sub-Contract Lab ID: <u>N/A</u>																																																																																																							
Analysis Requested: (check all that apply) ☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other: _____																																																																																																							
Public Water System (PWS) Name: <u>City of Riviera Beach Utilities</u> PWS I.D.: <u>450-1229</u>																																																																																																							
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Collector: <u>Jasmine Holland</u>			Collector's Phone #: <u>(561) 845-4187</u>																																																																																																				
Type of Supply: (check only one) ☒ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System ☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other: _____																																																																																																							
Reason for Sampling: (check all that apply) ☐ Distribution Routine ☐ Distribution Repeat ☒ Raw (triggered or assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey ☒ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Bulk Water Notice ☐ Other: _____																																																																																																							
Sample Collection Date: <u>05/11/23</u> VENDOR# <u>44-A</u>																																																																																																							
<table border="1"> <thead> <tr> <th colspan="5">To be completed by collector of sample</th> <th colspan="5">To be completed by lab</th> </tr> <tr> <th>Sample #</th> <th>Sample Point (Location or Specific Address)</th> <th>Sample Collection Time</th> <th>Sample Type¹</th> <th>Disinfectant Residual (mg/L)</th> <th>pH</th> <th colspan="5">Analysis Method(s)²</th> </tr> <tr> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>Non-Coliform (Coliform)</th> <th>Total Coliform</th> <th>Fecal, E. coli, Coliphage</th> <th>Data Qualifier³</th> <th>Lab Sample #</th> </tr> </thead> <tbody> <tr> <td>#862</td> <td>Water Well #862</td> <td>0850</td> <td>S</td> <td>---</td> <td>---</td> <td>*AP</td> <td>A</td> <td></td> <td></td> <td>CPZ-W23 1437</td> </tr> <tr> <td>#922</td> <td>Water Well #922</td> <td>0843</td> <td>S</td> <td>---</td> <td>---</td> <td>A</td> <td>A</td> <td></td> <td></td> <td>CPZ-W23 1438</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>CPZ-W23</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>CPZ-W23</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>CPZ-W23</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>CPZ-W23</td> </tr> </tbody> </table>						To be completed by collector of sample					To be completed by lab					Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type ¹	Disinfectant Residual (mg/L)	pH	Analysis Method(s) ²											Non-Coliform (Coliform)	Total Coliform	Fecal, E. coli, Coliphage	Data Qualifier ³	Lab Sample #	#862	Water Well #862	0850	S	---	---	*AP	A			CPZ-W23 1437	#922	Water Well #922	0843	S	---	---	A	A			CPZ-W23 1438											CPZ-W23											CPZ-W23											CPZ-W23											CPZ-W23
To be completed by collector of sample					To be completed by lab																																																																																																		
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#922	Water Well #922	0843	S	---	---	A	A			CPZ-W23 1438																																																																																													
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CLIENT: City Of Riviera Beach Utilities 800 W. Blue Heron Blvd. Riviera Beach, FL 33404																																																																																																							
DEP/DOH USE ONLY ☐ Satisfactory ☐ Incomplete Collection Information ☐ Repeat Samples Required ☐ Replacement Samples Required Date Reviewed by DEP/DOH: _____ DEP/DOH Reviewing Official: _____																																																																																																							

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT
502-550-730 Reporting Format Effective 01/1/2005, Revised 10/20/2024

Capzer Pharmaceuticals
 3677 23rd Ave S, Suite A108
 Lake Worth, FL 33461
 Phone: 561-493-4000
 FL DOH Certificate E861096-01

Lab Receipt Date & Time: 05/11/23, 1:402
 Analysis Date & Time: 05/11/23, 1:300
 Sample Acceptance Criteria:
 Sample Preservation: ☒ On Ice ☐ Not On Ice ☒ 1.1 °C
 Disinfectant Check: ☒ Not Detected ☐ mg/L
 This sample does not meet the following NELAC requirements:

Report Number: COLW23-096 Sub-Contract Lab ID: N/A

Analysis Requested: (check all that apply)
☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other:

Public Water System (PWS) Name: City of Riviera Beach Utilities PWS I.D. 450-1229
 PWS Address: 800 W. Blue Heron Blvd City: Riviera Beach
 PWS or PWS Owner's Phone #: (561) 845-4187 Fax #: (561) 840-7252
 Collector: Jasmine Holland Collector's Phone #: (561) 845-4187

Type of Supply: (check only one)
☒ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System
☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other:

Reason for Sampling: (check all that apply)
☐ Distribution Routine ☐ Distribution Repeat ☒ Raw (triggered or assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey
☒ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Bore Water Notice ☐ Other:

Sample Collection Date: 05/11/23 VENDOR# 44-A

To be completed by collector of sample					To be completed by lab			
Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type ¹	Disinfectant Residual (mg/L)	pH	Non-Conform	Total Coliform	Fecal E. coli, Enterococci, or Coliphage ²
#R62	Water Well #862	1327	S	-	-	P	A	05/11/23
								05/11/23
								05/11/23
								05/11/23
								05/11/23
								05/11/23

Average of disinfectant residuals for distribution routine & repeat samples: Free chlorine or Total chlorine (circle one)
 Disinfectant Residual Analysis Method:
☐ DPD Colorimetric ☐ Other:

Person performing disinfectant analysis is (see instructions on reverse):
☐ A certified operator (#)
☐ Supervised by certified operator (#)
☐ Employed by a certified lab ☐ Employed by DEP or DOH
☒ Authorized representative of supplier of water

Unless otherwise noted, all tests are performed in accordance with NELAC standards, and the results relate only to the samples.
 Date and time PWS notified by DEP/DOH of results: 05/12/23, 2:25p
 Date and time DEP/DOH notified: 05/12/23
 Lab Signature: [Signature]
 Title: **Project Manager**

CLIENT:
 City of Riviera Beach Utilities
 800 W. Blue Heron Blvd.
 Riviera Beach, FL 33404

DEP/DOH USE ONLY
☐ Satisfactory
☐ Incomplete Collection/Inspection
☐ Repeat Samples Required
☐ Replacement Samples Required
 Date Reviewed by DEP/DOH:
 DEP/DOH Reviewing Official:

The May 12, 2023 water sample collected at 8:05 a.m. at Well #862 tested “absent” for both Total Coliform and E. coli, but again tested “present” for Total Coliform at 2:24 p.m. on May 12. Despite the two May 11 “present” results for Total Coliform and the afternoon “present” result on May 12, on Saturday, May 13, 2023, Compliance Manager Williams emailed the FDOH at their designated agency reporting email address, with Mr. Pinkney and Mr. Salas copied, the following:

“Riviera Beach Utility Special District (PWS 4501229) received confirmation from our laboratory that Well #862 has passed the required 2-day consecutive testing.”

Dr. Williams did not attach any test results to this May 13 email. As of that date, Dr. Williams was fully aware that Well #862 had not tested “absent” for Total Coliform on two consecutive occasions from May 2 to May 12.

On Tuesday, May 16, 2023, the FDOH Environmental Specialist II Emmanuel Peters responded to Dr. Williams’ May 13 email, stating “Good afternoon Anthony, You may place those wells³³ back into service based on the successful bact results.”

As a result, Well #862 was placed back in service within the water distribution system.

Review of the City Utility’s Network Folders

³³ In Dr. Williams’ May 13 email, he also submitted results of Well #922. The OIG does not question the absence of contamination in that well.

At the OIG's request, the City Information Technology (IT) Department searched the entire City network system to determine whether the May 11, 2023 test results for Well #862 that Capzer email to Dr. Williams, Mr. Pinkney, and Ms. Holland had been saved in any location.

The City's IT staff determined that the result for the water samples collected on May 11 had been saved in a shared network folder and in Dr. Williams' assigned employee-specific network folder. A review of Dr. Williams's employee-specific network folder showed that on May 23, 2023 at 9:16 a.m., Dr. Williams saved the two May 11 (8:50 a.m. and 1:27 p.m.) Water Sample Results for Well #862. Additionally, Dr. Williams saved the test results from the water sample collected at Well #862 at 1:55 p.m. on May 9.

The City's IT staff did not find the May 11 test results on any employee-specific network folder *other than Dr. Williams'*. Based upon the information the OIG received and reviewed, Dr. Williams is the only City employee who saved the May 11, 2023 Capzer test results for Well #862 to an employee-specific network folder. The only other City accounts that were able to access Dr. Williams' employee-specific network folder were the City IT Administrators.

On June 5, 2023, Dr. Williams emailed an altered version of the May 11 afternoon (1:27 p.m.) test results to the FDOH, along with test result for the morning (8:05 a.m.) of May 12. The May 12 test result Dr. Williams sent to the FDOH is the same document Capzer emailed to Dr. Williams, Mr. Pinkney, and Ms. Holland reflecting that the sample was "absent" for Total Coliform. However, the May 11 afternoon test result differed from the document Capzer emailed to Dr. Williams, Mr. Pinkney, and Ms. Holland, in that the result of "present" for Total Coliform had been altered to "absent." Had Dr. Williams submitted accurate versions of the results from Capzer, Well #862 could not have been reactivated.

The City's IT staff determined that the altered version of this report was not located on the City's shared network drive.

Our office provided the FDOH copies of the May water testing results showing the results Dr. Williams received from Capzer differed from those submitted to the FDOH. As a result, the FDOH issued Warning Letter WP-134-24 dated October 28, 2024, to the City Utility District. Warning Letter WP-134-24 is attached hereto as Appendix 3.____

OIG Interview of Keith Hampshire, City Information Technology Department Systems Administrator

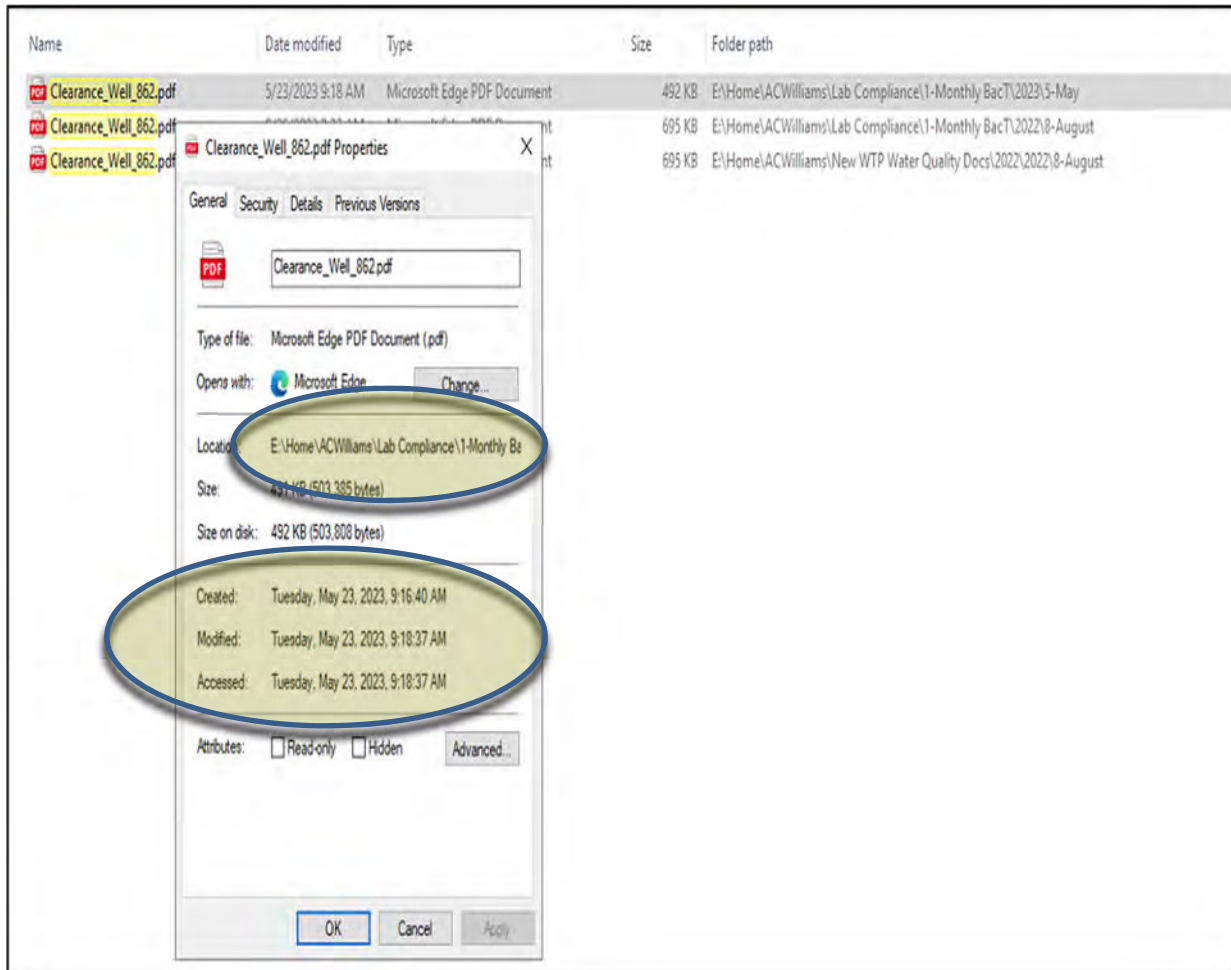
Mr. Hampshire stated that he can determine when a file on the City's network was originally saved and when or whether it was modified.

The document identified by the OIG as the May 11, 2023 water test results from Capzer Laboratory was originally saved in the City shared system on May 12, 2023, with the name Clearance_Well_862.pdf. A document with the same name was saved in then-City employee Anthony Williams' employee-specific City network folder at

"E:\Home\ACWilliams\Lab Compliance\1-Monthly BacT" at approximately 9:16:40 am on May 23, 2023.

The same document was modified and re-saved in Dr. Williams' same employee-specific City network folder on May 23, 2023 at 9:18:37 am.

The OIG examined screen shots of activity in the drive assigned to Dr. Williams. At 9:18 a.m. on May 23, 2023, Dr. Williams modified and then re-saved the May 2023 Capzer test result document:



In addition to the results from the water sample collected on May 9 with all information regarding Well #862, including the "present" for Total Coliform result removed, Dr. Williams also sent for the first time on June 5, 2023, the purported Capzer test results for water samples collected from Well #862 on May 11 at 1:27 p.m. and May 12 at 8:05 a.m. Although the documentation the OIG received directly from Capzer-- which Capzer had sent to and Dr. Williams received -- showed the samples tested "present" for Total Coliform, the document Dr. Williams sent to the FDOH reflected "absent" for Total Coliform:

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT
(02-000, 730 Reporting Format Effective 01/1/95, Revised 02/01/02)

Capzer Pharmaceuticals
3677 23rd Ave S, Suite A108
Lake Worth, FL 33461
Phone: 561-493-4000
FL DOH Certificate# E861096-01

Lab Receipt Date & Time: 05/11/23, 1:40Z
Analysis Date & Time: 05/11/23, 1300
Sample Acceptance Criteria:
Sample Preservation: ☒ On Ice ☐ Not On Ice 2.1 °C
Disinfectant Check: ☒ Not Detected ☐ _____ mg/L
This sample does not meet the following NELAC requirements:

Report Number: COL-W23-0962 Sub-Contract Lab ID: N/A

Analysis Requested: (check all that apply)
☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other: _____

Public Water System (PWS) Name: City of Riviera Beach Utilities PWS I.D. 450-1229
PWS Address: 800 W. Blue Heron Blvd City: Riviera Beach
PWS or PWS Owner's Phone #: (561) 845-4187 Fax #: (561) 840-7292
Collector: Jasmine Holland Collector's Phone #: (561) 845-4187

Type of Supply: (check only one)
☒ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System
☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other: _____

Reason for Sampling: (check all that apply)
☐ Distribution Routine ☐ Distribution Repeat ☒ Raw (triggered or assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey
☐ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Boil Water Notice ☐ Other: _____

Sample Collection Date: 05/11/23 VENDOR# 44-A

To be completed by collector of sample						To be completed by lab				
Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type	Disinfectant Residual (mg/L)	pH	Analysis Method(s):				
						Collet-18				
						Non-Coliform	Total Coliform	Fecal Coliform	Coliphage	Lab Sample #
1327	Water Well #862	1327	S	—	—	A	A			CPZ-W23-1431
										CPZ-W23
										CPZ-W23
										CPZ-W23
										CPZ-W23
										CPZ-W23
										CPZ-W23

Average of disinfectant residuals for distribution routine & repeat samples: Free chlorine or Total chlorine (circle one)
Disinfectant Residual Analysis Method:
☐ DPD Colorimetric ☐ Other: _____

Person performing disinfectant analysis is (see instructions on reverse):
☐ A certified operator (# _____)
☐ Supervised by certified operator (# _____)
☐ Employed by a certified lab ☐ Employed by DEP or DOH
☒ Authorized representative of supplier of water

Unless otherwise noted, all testing performed in accordance with NELAP standards, and the results relate only to the test performed.
Date and time PWS notified by lab of positive results: 05/12/23, 8:50 a.m.
Date and time DEP/DOH notified by lab of positive results: NA
Date Report issued: 05/12/23
Lab Signature: Jasmine Holland
Title: Project Manager

CLIENT:
City Of Riviera Beach Utilities
800 W. Blue Heron Blvd.
Riviera Beach, FL 33404

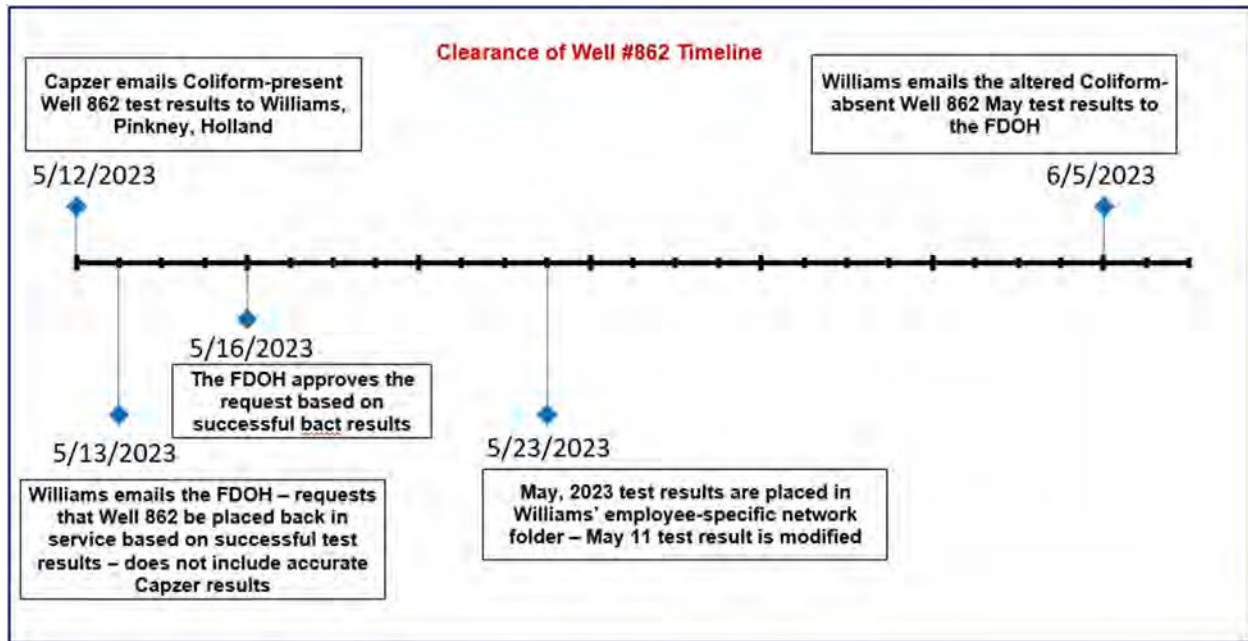
DEP/DOH USE ONLY
☐ Satisfactory
☐ Incomplete Collection Information
☐ Repeat Samples Required
☐ Replacement Samples Required
Date Reviewed by DEP/DOH: _____
DEP/DOH Reviewing Official: _____

The OIG's review of the lab results attached to Dr. Williams' June 5 email to the FDOH and the lab results Capzer sent to him regarding the results of the water samples collected on May 11 showed:

- The results form Capzer prepared and sent to Dr. Williams for the water samples collected on May 11, 8:50 a.m. that showed "present" for Total Coliform was not attached to the email. Based upon a review of Dr. Williams' emails and the documents our office received from the FDOH and Capzer, it does not appear that Dr. Williams ever sent this test result to the FDOH during his tenure at the City Utility District.
- The results form Capzer prepared and sent to Dr. Williams for the water sample collected on May 11 at 1:27 p.m. that showed "present" for Total Coliform was not attached to the email. Instead, "present" result for Total Coliform had been altered to "absent." (see red circle on  above illustration)

Below the altered “absent” for Total Coliform results for the collection at 1:27 p.m. on May 11, appear the following words: “Date and time PWS notified by lab of present test results: “05/12/23, 2:25p.” (see green circle on above illustration)

The following OIG graphic details a timeline of the conveyance of information and the altered report sent for the clearance of Well #862:



OIG Interview of Melvin Pinkney, City Utility District Water Treatment Plant Superintendent

The OIG showed Mr. Pinkney the email from Capzer to Dr. Williams and cc'ing him with the results from the water sample collected from Well #862 on May 11, 2023, and the June 5, 2023 email from Dr. Williams to the FDOH which also cc'd Mr. Pinkney. Mr. Pinkney told the OIG that he did not alter the Well #862 test results, and he does not know who may have altered them.

Mr. Pinkney stated that he did not notice that the City Utility District may have sent an altered report, and he never discussed the reports with Dr. Williams.

OIG Interview of Dr. Anthony Williams, former Compliance Manager for City Utility District– May 8, 2024

The OIG showed Dr. Williams the Capzer form reflecting “present” for Total Coliform and E. coli for the water sample taken for City Well #862 on May 2, 2023 at 2:26 p.m. Dr. Williams stated that Well #862 was an out of service well at that time, and therefore not part of the City water distribution system. Dr. Williams did not recall if he notified the FDOH about the “present” E. coli test results for the sample collected from Well #862 on May 2.

OIG NOTE: At the time of this first interview of Dr. Williams, the OIG had yet to receive laboratory testing reports from Capzer which included the altered test report.

The OIG showed Dr. Williams the email from him to the FDOH dated June 5, 2023 attaching test results for samples collected on May 11th and 12th, 2023. He stated this email is similar to emails sent by him to the FDOH on a monthly basis relating to monthly lab test reports.

OIG Re-interview of Dr. Anthony Williams, former Compliance Manager for City Utility District – August 13, 2024

The OIG showed Dr. Williams:

- The documents we received directly from Capzer indicating that the sample collected on May 11, 2023 at Well #862 tested “present” for Total Coliform;
- An email from Capzer dated May 12 to him with the May 11 test results showing “present” for Total Coliform;
- The May 13 email that he sent to the FDOH requesting that Well #862 be put back in service with a notation the City Utility District “received confirmation....that Well #862 has passed the required 2-day consecutive testing”;
- Information showing that the Water Testing Results forms with the results he received on May 12, 2023 from Capzer were saved and modified on his employee-specific folder on the City’s network on May 23, 2023; and
- The June 5 email from his City email address to the FDOH that included a version of the May 11 test result that differed from the results he received from Capzer in that he emailed a document purporting to show that Well #862 had tested “absent” for Total Coliform.

Dr. Williams told the OIG that he probably did not open the May 12 email from Capzer containing the “present” for Total Coliform test result for the May 11 sample. He then stated that by the time he emailed the FDOH asking to reopen Well #862 on May 13, one of the laboratory technicians “must have” altered the May 11 Capzer test result and provided him with the altered version via a paper copy, which he would have scanned and saved. Ms. Holland was the senior laboratory technician at the time, and Dr. Williams stated that she “likely” brought the May 11 test results to him. He said that would explain why he emailed the altered version to the FDOH on June 5. Dr. Williams stated that he

does not necessarily compare what the lab technicians tell him and show him with the results attached to the emails Capzer sent to him.

Dr. Williams believes that on May 23, 2023, he saved the paper version potentially provided to him by Ms. Holland and sent it to the FDOH on June 5. Dr. Williams stated that he has never altered water testing records and has never had discussions with anyone about altering water testing result records. Dr. Williams stated that Ms. Holland became very disgruntled at some point during her employment with the City.

OIG Re-interview of Jasmin Holland, City Utility District Laboratory Technician – August 28, 2024

Ms. Holland stated that as a practice she opened testing results sent to her via email from the lab. She would then discuss the results of those opened lab results with Dr. Williams. She does recall hand delivering hard copies of lab results to Dr. Williams. This was done on rare occasions when she was not able to reach him via email or phone. The normal process was to advise Dr. Williams by call, text, or in-person that the lab results had arrived.

Ms. Holland stated she has notified Dr. Williams that a lab result may possibly have been “present” when she believed that rain or another contaminant affected the test sample. There also were instances during her samplings when she felt the lab did not practice proper aseptic techniques to perform lab samplings. For instance, there have been a few occasions when she dropped off samples at the lab and noticed lab staff not using gloves to receive or handle the samples, and she noticed lab staff not knowing how to properly take the temperature of the samples. She brought this to the attention of Dr. Williams.

Ms. Holland stated that she never omitted “present” lab testing results from Dr. Williams.

Ms. Holland stated that she never altered lab results, either on her own or under someone else’s direction.

OIG Re-interview of Swan Allen-Davis, City Utility District Laboratory Technician – August 28, 2024

Ms. Allen-Davis stated she only began to receive completed lab reports via email from Capzer in the middle of August 2023. Mr. Pinkney, Mr. Salas and Mr. Low also received lab reports via email at that time. Ms. Allen-Davis recalled that Mr. Pinkney took over lab reporting duties when Dr. Williams resigned. Mr. Pinkney wanted Ms. Allen-Davis to submit the completed lab reports to the FDOH, but she felt uncomfortable doing this and she told Mr. Pinkney she would not. She collected the lab reports sent to her via email and stored them in a folder for Mr. Pinkney to review. Mr. Pinkney then reviewed and sent them to the FDOH. Ms. Allen-Davis never submitted hard copies of completed lab reports to Dr. Williams.

Ms. Allen-Davis told the OIG that she never altered lab results and never received instruction from others to alter lab reports.

Well #861 – March, 2023 Testing

On March 17, 2023, the City Utility District collected a water sample from City Well #861 at 9:20 a.m. and sent it to Capzer for testing. Capzer Pharmaceuticals Project Manager Lisa Fiedor sent the Water Sample Results to Dr. Williams, Mr. Pinkney, and Ms. Holland. According to the documents Capzer provided directly to the OIG, Well #861 tested “present” for Total Coliform and “absent” for E. coli. Capzer notified the City Utility District of the results on March 20, 2023.

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Per Capzer test results received by the FDOH, the City Utility District re-tested Well #861 later that same day at 1:46 pm. This time, Well #861 tested “absent” for Total Coliform and E. coli.

DEPARTMENT OF HEALTH

MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT

(82-550,730 Reporting Form) Effective 01/1/95, Revised 02/20/10

Capzer Pharmaceuticals 3677 23rd Ave S, Suite A108 Lake Worth, FL 33461 Phone: 561-493-4000 FL DOH Certificate# E861096-01	Lab Receipt Date & Time: 03/17/23 : 1507 Analysis Date & Time: 03/17/23 : 1600 Sample Acceptance Criteria: Sample Preservation: ☒ On Ice ☐ Not On Ice ☒ 2.3°C Disinfectant Check: ☒ Not Detected ☐ mg/L This sample does not meet the following NELAC requirements:

Report Number: COL-W23 - 055 **Sub-Contract Lab ID:** N/A

Analysis Requested: (check all that apply)
☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other: _____

Public Water System (PWS) Name: City of Riviera Beach Utilities **PWS I.D.** 450-1229

PWS Address: 800 W. Blue Heron Blvd.
PWS or PWS Owner's Phone #: (561) 845-4187
Collector: Swan Allen-Davis **City:** Riviera Beach
 Fax #: (561) 840-7292
 Collector's Phone #: (561) 845-4187

Type of Supply: (check only one)
☒ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System
☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other: _____

Reason for Sampling: (check all that apply)
☐ Distribution Routine ☐ Distribution Repeat ☒ Raw (triggered by assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey
☒ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Soil /Water Notice ☐ Other: _____

Sample Collection Date: 03/17/23 **VENDOR#** 44-A

To be completed by collector of sample					To be completed by lab				
Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type ^a	Disinfectant Residual (mg/L)	pH	Analysis Method(s): Collett-18 Fecal, E. coli, Enterococci or other as noted			
#						Non-Coliform	Total Coliform	Data Analyzed	Lab Sample #
#861	Water Well #861	13:40	R	-	-	A	A		CPZ-W23-0741
									CPZ-W23
									CP2-W23
									CP2-W23
									CPZ-W23
									CPZ-W23

Average of disinfectant residuals for distribution routine & repeat samples:^b Free chlorine or Total chlorine (circle one)
Disinfectant Residual Analysis Method:
☐ DPD Colorimetric ☐ Other: _____

Person performing disinfectant analysis is (see instructions on reverse):
☐ A certified operator (#)
☐ Supervised by certified operator (#)
☐ Employed by a certified lab ☐ Employed by DEP or DOH
☒ Authorized representative of supplier of water

Client:
 City Of Riviera Beach Utilities
 800 W. Blue Heron Blvd.
 Riviera Beach, FL 33404

Unless otherwise noted, all tests are performed in accordance with NELAC standards, and the results relate only to the samples.

Date and time PWS notified by lab of positive results: N/A

Date and time DEP/DOH notified by lab of negative results: N/A

Date Report Issued: 03/20/23

Lab Signature: [Signature]
Title: Laboratory Manager

☐ Satisfactory ☐ Incomplete Collection Information ☐ Repeat Samples Required ☐ Replacement Samples Required Date Reviewed by DEP/DOH: _____ DEP/DOH Reviewing Official: _____	DEP/DOH USE ONLY

Riviera Beach Utility Special District (PWS 4501229) received confirmation from our laboratory that Well #861 in our wellfield has passed the required 2-day consecutive testing. The well has been out of service less than 6-months. Would the Department clear this well for service? Results will be sent in once received.

However, according to Utilities District well logs, on March 15 and March 16, 2023, **prior to this notification to the FDOH**, Well 861 was placed back into service. Thereafter, City Utility District logs detail that Well 861 again closed from March 17 through March 21, 2023, and re-opened thereafter.

On Monday, April 3, 2023, Dr. Williams emailed to the FDOH test results for Well #861, which included “absent” test results for Total Coliform and E. coli for March 16, and for Total Coliform and E. coli for the water sample collected at 1:46 p.m. on March 17. Dr. Williams did not attach the intervening Water Sample Results for the sample collected from City Well #861 on March 17 at 9:20 a.m., which showed “present” for Total Coliform.

OIG Re-interview of Dr. Anthony Williams, former City Utility District Compliance Manager – August 13, 2024

The OIG questioned Dr. Williams regarding his submission and omission from his email to the FDOH of results for samples collected from Well #861 on March 16 and March 17, 2023. Dr. Williams stated that he sent only the “absent” test results and not the “present” test result because of how he was “trained to do things as far as submitting results.” **When asked, Dr. Williams stated that if he had included the “present” result from the sample collected at 9:20 a.m. on March 17, 2023, “I pretty much, I assume they would not” clear the well. When asked if this was the right way to do things, Dr. Williams responded “No, it isn’t because this is not obviously appropriate if they’re calling it a violation.”**

Dr. Williams added:

So during this time frame, this, in the month of March, this was one of those times where to, where we were having a very hard time with keeping wells in service and the inter-connect was obviously gonna be a big thing. So this is where that pressure did come on as well.

...

So again, I was directed to a part of the rule that says that when it comes to wells that were not in their original integrity or something, I can't explain how the rule explains it, word for word, but it pretty much says that if the wells are not in service, you don't have to submit everything.

...

OIG: So you omitted the present one and you gave the absent? You see what I'm saying?

Dr. Williams: Yes, I do see what you're saying. Yes, I'm doing what I was told to do, though.

OIG: If the health department sees that you have a present, you're going to have to restart all over again. So you can't pick and choose which consecutive days you

want to pick. I mean, now reflecting back, I think you realize that it's wrong what you were doing.

Dr. Williams: Yes. But again, this is what I was told to do. You know, this is the instruction that I was given because the wells were out of service. They were afraid that they would have to open up the inter-connect and the condition of the wells was so bad that we couldn't afford to lose any more wells. So this is what I was told to do.

D. Distribution Point at 4822 Caribbean Boulevard – Staff Failed to Properly Repeat Test and Issue Notice to Public³⁴

June 2023 Testing

In May of 2023, City Utility District Laboratory Technician Allen-Davis went to a location within the City to obtain a water sample for submission for testing. She noticed a man staring at her, who then walked into his house and walked out with a gun in pocket.³⁵ City Utility District staff discussed the incident with the City Police Department. On May 17, 2023, City Assistant Police Chief Michael Madden emailed Mr. Low and Mr. Doyle with the email subject title "Safety Concerns with staff." The email from Assistant Chief Madden stated:

As a follow-up to today (sic) meeting, I am providing some recommendation that UD may want to consider and/or do additional research:

1. Training For Employees that test water at residences (likely similar to meter reader training)
2. Review industry standards for PPE for employees who test water at residences (likely similar to meter reader PPE)
 - a. PPE for situations they may encounter like angry residents, snakes, wild animals, dogs, insects, etc.
3. Consider removing residential properties from the testing list
4. Consider revisiting the notification frequency for impact properties, to include neighbors
5. Consider highly visible markings on vehicles and/or A-Frame signs that state "Water Testing in Progress"
6. Examine the documents signed by those establishing water accounts to consider language that states that water testing may occur (language to address the 5 minutes of running water and walking on private property to access spigot attached to the house).

³⁴ On July 31, 2024, the City Utility District and the FDOH entered into a settlement of the matters relating to the failure to collect repeat samples Caribbean Boulevard water distribution point and Well #14 and the failure to provide public notice, in violation of 40 C.F.R. Part 141, Subparts Q, S, and Y.

³⁵ This incident did not occur at 4822 Caribbean Boulevard.

Additionally, Officers responded and met with your employees to take an incident report. A copy will be provided once complete.

Let me know if you need additional information.
Thank you

The following month, on June 7, 2023, Capzer notified the City Utility District of the analysis of water samples City Utility District Laboratory Technician Ms. Holland had collected at 8:58 a.m. on June 6 at 4822 Caribbean Boulevard. The samples came back "present" for both E. coli and Total Coliform:

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT																																																																																																																												
 Capzer Pharmaceuticals 3677 23rd Ave S, Suite A108 Lake Worth, FL 33461 Phone: 561-493-4000 FL DOH Certificate# E861096-01																																																																																																																												
Report Number: <u>COL-W23-115</u>		Sub-Contract Lab ID: <u>N/A</u>																																																																																																																										
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Then, on June 8, 2023, Ms. Holland collected new water samples at 4822 Caribbean Blvd. at 9:03 a.m. and sent them to Capzer for testing. Although the June 8 samples constituted a re-test of the Caribbean Blvd. distribution point, Ms. Holland indicated the reason for sampling as "Distribution Routine" on the Water Sample Result Form (Report No. COL-

W23-117). Ms. Holland told the OIG the checked box signified that this test result applied only to the original sample location; not upstream nor downstream samples. The June 8 samples from the original location for Caribbean Blvd. tested “absent” for both Total Coliform and E. coli.

Mr. Pinkney sent this June 8 re-test of the original distribution point, along with all the June test results, to the FDOH on July 18, 2023.

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT
(812-550, F20 Reporting Format Effective 01/19/95, Revision 02/01/07)

Capzer Pharmaceuticals
3677 23rd Ave S, Suite A108
Lake Worth, FL 33461
Phone: 561-493-4000
FL DOH Certificate# E861096-01

Lab Receipt Date & Time: 06-08-23, 1:350
Analysis Date & Time: 06-08-23, 1900
Sample Acceptance Criteria:
Sample Preservation: ☒ On Ice ☐ Not On Ice ☒ 1.8 °C
Disinfectant Check: ☒ Not Detected ☐ _____ mg/L
This sample does not meet the following NELAC requirements:

Report Number: COL-W23-117 Sub-Contract Lab ID: N/A

Analysis Requested: (check all that apply)
☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other: _____

Public Water System (PWS) Name: City of Riviera Beach Utilities PWS I.D.: 450-1229
PWS Address: 800 W. Blue Heron Blvd City: Riviera Beach
PWS or PWS Owner's Phone #: (561) 845-4187 Fax #: (561) 840-7292
Collector: Jasmine Holland Collector's Phone #: (561) 845-4187

Type of Supply: (check only one)
☒ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System
☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other: _____

Reason for Sampling: (check all that apply)
☒ Distribution Routine ☐ Distribution Repeat ☐ Raw (triggered or assessment) additional ☐ Well Survey
☐ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Soil Water Notice ☐ Other: _____

Sample Collection Date: 06/08/2023 VENDOR# 44-A

Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type	Disinfectant Residual (mg/L)	pH	Analysis Method(s) ¹				Lab Sample #
						Non-Coliform	Total Coliform	Fecal, E. coli, Enterococci, or Coliphage ²	Data Qualifier ³	
SS #37	1501 Ave. U (Bethune Elementary)	0950	D	3.80	8.3	A	A			CP2-W23-1146
SS #36	6500 N. Military Trl (Trvl Prk)	0939	D	3.48	8.2	A	A			CP2-W23-1145
SS #28	2660 Maniki Dr.	0928	D	3.47	8.2	A	A			CP2-W23-1144
SS #39	5766 Parke Ave.	0854	D	2.93	8.2	A	A			CP2-W23-1143
SS #40	4822 Caribbean Blvd.	0903	D	3.23	8.2	A	A			CP2-W23-1142
SS #38	4822 Caribbean Blvd.	0903	D	3.23	8.2	A	A			CP2-W23-1141
SS #35	7005 N. Military Trl (VA Medical Center)	0839	D	2.62	8.2	A	A			CP2-W23-1140

Average of disinfectant residuals for distribution routine & repeat samples.⁴ Free chlorine of Total chlorine (circle one)
Disinfectant Residual Analysis Method:
☒ DPD Colorimetric ☐ Other: _____

Person performing disinfectant analysis is (see instructions on reverse):
☐ A certified operator (# _____)
☐ Supervised by certified operator (# _____)
☐ Employed by a certified lab ☐ Employed by DEP or DOH
☒ Authorized representative of supplier of water

Unless otherwise noted, all tests are performed in accordance with NELAC standards, and the results relate only to the samples.
Date and time PWS notified by lab of positive results: N/A
Date and time DEP/DOH notified by lab of positive results: 06/09/23
Date Report Issued: 06/09/23
Lab Signature: Sam Smith
Title: **Project Manager**

CLIENT:
City Of Riviera Beach Utilities
800 W. Blue Heron Blvd.
Riviera Beach, FL 33404

DEP/DOH USE ONLY
☐ Satisfactory
☐ Incomplete Collection Information
☐ Repeat Samples Required
Date Reviewed by DEP/DOH: _____
DEP/DOH Reviewing Official: _____

The OIG was not provided with any Water Sample Result Forms from the City Utility District, Capzer, or the FDOH indicating that water samples from upstream or downstream had been collected and tested, as required by 40 C.F.R. §141.853.

On July 24, 2023 the FDOH sent Warning Letter WP-125-23 to the City Utility District, in which the FDOH inquired about the June 6 “present” test and the June 8 re-test showing “absent” for Total Coliform and E. coli at 4822 Caribbean Boulevard the FDOH received on July 18. Mr. Low did not respond to the FDOH until September 11, 2023. He emailed the FDOH Environmental Consultant-Enforcement Coordinator Pamela Lape (and cc’d Mr. Doyle and Assistant City Manager Deirdre Jacobs), stating:

As you can note from the report the Utility Special District (Utility District) did in fact respond immediately to the finding at SP #38³⁶ on June 6, 2023 and immediately ordered a recheck. This sample point had not exhibited any issues prior to this result and the residuals in the system were good. Due to an incident where lab technicians had felt threatened by a resident when sampling from a home a program had been started to replace sample points at residential locations.

...

...In conclusion it is the Utility District's position that we did take immediate action to check the result following the adverse finding and that the recheck confirmed that it had been a "false present."³⁷ Due to the problems sampling at individual homes the entire area was rechecked immediately and no problems were found.

Later on September 11, 2023, Ewa Kudella-Leczynski, former Water Programs Manager³⁸ with the FDOH responded via email, stating:

If Riviera Beach Utility provides us with an additional information proving that the repeat samples collected 06-08-2023 were upstream and downstream of the original TC+/FI+ within five service connections, we may accept it.

On September 29, 2023 Mr. Low emailed Ms. Kudella-Leczynski and stated:

To clarify our position with regards to the resampling please note as follows. Due to threats when sampling at locations not normally used, as would be the case if the District were to try and sample within 5 service connections you proscribe, we instead immediately resampled the location that had the adverse result and also regular sampling stations on either side. All the samples were clear suggesting that the original was a "false present." On that basis we did not issue a Tier 1 notice.

Going forward there is a problem in trying to conform to the rule without potentially risking the employees undertaking the sampling. We have a documented case in which our lab technicians felt threatened by an armed citizen who was questioning their presence at a home trying to get a supplemental sample...

On October 2, 2023, Mr. Low emailed Ms. Kudella-Leczynski and resubmitted the Water Sample Report for June 8, 2023, as what he described as "the corrected resample lab report for the June 6, 2023 retest as requested by your office." On this "corrected" Water Sample Report (Report No. COL-W23-117) for June 8, the box under "Reason for Sampling," which is checked by the sample collector, now contained a whited-out check box for "Distribution Routine," and a checked box for "Distribution Repeat." The original

³⁶ On the Capzer Water Sample Result Form, SP #38 is the test site at 4822 Caribbean Blvd.

³⁷ During his interview with the OIG, Mr. Reyes of the FDOH told our office that the term "false present" is not a proper term for E. coli and Total Coliform tests; the proper term is "invalid sample." Additionally, Mr. Low pointed to no regulatory or technical basis for such a conclusion. Indeed, the term "false present" does not appear in applicable regulations, neither Capzer nor the FDOH invalidated the samples, and Mr. Low did not ensure that the sample point was tested upstream or downstream in order to support his position.

³⁸ Ms. Kudella-Leczynski no longer works with the FDOH. She is an environmental engineer.

Water Sample Report (Report No. COL-W23-117) and “corrected” Water Sample Report (Report No. COL-W23-117) had the same report number; sample collection dates, times, and sample points; lab receipt date and time, analysis date and time, and information in the fields to be completed by the laboratory. The only change was to the “Reason for Sampling” box.

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT
(52-000-720 Reporting Format Effective 01/1/95, Revised 02/28/10)

Capzer Pharmaceuticals
3677 23rd Ave S. Suite A108
Lake Worth, FL 33461
Phone: 561-493-4000
FL DOH Certificate# E861096-01

Lab Receipt Date & Time: 06-08-23 1:350
Analysis Date & Time: 06-08-23 1400
Sample Acceptance Criteria:
Sample Preservation: ☒ On Ice ☐ Not On Ice 1.8 °C
Disinfectant Check: ☒ Not Detected ☐ _____ mg/L
This sample does not meet the following NELAC requirements:

Report Number: COL-W23-117 Sub-Contract Lab ID: N/A

Analysis Requested: (check all that apply)
☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other: _____

Public Water System (PWS) Name: City of Riviera Beach Utilities **PWS I.D.:** 450-1229
PWS Address: 800 W. Blue Heron Blvd. City: Riviera Beach
PWS or PWS Owner's Phone #: (561) 845-4187 Fax #: (561) 840-7292
Collector: Jasmine Holland Collector's Phone #: (561) 845-4187

Type of Supply: (check only one)
☐ Community Water System ☐ Non-Transient Non-Community Water System ☐ Transient Non-Community Water System
☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other: _____

Reason for Sampling: (check all that apply)
☒ Distribution Routine ☐ Raw (triggered or assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey
☐ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Boil Water Notice ☐ Other: _____

Sample Collection Date: 06/08/2023

VENDOR# 44-A
To be completed by lab

Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type ¹	Disinfectant Residual (mg/L)	pH	Analysis Method(s) ²			
						Non-Coliform	Total Coliform	Fecal, E. coli, Enterococci, or Coliphage ³	Data Qualifier ⁴
SS #42	7305 N. Military Trl (VA Fischer House)	0839	D	2.62	8.2	A	A		CP2-W23-1140
SS #38	4822 Caribbean Blvd.	0903	D	3.23	8.2	A	A		CP2-W23-1141
SS #40	5867 Cayman Circle E.	0915	D	3.58	8.3	A	A		CP2-W23-1142
SS #39	5766 Parke Ave.	0854	D	2.93	8.2	A	A		CP2-W23-1143
SS #29	2660 Manik Dr.	0928	D	3.47	8.2	A	A		CP2-W23-1144
SS #28	6500 N. Military Trl (Trvl Prk)	0939	D	3.48	8.2	A	A		CP2-W23-1145
SS #37	1501 Ave. U (Bethune Elementary)	0950	D	3.80	8.3	A	A		CP2-W23-1146

Average of disinfectant residuals for distribution routine & repeat samples.⁵ Free chlorine: 0.5 Total chlorine: 0.5

Disinfectant Residual Analysis Method:
☒ DPD Colorimetric ☐ Other: _____

Person performing disinfectant analysis is (see instructions on reverse):
☐ A certified operator (# _____)
☐ Supervised by certified operator (# _____)
☐ Employed by a certified lab ☐ Employed by DEP or DOH
☒ Authorized representative of supplier of water

Unless otherwise noted, all tests are performed in accordance with NELAC standards, and the results relate only to the samples.
Date and time PWS notified by lab of positive results: N/A
Date and time DEP/DOH notified by lab of positive results: 06/10/23
Date Report Issued: _____
Lab Signature: [Signature]
Title: **Project Manager**

CLIENT:
City of Riviera Beach Utilities
800 W. Blue Heron Blvd.
Riviera Beach, FL 33404

DEP/DOH USE ONLY
☐ Satisfactory
☐ Incomplete Collection Information
☐ Repeat Samples Required
☐ Replacement Samples Required
Date Reviewed by DEP/DOH: _____
DEP/DOH Reviewing Official: _____

¹ For Sample Types see Instructions on page 1 of 1.
² For Analysis Methods see Instructions on page 1 of 1.
³ Prior to sample collection, verify that the sample is not from a public water system.
⁴ Included in Florida Administrative Code Rule 62-140, Table 1.
⁵ Compliance for community & non-transient non-community systems serving populations up to and including 4,000. Do not include raw or post-sample in the average.
Page 1 of 1

OIG Interview of Lisa Fiedor, Capzer Pharmaceuticals Project Manager

The OIG showed Ms. Fiedor the Capzer laboratory report form with sample collection date June 6, 2023, showing test results as present for both Total Coliform and E.coli, and the original laboratory report with the sample collection date of June 8, 2023 that is checked as a “Distribution Routine” under the “Reason for Sampling” section and showing 4822 Caribbean Boulevard as absent for both Total Coliform and E. coli.

Finally, the OIG showed Ms. Fiedor the October 2, 2023 email Mr. Low sent to the FDOH attaching what he described as “the corrected resample” lab report results for the sample collected date of June 8, 2023.

Ms. Fiedor stated after the lab results were done by Capzer, the City was not supposed to make any changes to the form. Ms. Fiedor explained if there were any changes made to that form by Capzer, those would have been attached with the original in the FDOH's files. In this case, she did not believe Capzer made any changes to the 4822 Caribbean Boulevard report form.

OIG Interview of Eva Kudella-Leczynski, former FDOH Water Programs Manager

The OIG showed Ms. Kudella-Leczynski an email dated October 2, 2023, where Michael Low attached a "corrected" Water Sample Form showing the retest on June 8, 2023 at the same location (4822 Caribbean Boulevard) with the "Reason for Sampling" section marked as "Distribution Repeat." The OIG also showed Ms. Kudella-Leczynski the June 6, 2023 "present" result from Capzer marked "Distribution Routine."

The OIG asked Ms. Kudella-Leczynski whether it would be a violation if a document was altered to say it was a "Distribution Repeat" and not a "Distribution Routine." She stated that doing so could have been an honest mistake considering Dr. Williams was about to leave the City Utility District and the main operator was on leave. She also stated someone should have initialed the change or made a note of the change. Ms. Kudella-Leczynski stated she would give the utilities system the benefit of the doubt and discuss who made the mistake with them. However, she also stated that whitening out the lab section and altering the form would raise questions about the form. Ms. Kudella-Leczynski then told the OIG that under proper protocol, only Capzer can correct a lab report. Ms. Kudella-Leczynski considers it a violation if the lab was not aware of the white-out change.

She explained it is important for the FDOH to know if the upstream was present in the repeat sample because that is how they know that there is a problem above the sampling point.

OIG Interview of Emmanuel Peters, FDOH Environmental Health Specialist

Mr. Peters stated that the bacteriological samples for the distribution point at 4822 Caribbean Boulevard tested "present" for both E. coli and Total Coliform in June 6, 2023. By not conducting the repeat samples, this distribution system had an acute maximum contaminant violation. This required notification within 24 hours by the City Utility District to the FDOH about the present E. coli test and a public boil water notice.

Mr. Peters stated that Total Coliform test samples for 4822 Caribbean Boulevard were taken intermittently in June 2023 and had to be reported to the FDOH by July 10, 2023. However, the City Utility District submitted the June 2023 bacteriological reports on July 18, 2023, and only then after the FDOH requested they be submitted. After these present Total Coliform samples, the City Utility District had to collect three samples; upstream and downstream within five connections, and at the sample site. The City Utility District never took the repeat samples as required.

OIG Interview of Jasmin Holland, City Utility District Laboratory Technician

Ms. Holland stated that the City Utility District tested 4822 Caribbean Boulevard as part of regular monthly testing. She reviewed a laboratory form dated June 6, 2023 for 4822 Caribbean Boulevard, and stated that the site tested “present” for Total Coliform and E coli on that date.

Ms. Holland said that if a test came back “present,” there needed to be an upstream test within five connections, a downstream test within five connections, and a repeat sample point test. Performing all three of these tests constituted a “Distribution Repeat.”

Ms. Holland stated that she never performed the required distribution repeat in June of 2023 for 4822 Caribbean Boulevard. Ms. Holland explained that she was told by Dr. Williams that they could solely resample the sample site, without performing the required upstream and downstream testing. According to Ms. Holland, Dr. Williams told her to list the June 8 tests as a “Distribution Routine” test; the accurate description of the test that solely had the test of 4822 Caribbean Boulevard, not the upstream or downstream tests.

Ms. Holland was shown the June 8 sampling for 4822 Caribbean Boulevard that listed the reason for sampling reclassified to “Distribution Repeat,” with the original “Distribution Routine” checked box whited out. Ms. Holland stated that sampling documentations are considered official documents. If there were any changes to the sampling documentation, the error would be scratched out and accompanied with the person’s name, date and the reason for the change. Ms. Holland stated that a form changed to “Distribution Repeat” by whiting out the true version would be considered a falsified document in her opinion.

OIG Interview of Swan Allen-Davis, City Utility District Laboratory Technician

On one occasion Ms. Allen-Davis said that she and Ms. Holland were out in the field when Ms. Allen-Davis noticed a man staring at her, and then walked into his house and walked out with a gun in pocket. Ms. Allen-Davis and Ms. Holland left the area without further incident. Ms. Holland wrote an email about the incident and sent it to the City Utility District Safety Coordinator and Risk Manager; Dr. Williams was not at the office at the time. Ms. Allen-Davis and Ms. Holland also had an in-person meeting with City Safety Coordinator Solomon Burgess, Risk Manager Steve Shields and Mr. Doyle. During that meeting it was agreed that the lab technicians were thereafter to go as a pair to collect samplings.

Dr. Williams was aware of this safety incident; he was copied on the email to the Safety Coordinator and Risk Manager. After the incident, Dr. Williams informed the lab technicians that they were not to go out as a pair to collect samples. Dr. Williams told Ms. Allen-Davis and Ms. Holland that his hands were tied due to the Assistant City Manager stating that working in pairs would decrease productivity. Routes were not changed for their safety.

OIG Interview of Steven Doyle, former City Utility District Assistant Executive Director

Mr. Doyle recalled that two City Utility District lab technicians encountered a safety issue while conducting water sampling collection; there was a customer at a testing site that showed them a handgun. Ms. Allen-Davis wanted to test with Ms. Holland thereafter, but the City Utility District decided against it because safety concerns could also be satisfied by a lab technician accompanied by a City Utility District operator or with a police escort. Mr. Doyle did not believe that a safety issue had anything to do with the lab technicians not properly doing the required testing after the June 6, 2023 present E. coli test at 4822 Caribbean Boulevard.

OIG Interview of Dr. Anthony Williams, former City Utility District Compliance Manager

Dr. Williams was shown the present E Coli test result for 4822 Caribbean Boulevard water lab testing site that was collected on June 6, 2023. Dr. Williams stated that during this time he was transitioning to leave the City Utility District and he programmed lab test related calls to go to voicemail. All of the direction that lab technicians were receiving came from Mr. Doyle at that time. He said that earlier in 2023, Ms. Holland and Ms. Davis-Allen encountered a safety issue while conducting water sampling collection. Ms. Holland and Ms. Davis-Allen felt unsafe because there was a customer at a testing site that showed them a handgun. The City Police Department recommended that the lab technicians should work together to collect water samples. Dr. Williams stated that the Utility District did not have the resources to collect water samples if the lab technicians worked as a pair, and he and Mr. Low felt the lab technicians should continue to work separately for efficiency. The lab technicians did not like this idea. Dr. Williams stated he was not familiar with the present E. coli test at 4822 Caribbean Boulevard in June of 2023.

OIG Interview of Michael Low, former City Utility District Executive Director

Mr. Low stated he first heard of a problem with 4822 Caribbean Boulevard test results when he received a FDOH Warning Letter WP-125-23 on July 29, 2023. He immediately told Assistant City Manager Deirdre Jacobs, and conferred with Mr. Doyle for a meeting with the FDOH in early September 2023.

Mr. Low recalled a safety issue with the City Utility District lab technicians prior to the failed Caribbean Boulevard test, during which a resident was armed with a gun and “a little aggressive” during a test. Subsequently, City Utility District staff met with and received input from the City Police Department, with Police Department recommendations provided to increase lab technician safety. Mr. Low could not remember which, if any of the police recommendations were implemented.

Mr. Low stated that because of this incident there was more of an attempt to go back to the water main so that they would not have to test at secondary sample points as frequently, but Mr. Low added:

...though if you get the hit of course you have to be within five connections here at the side and they've updated the rule so that now your sampling plan is supposed to clearly identify which are the secondary sample points if you have a hit at your main sample point.

Mr. Low stated that he knew that the City Utility District failed to follow the testing protocol for failed test resamples at 4822 Caribbean Boulevard. He knew that the City Utility District was required to sample within five points upstream and downstream, but did not. Mr. Low said that he responded to the warning letter by stating that the proper re-testing was not performed because of safety concerns and because Mr. Doyle told Mr. Low that he did an investigation and found that to be the reasoning for not performing the proper re-sampling.

E. Well #14 – Staff Failed to Properly Notify the FDOH of Testing Results or Issue Notice to Public

June 2023 Testing

On June 27, 2023, Capzer test results showed that at 9:22 a.m. in-service City Well #14 tested as contaminated with E. coli: the City Utility District did not notify the FDOH nor the public within 24 hours, as required in 40 C.F.R. § 141.201.

DRINKING WATER MICROBIAL SAMPLE COLLECTION & LABORATORY REPORTING FORMAT						Lab Receipt Date & Time: <u>06/27/23 1:33 PM</u>	
Capzer Pharmaceuticals 3677 23 rd Ave S. Suite A108 Lake Worth, FL 33461 Phone: 561-493-4000 FL DOH Certificate# E861096-01						Analysis Date & Time: <u>06/27/23 1:33 PM</u> Sample Acceptance Criteria: Sample Preservation: <u>On Ice</u> ☐ Not On Ice: <u>2.5°C</u> Disinfectant Check: <u>Not Detected</u> ☐ _____ mg/L This sample does not meet the following NELAC requirements:	
Report Number: <u>CGL3023-131</u> Sub-Contract Lab ID: <u>N/A</u> Analysis Requested: (check all that apply) ☒ Total Coliform/E. coli ☐ Total Coliform/Fecal ☐ Enterococci ☐ Coliphage ☐ HPC ☐ Other:						PWS I.D. # <u>450-1229</u> City: <u>Boynton Beach</u> Fax #: <u>(561) 840-7292</u> Collector's Phone #: <u>(561) 845-4187</u>	
Public Water System (PWS) Name: <u>City of Riviera Beach Utilities</u> PWS Address: <u>800 W. Blue Heron Blvd</u> PWS or PWS Owner's Phone #: <u>(561) 845-4187</u> Collector: <u>Jasmine Holland</u>						Transient Non-community Water System ☐ Other:	
Type of Supply: (check only one) ☒ Community Water System ☐ Non-Transient Non-community Water System ☐ Transient Non-community Water System ☐ Limited Use System ☐ Bottled Water ☐ Private Well ☐ Swimming Pool ☐ Other:						Reason for Sampling: (check all that apply) ☐ Distribution Routine ☐ Distribution Repeat ☒ Raw (triggered by assessment) ☐ Raw (triggered or assessment) additional ☐ Well Survey ☐ Clearance ☐ Replacement (also check type of sample being replaced) ☐ Bad Water Notice ☐ Other:	
Sample Collection Date: <u>06/27/23</u>						VENDOR# 44-A	
To be completed by collector of sample:						To be completed by lab:	
Sample #	Sample Point (Location or Specific Address)	Sample Collection Time	Sample Type	Disinfectant Residual (mg/L)	pH	Analysis Method(s)	Coliform-15
#06	Water Well #06	1116	R	—	—	Non-Coliform	A
#12	Water Well #12	1108	R	—	—	Total Coliform	A
#13	Water Well #13	1108	R	—	—	Fecal E. coli	A
#14	Water Well #14	0922	R	—	—	Enterococci or Coliphage	A
#051	Water Well #051	0855	R	—	—	Data Qualifier	A
Average of disinfectant residuals for distribution routine & repeat samples: * Free chlorine or Total chlorine (round one) Disinfectant Residual Analysis Method: ☒ DPD Colorimetric ☐ Other:						Lab Sample # <u>2107</u> <u>2108</u> <u>2109</u> <u>2110</u> <u>2111</u>	
Person performing disinfectant analysis is (see instructions on reverse): ☐ A certified operator (# _____) ☐ Supervised by certified operator (# _____) ☐ Employed by a certified lab ☐ Employed by DEP or DOH ☒ Authorized representative of supplier of water						Lab Signature: <u>[Signature]</u> Title: <u>Laboratory Manager</u>	
CLIENT: City Of Riviera Beach Utilities 800 W. Blue Heron Blvd. Riviera Beach, FL 33404						DEP/DOH USE ONLY ☐ Satisfactory ☐ Incomplete Collection Information ☐ Repeat Samples Required ☐ Replacement Samples Required Date Reviewed by DEP/DOH: _____ DEP/DOH Reviewing Official: _____	

Approximately three weeks later, on July 18, 2023, Mr. Pinkney attached the June 27, 2023 “present” E. coli test result as part of the monthly “City of Riviera Beach Utilities, Bacteriologicals, 6-2023” email to the FDOH.

OIG Interview of Dr. Anthony Williams, former City Utility District Compliance Manager

Dr. Williams stated that Mr. Pinkney called and emailed him after Dr. Williams left City employment in July of 2023 to ask what needed to be done about the Well #14 present E. coli test results from June of 2023. Dr. Williams stated he first became aware about Well #14’s “present” test upon this July email and phone call. The email that Dr. Williams sent to Mr. Pinkney is dated July 20, 2023 and states:

Mr. Pinkney,

Without knowing the details or seeing official results, from the sound of it, Well #14 had a fecal indicator hit, which means it showed the presence of E. coli. So that’s why she was asking for the 5 additional samples. This is a requirement under the Ground Water Rule. Also be mindful that public notice is required for a hit like this as Tier 1. This is what the rule states:

According to FAC 62-550.518(10), “If fecal coliform or E. coli is present in any routine distribution system sample or if E. coli is present in any raw water sample that is representative of a well previously considered to be meeting the bacteriological requirements in paragraph 62-555.315(6), F.A.C., the system shall notify the appropriate Department of Environmental Protection (DEP) District Office or appropriate Approved County Health Department (ACHD) by the end of the day that the system learns of the test result unless the system learns of the result after the appropriate DEP District Office or appropriate ACHD is closed, in which case the system shall notify the appropriate DEP District Office or appropriate ACHD before the end of the next business day.”

OIG Interview of Melvin Pinkney, City Utility District Water Treatment Plant Superintendent

Mr. Pinkney remembered seeing the June 27, 2023 test results report for Well #14. In June, he shut the well off and informed Mr. Doyle and Mr. Low; however, he stated that the failed test result was not reported within the required 24 hours. Mr. Pinkney stated he was not responsible for correcting issues in City Utility District reporting to the FDOH or the public; it was the responsibility of senior management.

OIG Interview of Michael Low, Former City Utility District Executive Director

The first time Mr. Low stated he heard of a problem with Well #14 test results was when he received a FDOH warning letter on July 29, 2023. Mr. Low told the OIG that he

described this non-reporting as a “false present” because E. coli in the water distribution system would be unlikely to have shown up in just one spot.

February 2024 On-Camera Interview of Michael Low, former City Utility District Executive Director

In February of 2024 WPTV News interviewed Mr. Low on-camera regarding the July 29, 2023 FDOH warning letter. The interview was broadcast to the public. When the reporter asked “Why didn’t you, though, notify people in Riviera Beach immediately?”

Mr. Low responded “Because there was no need because we have a treatment plant here. ... So we followed all the rules that they asked us to follow.”

Interviews of City Senior Management

OIG Interview of Deirdre Jacobs, Assistant City Manager

Ms. Jacobs has been the Assistant City Manager since before 2023 through the present. Ms. Jacobs oversees the City Utility District. When he was Utility District Executive Director, Mr. Low reported directly to her; however, Mr. Low frequently conferred directly with Mr. Evans, bypassing Ms. Jacobs. Ms. Jacobs stated that because she was Mr. Low’s direct supervisor, he should have reported problems directly to her, but he did not.

She first heard of issues with the City Utility District in September of 2023, when an employee that worked in a different City department told Ms. Jacobs that the City Utility District was trying to hide problems with the FDOH. Ms. Jacobs emailed Mr. Low, asking him if there were problems with the FDOH. He minimized the problems, telling her that the water had no issues and any issues with the FDOH were being corrected. At that point, Mr. Low informed Ms. Jacobs that he was responding to a FDOH warning letter. Mr. Low told her that staffing issues at the FDOH had contributed to these problems.

In December of 2023 the City Utility District staff met with the FDOH; Ms. Jacobs and City Manager Evans did not attend the meeting. Afterward, Ms. Jacobs found out that Mr. Low did not attend the meeting, and therefore she and Mr. Evans resolved that they needed to learn more. The two of them set up a January meeting with the FDOH to learn about potential problems. Ms. Jacobs learned that the City had a well that tested present for E. coli, but that the City did not report the problem in a timely and accurate matter. Mr. Low told Ms. Jacobs that the steps that the City took had “cancelled out” the present test and that it was not really a present test, but the FDOH disagreed, telling the City that it failed to take the proper steps to rectify the problem.

At that point Ms. Jacobs knew that the City had “present” tests for E. coli and Total Coliform, but still did not know the procedures for reporting. Ms. Jacobs stated that staff should have informed her and Mr. Evans about those problems; she stated that the provision of water is the most essential and critical of basic services that the City provides to the public.

In August of 2024, Mr. Doyle first disclosed to Mr. Evans that test results submitted to the FDOH were altered by the City Utility District. That is when Ms. Jacobs learned of this issue, and when Ms. Jacobs learned about non-reporting of test results. Ms. Jacobs had no personal knowledge about who could have altered test results. She called Dr. Williams after hearing this and asked him how this could have happened. Dr. Williams told her he did not alter any test result documents.

Ms. Jacobs stated that she had no indication from staff in any way that the City Utility District would not be following testing protocols because of safety concerns.

Ms. Jacobs believed that upon Dr. Williams' departure from City employment, Mr. Doyle and Mr. Low would have been tasked with supervising compliance.

OIG Interview of Jonathan Evans, City Manager

Mr. Evans became the City Manager in 2019 and currently holds that position. He stated that Assistant City Manager Jacobs directly reports to him as the Assistant City Manager over infrastructure, and she oversees the City Utility District. Mr. Evans has an in-person meeting with City departments heads, including the Executive Director of the Utility District, every two weeks. During those meetings department heads are supposed to brief Mr. Evans about keys issues affecting their departments.

Mr. Low briefed Mr. Evans about some operational challenges maintaining the water plant infrastructure, but never gave Mr. Evans a sense of dire problems with the water infrastructure. Until he first heard about the FDOH issues with Well #14 and another well in approximately December 2023, Mr. Low never told Mr. Evans that the City bought water from other facilities to deliver enough clean water. Mr. Evans stated that he absolutely should have been informed about these things; because of the fiscal impact of needing to purchase water and for repairs, because Mr. Low also did not tell Mr. Evans that there were difficulties with water quality until then, and because Mr. Evans has a duty to brief elected officials of matters of critical importance. Mr. Evans considers knowledge of issues with City well water quality to be critical and absolutely something he should have known about. When these issues first arose in December of 2023, Mr. Low and Mr. Doyle were "very dismissive" of the importance of the FDOH's concerns.

In December 2023, Mr. Low characterized the FDOH's problems with the City Utility District as based on what he described as "moot" issues such as staff turnover, and that they were all solvable issues. When Mr. Evans heard about these issues he was upset that he was not informed sooner. In early 2024 Mr. Evans, Mr. Low, Mr. Doyle, Mr. Pinkney, Ms. DeBerry, Councilperson Lawson, and Mayor Felder discussed the City Utility District problems detailed by the FDOH. During this meeting Mr. Evans asked Mr. Low point blank if the water ever had E. coli or if the public water supply was ever compromised, and Mr. Low unequivocally said "no." When the media started to report about potential problems, Mr. Evans told Mr. Low that if Mr. Low felt that the media and the FDOH portrayed potential problems inaccurately, it was Mr. Low's responsibility to re-

assure the public and let them know that there were not problems. Mr. Low thereafter made public statements that contradicted the problems that had been publicly detailed.

After the reported information about Well #14, Caribbean Blvd and Well #961, the FDOH and Mr. Evans, Ms. Jacobs, Mr. Low, Mr. Doyle, Ms. DeBerry, and Mr. Pinkney scheduled a meeting. On the way to the meeting, Mr. Low called Mr. Evans, stating that the meeting needed to be cancelled because they found “more stuff.” Mr. Evans and Ms. Jacobs nevertheless went to the meeting, but no City Utility District staff went to the meeting. At that meeting the FDOH gave Mr. Evans and Ms. Jacobs information about non-reporting issues for the first time.

Mr. Evans stated that in approximately May 2023, Mr. Low and Mr. Doyle told Mr. Evans that a Utility District laboratory technician had seen a man with a firearm while performing her work duties. Mr. Evans told them that they should get police department assistance if that happens and that employee safety was critically important. During this discussion, no one mentioned or suggested deviating from water testing protocol.

In August 2024, Mr. Evans first heard from the FDOH that test results may have been altered by City Utility District staff to change contaminated test results to passing test results. Immediately after that meeting, Mr. Doyle brought what he felt was an altered test result to Mr. Evans. Mr. Doyle resigned during that meeting. A few days later, Ms. DeBerry notified Mr. Evans in an email of a second potentially altered test result.

Mr. Evans has never heard indications from any City Utility District staff that the private testing labs used by the City have been flawed in any way.

Mr. Evans believes that City Utility District management did not provide proper oversight of the City’s day-to-day water supply operations. Multiple City Utility District staffers told Mr. Evans that Mr. Low and Mr. Doyle were rarely or never present on-site at the City’s water plant.

Mr. Evans told the OIG that he and his family live in Riviera Beach and they drink and bathe in the City water supply. He considers the potable water supply to be the most important resource that the City has.

Conclusion

Congress passed the Safe Drinking Water Act of 1974 after nationwide studies of community water systems revealed widespread water quality problems and health risks resulting from poor operating procedures, inadequate facilities, and uneven management of public water supplies in communities of all sizes. The management and operation of public water systems is highly regulated through federal and state rules that provide for regular water testing, monitoring, recordkeeping, and reporting, as well as, industry certification standards for those who operate water systems and test and collect water samples.

The City Utility District's adherence to governing provisions, accurate and complete reporting of water conditions to the FDOH, and adequate management of its water distributions system is paramount to ensure that it provides clean water to its customers that is safe for consumption. Without that adequate testing and accurate reporting, the FDOH cannot reliably assess water quality. Additionally, hiring, training, and retaining competent, well-trained staff is fundamentally and critically important to protecting the health, safety, and welfare of families residing within the City.

Based upon our review of the relevant documents and interviews, **we find that senior City Utility District staff violated reporting rules, both through mismanagement of required processes and at times, through deliberate actions designed to circumvent required accurate reporting of water conditions. Accordingly, the City Utility District failed to uphold the standards of care entrusted to it by the public with regard to management and reporting.**

Both Mr. Low and Mr. Doyle mismanaged the City Utility District. They supervised the compliance process, and they both failed in their supervisory duties by not ensuring accurate and complete reporting of water conditions, and by not assigning employees to those tasks that were willing and able to ensure full compliance.

Mr. Low stated that when he started with the City, the Utility District was “a disaster.” Despite believing the district was a “disaster” and having both weekly and monthly meetings with his managers, Mr. Low stated that he “did not know how things were run.” He did not implement adequate internal controls to ensure accurate and complete reporting of water testing results to the FDOH.

He indicated that initially, his Compliance Manager, Dr. Williams was responsible for notifying the FDOH of “present” test results. After Dr. Williams left, Mr. Pinkney was tasked with providing results to the FDOH. However, City Utility District staff, including Dr. Williams and Mr. Pinkney failed to submit required water test results to the FDOH, even though extensive training had been provided which communicated the necessity of those submissions. An OIG examination of records found at least 151 occasions of non-reporting from January through September of 2023. According to one employee, when Dr. Williams left the utility, Mr. Low personally told her to “wait” before reporting to the FDOH that some samples had been collected and tested but not reported, as required.

Even after the date Mr. Low contends he personally learned of a “present” for Total Coliform result on Caribbean Boulevard, he did not take appropriate action. Without any regulatory or technical basis, he told the FDOH that result was a “false present.” Additionally, he justified the City Utility District's failure to properly retest due to safety issues that occurred weeks earlier. However, those safety issues were addressed with an appropriate, professional response from the City Police Department, and in any event, at no time concurrent with that non-testing did Mr. Low (or any City staff) get input that would have allowed them to deviate from required testing.

When asked by WPTV why he did not notify the residents of Riviera Beach of the “present” for E. coli result for Well #14, Mr. Low responded “Because there was no need because we have a treatment plant here. ... So we followed all the rules that they asked us to follow.”

Additionally, even though Mr. Low became aware of non-reporting of well conditions in October of 2023, he assured his superior, City Manager Evans, that issues stemmed from staff turnover and “false presents.”

Mr. Low also told the OIG that after Dr. Williams left the City, Mr. Pinkney was responsible for the important role of reporting water test results to the FDOH, even though Mr. Low believed Mr. Pinkney did not perform his work to expectations and asked the City Manager to replace him. Mr. Pinkney was promoted to Superintendent although Mr. Low, Dr. Williams, and Mr. Doyle questioned his competency during their interviews with our office.

Mr. Pinkney was copied on test results from Capzer, but Mr. Pinkney said he “would sometimes look at them, but sometimes he would not.” Once Mr. Pinkney assumed the role of reporting to the FDOH, he failed to timely report the results for City Well #14 and issue a boil water notice. Instead the results were reported weeks later and with no boil water notice issued. Mr. Pinkney reached out to his predecessor, Dr. Williams, only after being informed by the FDOH that required 24 hour notice for Well #14 had been mishandled. Of note, even after Mr. Pinkney discovered the non-reporting of contamination of Well #14, the instances of non-reporting under his oversight continued.

Former Compliance Manager Dr. Williams admitted to deliberate non-reporting during his tenure. He stated that he knew the rules and did not follow them, attributing his non-compliance to unspoken pressure from his superiors. When asked about his systemic non-reporting of test results that revealed the presence of Total Coliform, Dr. Williams told the OIG that “Based on the rules, it definitely would be wrong.”

Additionally, Dr. Williams, in admitting that water conditions were systemically misreported to the FDOH, attributed that misreporting to “pressure” that he believed originated from Mr. Low.

The most egregious example of Dr. Williams’ inaccurate reporting centered on the alterations of Total Coliform presence in the test results for Well #862. We find that Dr. Williams received those test results, emailed the FDOH the next day to return that well to service without including those Total Coliform test results, copied the test result documents to his City employee-specific network folder, and modified the document, only to email altered test results to the FDOH weeks later. Moreover, it is indisputable that Dr. Williams not only provided the altered test results, but also failed to send a Total Coliform-present test result from the day after the altered test result. If reported by Dr. Williams as required, that subsequent test result also would have mandated that Well #862 not be returned to service.

Mr. Doyle directly supervised Dr. Williams and Mr. Pinkney, and did not take steps to ensure that his staff performed with integrity and adherence to water testing reporting requirements.

We find that the City Utility District did not live up to its mission statement “To provide safe, reliable and quality water and wastewater services for our customers.”

The allegation is **supported**.

ACKNOWLEDGEMENT

The Inspector General's Investigations Division would like to thank the Florida Department of Health and the elected officials and staff of the City of Riviera Beach for their cooperation throughout this investigation.

RECOMMENDED CORRECTIVE ACTIONS

The OIG makes the following recommendations:

1. The City Utility District implement internal processes and controls requiring dual acknowledgment of receipt and review of water sample results from laboratories prior to submission to the FDOH. This measure aims to minimize the risk of fraudulent reporting; improve timely and appropriate response and remediation; and enhance the transparency, integrity, and reliability of reporting.
2. The City Utility District institute regular training requirements for all City Utility District employees relating to the rules and regulations for the operation of the City Utility District.
3. The City Utility District institute a policy requiring the creation of a process for resolving complaints regarding the Utility District, to include but not limited to, a) allegations of violations of Utility District rules, b) lack of compliance with the Federal and State Safe Drinking Water Act or other rules and regulations applicable to the operation of the City Utility District and the City's public drinking water distribution system, and/or c) staff's failure to report accurate information to the City Utility Management, the public, or any oversight authority.
4. The City take appropriate personnel action.

RESPONSE FROM THE CITY

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, the City was provided the opportunity to submit a written explanation or rebuttal to the finding as stated

in this Investigative Report within ten (10) calendar days. Their written response is Attachment A in this report.

RESPONSE FROM THE FLORIDA DEPARTMENT OF HEALTH

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, the FDOH was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in this Investigative Report within ten (10) calendar days. Their written response is Attachment B in this report.

RESPONSE FROM MR. LOW

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Mr. Low was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in the Investigative Report within ten (10) calendar days. His written response is Attachment C in this report.

RESPONSE FROM MR. DOYLE

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Mr. Doyle was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in the Investigative Report within ten (10) calendar days. His written response is Attachment D in this report.

RESPONSE FROM DR. WILLIAMS

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Dr. Williams was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in the Investigative Report within ten (10) calendar days. His written response is Attachment E in this report.

RESPONSE FROM MR. PINKNEY

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Mr. Pinkney was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in the Investigative Report within ten (10) calendar days. Mr. Pinkney did not submit a response.

APPENDIX 1

Federal “Safe Drinking Water Act”**Title 40 C.F.R. Ch. 1, Subchapter D, Part 141 National Primary Drinking Water Regulations**

....

Subpart A- General

40 C.F.R. §141.1 Applicability.

This part establishes primary drinking water regulations pursuant to section 1412 of the Public Health Service Act, as amended by the Safe Drinking Water Act (Pub.L. 93–523); and related regulations applicable to public water systems.

....

Subpart D- Reporting and Recordkeeping

40 C.F.R. §141.31 Reporting requirements.

(a) Except where a shorter period is specified in this part, the supplier of water shall report to the State the results of any test measurement or analysis required by this part within

(1) **The first ten days following the month in which the result is received,**...

....

(b) Except where a different reporting period is specified in this part, the supplier of water must report to the State within 48 hours the failure to comply with any national primary drinking water regulation (including failure to comply with monitoring requirements) set forth in this part.

....

[Emphasis added]

Subpart Q—Public Notification of Drinking Water Violations

40 C.F.R. § 141.201 General public notification requirements.

....

(a) Who must give public notice? Each owner or operator of a public water system ... must give notice for all violations of national primary drinking water regulations (NPDWR)... The term “NPDWR violations” is used in this subpart to include violations of the maximum contaminant level (MCL),.... monitoring requirements, and testing procedures in this part 141.

....

(b) What type of public notice is required for each violation or situation? Public notice requirements are divided into three tiers, to take into account the seriousness of the violation or situation and of any potential adverse health effects that may be involved....

Table 2 to § 141.201—Definition of Public Notice Tiers

- (1) Tier 1 public notice—required for NPDWR violations and situations with significant potential to have serious adverse effects on human health as a result of short-term exposure.
- (2) Tier 2 public notice—required for all other NPDWR violations and situations with potential to have serious adverse effects on human health.
- (3) Tier 3 public notice—required for all other NPDWR violations and situations not included in Tier 1 and Tier 2.

(c) Who must be notified?

- (1) Each public water system must provide public notice to persons served by the water system, in accordance with this subpart....

....

- (3) A copy of the notice must also be sent to the primacy agency and the Administrator (as applicable) in accordance with the requirements of § 141.31(d).

40 C.F.R. §141.202- Tier 1 Public Notice- Form, manner, and frequency of notice.

(a) Which violations or situations require a Tier 1 public notice? Table 1 of this section lists the violation categories and other situations requiring a Tier 1 public notice. Appendix A to this subpart identifies the tier assignment for each specific violation or situation.

Table 1 to § 141.202—Violation Categories and Other Situations Requiring a Tier 1 Public Notice

- (1) Violation of the MCL for total coliforms when fecal coliform or E. coli are present in the water distribution system (as specified in § 141.63(b)), or when the water system fails to test for fecal coliforms or E. coli when any repeat sample tests positive for coliform (as specified in § 141.21(e)); Violation of the MCL for E. coli (as specified in § 141.63(c));

....

- (8) Detection of E. coli, enterococci, or coliphage in source water samples as specified in § 141.402(a) and § 141.402(b);...

....

(b) When is the Tier 1 public notice to be provided? What additional steps are required? Public water systems must:

- (1) Provide a public notice as soon as practical but no later than 24 hours after the system learns of the violation;

- (2) Initiate consultation with the primacy agency as soon as practical, but no later than 24 hours after the public water system learns of the violation or situation, to determine additional public notice requirements; and
- (3) Comply with any additional public notification requirements (including any repeat notices or direction on the duration of the posted notices) that are established as a result of the consultation with the primacy agency....

40 C.F.R. §141.203- Tier 2 Public Notice—Form, manner, and frequency of notice.

(a) Which violations or situations require a Tier 2 public notice? Table 1 of this section lists the violation categories and other situations requiring a Tier 2 public notice. Appendix A to this subpart identifies the tier assignment for each specific violation or situation.

Table 1 to § 141.203—Violation Categories and Other Situations Requiring a Tier 2 Public Notice

- (1) All violations of the MCL, MRDL, and treatment technique requirements, except where a Tier 1 notice is required under § 141.202(a) or where the primacy agency determines that a Tier 1 notice is required;

....

(b) When is the Tier 2 public notice to be provided?

- (1) Public water systems must provide the public notice as soon as practical, but no later than 30 days after the system learns of the violation....

- (2) The public water system must repeat the notice every three months as long as the violation or situation persists, unless the primacy agency determines that appropriate circumstances warrant a different repeat notice frequency....

....

Subpart S—Ground Water Rule

40 C.F.R. §141.400 -General requirements and applicability.

(a) Scope of this subpart. The requirements of this subpart S constitute National Primary Drinking Water Regulations.

(b) Applicability. This subpart applies to all public water systems that use ground water except that it does not apply to public water systems that combine all of their ground water with surface water or with ground water under the direct influence of surface water prior to treatment under subpart H. For the purposes of this subpart, “ground water system” is defined as any public water system meeting this applicability statement, including consecutive systems receiving finished ground water.

....

40 C.F.R. §141.402- Ground Water Source Microbial Monitoring and Analytical Methods.

(a) Triggered source water monitoring—

(1) General requirements. **A ground water system must conduct triggered source water monitoring if the conditions identified in paragraphs (a)(1)(i) and either (a)(1)(ii) or (a)(1)(iii) of this section exist.**

(i) The system does not provide at least 4-log treatment of viruses (using inactivation, removal, or a State-approved combination of 4-log virus inactivation and removal) before or at the first customer for each ground water source; and either

(ii) The system is notified that a sample collected under § 141.21(a) is total coliform-positive and the sample is not invalidated under § 141.21(c) until March 31, 2016, or

(iii) **The system is notified that a sample collected under §§ 141.854 through 141.857 is total coliform-positive** and the sample is not invalidated under § 141.853(c) **beginning April 1, 2016.**

(2) **Sampling requirements. A ground water system must collect, within 24 hours of notification of the total coliform-positive sample, at least one ground water source sample from each ground water source in use at the time the total coliform-positive sample was collected under §§ 141.854 through 141.857 beginning April 1, 2016, ...**

(3) **Additional requirements. If the State does not require corrective action under § 141.403(a)(2) for a fecal indicator-positive source water sample collected under paragraph (a)(2) of this section that is not invalidated under paragraph (d) of this section, the system must collect five additional source water samples from the same source within 24 hours of being notified of the fecal indicator-positive sample.**

....

(g) **Public notification. A ground water system with a ground water source sample collected under paragraph (a) or (b) of this section that is fecal indicator-positive** and that is not invalidated under paragraph (d) of this section, including consecutive systems served by the ground water source, **must conduct public notification** under § 141.202.

(h) Monitoring violations. Failure to meet the requirements of paragraphs (a)-(f) of this section is a monitoring violation and requires the ground water system to provide public notification under § 141.204.

[Emphasis added]

....

40 C.F.R. §141.403 Treatment Technique Requirements for Ground Water Systems.

(a) Ground water systems with significant deficiencies or source water fecal contamination.

(1) The treatment technique requirements of this section must be met by ground water systems when a significant deficiency is identified or when a ground water source sample collected under § 141.402(a)(3) is fecal indicator-positive.

(2) If directed by the State, a ground water system with a ground water source sample collected under § 141.402(a)(2), § 141.402(a)(4), or § 141.402(b) that is fecal indicator-positive must comply with the treatment technique requirements of this section.

....

Subpart Y—Revised Total Coliform Rule

40 C.F.R. §141.851 – General.

(a) General. The provisions of this subpart include both maximum contaminant level and treatment technique requirements.

(b) Applicability. The provisions of this subpart apply to all public water systems.

(c) Compliance date. Systems must comply with the provisions of this subpart beginning April 1, 2016, unless otherwise specified in this subpart.

....

(e) Violations of national primary drinking water regulations. Failure to comply with the applicable requirements of §§141.851 through 141.861, including requirements established by the State pursuant to these provisions, is a violation of the national primary drinking water regulations under subpart Y.

....

40 C.F.R. § 141.853 - General monitoring requirements for all public water systems.

(a) *Sample siting plans.*

(1) Systems must develop a written sample siting plan that identifies sampling sites and a sample collection schedule that are representative of water throughout the distribution system not later than March 31, 2016. These plans are subject to State review and revision. Systems must collect total coliform samples according to the written sample siting plan...

(2) Systems must collect samples at regular time intervals throughout the month...

....

(5) Systems must identify repeat monitoring locations in the sample siting plan. Unless the provisions of paragraphs (a)(5)(i) or (a)(5)(ii) of this section are met, the system must collect at least one repeat sample from the sampling tap where the original total coliform-positive sample was taken, and at least one repeat sample at a tap within five service connections upstream and at least one repeat sample at a tap within five service connections downstream of the original sampling site. If a total coliform-positive sample is at the end of the distribution system, or one service connection

away from the end of the distribution system, the system must still take all required repeat samples....

[Emphasis added]

40 C.F.R. §141.857 Routine monitoring requirements for public water systems serving more than 1,000 people.

(a) General.

(1) The provisions of this section apply to public water systems serving more than 1,000 persons.

(2) **Following any total coliform-positive sample taken under the provisions of this section, systems must comply with the repeat monitoring requirements and E. coli analytical requirements in § 141.858.**

....

(b) **Monitoring frequency for total coliforms.** The monitoring frequency for total coliforms is based on the population served by the system, as follows:

Total Coliform Monitoring Frequency for Public Water Systems Serving More Than 1,000 People	
Population served	Minimum number of samples per month
1,001 to 2,500	2
2,501 to 3,300	3
3,301 to 4,100	4
4,101 to 4,900	5
4,901 to 5,800	6
5,801 to 6,700	7
6,701 to 7,600	8
7,601 to 8,500	9
8,501 to 12,900	10
12,901 to 17,200	15
17,201 to 21,500	20
21,501 to 25,000	25
25,001 to 33,000	30
33,001 to 41,000	40
41,001 to 50,000	50
<i>*Remainder of Chart Intentionally Left Blank</i>	

[Emphasis added]

....

40 C.F.R. §141.858 **Repeat monitoring and E. coli requirements.**

(a) Repeat monitoring.

(1) **If a sample taken under §§ 141.854 through 141.857 is total coliform-positive, the system must collect a set of repeat samples within 24 hours of being notified of the positive result. The system must collect no fewer than three repeat samples for each total coliform-positive sample found....**

(2) **The system must collect all repeat samples on the same day**, except that the State may allow a system with a single service connection to collect the required set of repeat samples over a three-day period or to collect a larger volume repeat sample(s) in one or more sample containers of any size, as long as the total volume collected is at least 300 ml.

(3) **The system must collect an additional set of repeat samples in the manner specified in paragraphs (a)(1) through (a)(3) of this section if one or more repeat samples in the current set of repeat samples is total coliform-positive. The system must collect the additional set of repeat samples within 24 hours of being notified of the positive result. The system must continue to collect additional sets of repeat samples until either total coliforms are not detected in one complete set of repeat samples**

(4) After a system collects a routine sample and before it learns the results of the analysis of that sample, if it collects another routine sample(s) from within five adjacent service connections of the initial sample, and the initial sample, after analysis, is found to contain total coliforms, then the system may count the subsequent sample(s) as a repeat sample instead of as a routine sample....

(b) Escherichia coli (E. coli) testing.

(1) **If any routine or repeat sample is total coliform-positive, the system must analyze that total coliform-positive culture medium to determine if E. coli are present. If E. coli are present, the system must notify the State by the end of the day when the system is notified of the test result**, unless the system is notified of the result after the State office is closed and the State does not have either an after-hours phone line or an alternative notification procedure, in which case the system must notify the State before the end of the next business day.

[Emphasis added]

§ 141.859 Coliform treatment technique triggers and assessment requirements for protection against potential fecal contamination.

(a) Treatment technique triggers. Systems must conduct assessments in accordance with paragraph (b) of this section after exceeding treatment technique triggers in paragraphs (a)(1) and (a)(2) of this section.

Florida Safe Drinking Water Act and Implementing Regulations**Part VI. Water Supply; Water Treatment Plants (403.850 to 403.892)**

Section 403.850., F.S.- Short title.

This act may be cited as the “Florida Safe Drinking Water Act.”

....

Section 403.853, F.S. – Drinking Water Standards.

(1) The department shall adopt and enforce:

(a)1. State primary drinking water regulations that shall be no less stringent at any given time than the complete interim or revised national primary drinking water regulations in effect at such time; and

2. State secondary drinking water regulations patterned after the national secondary drinking water regulations....

....

Section 403.857, F.S.- Notification of users and regulatory agencies.

Whenever a public water supply system:

(1) Is not in compliance with the state primary and secondary drinking water regulations;

(2) Fails to perform monitoring required by rules or regulations adopted by the department;

....

the owner or operator of the system shall, as soon as practicable, notify the local public health departments, the department, and the communications media serving the area served by the system of that fact and of the extent, nature, and possible health effects of such fact. Such notice shall also be given by the owner or operator of the system by publication in a newspaper of general circulation, as determined by the department, within the area served by such water system at least once every 3 months as long as the violation..... continues. Such notice shall also be given with the water bills of the system as long as the violation, variance, or exemption continues, as follows: if the water bills of a public water system are issued at least as often as once every 3 months, such notice shall be included in at least one water bill of the system for each customer every 3 months; if the system issues its water bills less often than once every 3 months, such notice shall be included in each of the water bills issued by the system for each customer. However, the provisions of this section notwithstanding, the department may prescribe by rule reasonable alternative notice requirements.

Chapter 62-550, F.A.C.- Drinking Water Standards, Monitoring, and Reporting**Rule 62-550.102, F.A.C.- Intent and Scope.**

(1) To assure that public water systems supply drinking water which meets minimum requirements, the Federal Government enacted PL 93-523, the "Safe Drinking Water Act." The scheme of that law was to give primary responsibility for public water systems programs to states to implement a public water system program. Also, the legislature of Florida has enacted the "Florida Safe Drinking Water Act," Sections 403.850-.864, F.S. This chapter [62-550] and Chapters 62-555 and 62-560, F.A.C., are promulgated to implement the requirements of the Florida Safe Drinking Water Act and to acquire and maintain primacy for Florida under the Federal Act. This chapter [62-550] and Chapters 62-555 and 62-560, F.A.C., adopt national primary and secondary drinking water standards of the Federal Government where possible, and otherwise create additional rules to fulfill state and Federal requirements.

Rule 62-550.310, F.A.C.- Primary Drinking Water Standards: Maximum Contaminant Levels and Maximum Residual Disinfectant Levels.

(5) Microbiological - This subsection applies to all public water systems.
....Beginning April 1, 2016, monitoring requirements to demonstrate compliance with this subsection are defined in Rule 62-550.830, F.A.C.

(d) Beginning April 1, 2016, a system is in compliance with the MCL for *E. coli* for samples taken under the provisions of 40 C.F.R. Part 141, Subpart Y, which is incorporated by reference in Rule 62.550.830, F.A.C., unless any of the conditions identified in the following subparagraphs 1. through 4. occur....

1. The system has an *E. coli*-positive repeat sample following a total coliform-positive routine sample.....
2. The system has a total coliform-positive repeat sample following an *E. coli*-positive routine sample....
3. The system fails to take all required repeat samples following an *E. coli*-positive routine sample....
4. The system fails to test for *E. coli* when any repeat sample tests positive for total coliform....

(e) Beginning April 1, 2016, a public water system must determine compliance with the MCL for *E. coli* in paragraph 62-550.310(5)(d), F.A.C., for each month in which it is required to monitor for total coliforms....

Rule 62-550.730, F.A.C.- Reporting Requirements for Public Water Systems.

Suppliers of water and DOH-certified laboratories shall report as follows:

- (1) Suppliers of Water.

(a) Except where a shorter reporting period is specified in this chapter, the suppliers of water shall report to the appropriate District office of the Department or Approved County Health Department the results of the test measurement or analysis required by this chapter **within the first ten days following the end of the required monitoring period as designated by the Department, or the first ten days following the month in which the sample results were received, whichever time is shortest.**

(b) The supplier of water shall use the format described in subparagraphs 1. through 9. below for reporting all water analysis results for inorganics,.....

....

(e) The supplier of water shall report to the appropriate Department of Environmental Protection District Office or appropriate Approved County Health Department within 48 hours (unless otherwise specified by the chapter) the failure to comply with any drinking water rule contained in Parts III, V, or VIII of this chapter, or Part IV of Chapter 62-560, F.A.C. When compliance is achieved, the measures taken shall be reported to that office.

[Emphasis added]

Rule 62-550.828, F.A.C. – Ground Water Rule.

(1) The requirements contained in the July 1, 2014, edition of 40 C.F.R. Part 141, Subpart S (Sections 141.400 through 141.405).... are adopted and incorporated herein by reference and are enforceable under this rule, except the following regulations are not adopted or incorporated in this rule...

(2) In addition to the public notification requirements in Part IV of Chapter 62-560, F.A.C., the following public notification requirements are adopted and incorporated herein by reference and are enforceable under this rule:

(a) the Tier 1 public notice requirements pertaining to detection of *E. coli*, enterococci, or coliphage in source water samples required under 40 C.F.R. §§ 141.402(a) and 141.402(b)...., which are incorporated by reference in subsection 62-550.828(1), F.A.C.

Rule 62-550-830, F.A.C. – Revised Total Coliform Rule.

(1) The requirements contained in 40 C.F.R. Part 141, Subpart Y (Sections 141.851 through 141.861),... are adopted and incorporated herein by reference and are enforceable under this rule, ...

(2) In addition to the public notification requirements in Rules 62-560.400, 62-560.410, 62-560.430, and 62-560.440, F.A.C., the following public notification requirements are adopted and incorporated herein by reference and are enforceable under this rule:

(a) The Tier 1 public notice requirements in 40 C.F.R. § 141.202 pertaining to a violation of the MCL for *E. coli* as specified in paragraph 62-550.310(5)(d), F.A.C. A system is in compliance with the MCL for *E. coli* for samples taken under the provisions of 40 C.F.R. Part 141, Subpart Y, which is incorporated by

reference in Rule 62-550.830, F.A.C., unless any of the conditions specified in paragraph 62-550.310(5)(d), F.A.C., occur....

Chapter 62-555, F.A.C.- Permitting, Construction, Operation, and Maintenance of Public Water Systems

Rule 62-555.310, F.A.C.- Source and Siting Requirements for Public Water Systems.

(1) Suppliers of water shall obtain raw water from the best available source that is economically sensible and technically possible and shall make an effort to protect the source from contamination.

Rule 62-555.315- Public Water System Wells—Security; Number; Capacity; Under the Direct Influence of Surface Water; Control of Copper Pipe Corrosion and Black Water; and Disinfection and Bacteriological Surveys and Evaluations.

....

(6) Disinfection of Wells and Bacteriological Surveys and Evaluations of Wells. Wells shall be disinfected to inactivate any microbiological contaminant that may have been introduced into the wells during construction, repair, or maintenance and to allow the true microbiological character of well water to be determined through a bacteriological survey.

(a) Before new or altered wells, **wells out of operation for more than six months**, wells in which new pumping equipment has been installed, and wells taken out of operation for maintenance that might have contaminated the well are placed into, or returned to, operation, they shall be disinfected in accordance with Sections 1. through 4....

(b) Following disinfection of a new or altered well or **a well that has been out of operation for more than six months**, a bacteriological survey of the well shall be conducted

1. A total of at least 20 samples -- each taken on a separate but consecutive workday and taken at least six hours apart from the other samples -- shall be collected after first pumping the well to waste to remove all residual chlorine and then pumping the well to waste at a rate approximately equal to that of the permanent well pump for at least 15 minutes before each sample is collected, and the samples shall be analyzed for the presence of total residual chlorine, total coliform, and E. coli...If the Department allows collection of two samples per day, the samples shall be collected at least six hours apart, and the well shall be pumped to waste for at least 15 minutes before each sample is collected.

2. If any sample shows the presence of E. coli, the well shall be considered microbially contaminated unless the Department invalidates the sample or the supplier of water determines and eliminates the source of the E.

coli, in which case the well shall be re-disinfected in accordance with paragraph (a), above, and resampled in accordance with subparagraph 1. above. If more than ten percent of the total number of samples collected show the presence of total coliform **or if either of the last two samples collected shows the presence of total coliform, the well shall be re-disinfected as necessary in accordance with paragraph (a), above, and resampled in accordance with subparagraph 1. above or shall be considered susceptible to microbial contamination.** If a well is considered microbially contaminated or susceptible to microbial contamination, the supplier of water shall provide treatment that reliably achieves at least four-log inactivation or removal of viruses in accordance with paragraph 62-555.320(12)(b), F.A.C. Additionally, the supplier of water shall conduct physical characteristics monitoring in accordance with subsection 62-550.517(2), F.A.C., when notified in writing by the Department to do so.

....

(f) All public water systems using ground water not under the direct influence of surface water are required by subsections 62-550.518(2), (3), and (10), F.A.C., to periodically sample the raw ground water for microbiological contamination. In the event a raw water sample is positive for E. coli, the relevant well(s) shall be considered microbially contaminated unless the Department invalidates the sample or the supplier of water determines and eliminates the source of the E. coli, after which the supplier of water shall disinfect and bacteriologically survey the well(s) in accordance with paragraphs (a) and (b), above. If a raw water sample is positive for total coliform bacteria and if the relevant well(s) are not already considered microbially contaminated or susceptible to microbial contamination, the supplier of water shall disinfect and bacteriologically survey the well(s) in accordance with paragraphs (a) and (b), above when notified in writing by the Department to do so.

[Emphasis added]

Chapter 62-560, F.A.C. – Requirements for Public Water Systems that Are Out of Compliance

Rule 62-560.310, F.A.C. Violations.

(1) Prohibited Acts.

(a) Failure by a supplier of water to comply with the requirements of Section 403.857, F.S., or dissemination by such supplier of any false or misleading information with respect to notices required pursuant to Section 403.857, F.S., or with respect to remedial actions being undertaken to achieve compliance with state primary and secondary drinking water standards.

(b) Failure by a supplier of water to comply with rules adopted pursuant to Section 403.853, F.S., or any rule adopted by the Department pursuant to the Florida Safe Drinking Water Act,

....

(e) Submission by any person of any false statement or representation in any application, record, report, plan or other document filed, or required to be filed by the Florida Safe Drinking Water Act, or rules adopted by the Department pursuant to its lawful authority.

(2) Penalties.

(a) The Department shall assess administrative penalties for violations of subsection (1), above, in accordance with Section 403.121, F.S.

.....

Rule 62-560.400, F.A.C. - Scope of Drinking Water Public Notification Rules.

The following sections set forth the requirements that a supplier of water shall meet when public notification is required. In addition to the requirements described in this part, the following requirements and appendices are adopted and incorporated herein by reference:

....

(2) the Tier 1 public notice requirements pertaining to detection of E. coli, enterococci, or coliphage in source water samples required under 40 C.F.R. §§ 141.402(a) and 141.402(b) (July 1, 2014), which are incorporated by reference in subsection 62-550.828(1), F.A.C.

(3)... the Tier 2 public notice requirements pertaining to failure to take corrective action...which is incorporated by reference in subsection 62-550.828(1), F.A.C.

Rule 62-560.410. Public Notification- Primary Standards.

(1) Maximum Contaminant Level, Maximum Residual Disinfectant Level, Treatment Technique Requirement, Variance or Exemption Schedule Violations, and Exceedances. The owner or operator of a public water system that fails to comply with an applicable maximum contaminant level, maximum residual disinfectant level, or treatment technique requirement established by Chapter 62-550, F.A.C., or that fails to comply with the requirements of any schedule prescribed pursuant to a variance or exemption shall notify persons served by the system....

(a) Except as provided in paragraph (1)(c) or (1)(d) of this rule, the owner or operator of a public water system shall give notice:

1. For violations, exceedances, situations, or failures, that may pose an acute risk to human health, by furnishing a copy of the Tier 1 notice to the radio and television stations that broadcast in the area served by the public water system as soon as possible but in no case later than 24 hours after the system learns of the violation, exceedance, situation, or failure, unless otherwise directed by the Department to provide such public notice sooner because of the nature of the risk. The system shall also initiate consultation with the Department as soon as possible, but in no case later than 24 hours after the system learns of the violation, exceedance,

situation, or failure, as described in subparagraphs a. through g., below, to determine additional public notice requirements that may be necessary to protect public health....

....

b. Violation of the maximum contaminant level for fecal coliform or E. coli in the water distribution system, as specified in paragraph 62-550.310(5)(b), or failure to test for fecal coliforms or E. coli when any repeat sample tests positive for coliforms as specified in subsection 62-550.518(10), F.A.C.

APPENDIX 2

Mission: To protect, promote and improve the health of all people in Florida through integrated state, county, and community efforts.		Ron DeSantis Governor
	Joseph A. Ladapo, MD, PhD State Surgeon General	
Vision: To be the Healthiest State in the Nation		

July 22, 2024	WARNING LETTER WP-085-24 FedEx #8127 8128 2633 Return Receipt Requested

Jonathan Evans, City Manager
City of Riviera Beach Utility Special District
600 Blue Heron Boulevard
Riviera Beach, FL 33404

Subject: Potential Violations of the Safe Drinking Water Act by the City of Riviera Beach Utility
Special District - PWS ID # 4501229

Dear Mr. Evans:

The purpose of this letter is to advise you of possible violations of law for which you may be responsible, and to seek your cooperation in resolving the matter. Information that recently became available to the Florida Department of Health Palm Beach County (Department) indicates that the following possible violation(s) may have occurred from January through September 2023:

1. On one hundred fifty-one (151) separate occurrences, the City of Riviera Beach Utility Special District (the system) may have failed to report the results of test measurements or analyses within the first ten days following the month in which the result was received as required in Code of Federal Regulations (C.F.R.) Part 141, Subpart D §141.31(a) as adopted and incorporated by Rule 62-550.730(1)(a), Florida Administrative Code (F.A.C.). (Please see Exhibit 1 attached to this letter)
2. On six (6) separate occurrences, the system may have failed to notify the Department within 24 hours of receiving a fecal indicator positive source water sample result. Violation of 40 C.F.R. Part 141, Subpart Q §141.202(b)(2), as adopted and incorporated by Rule 62-550.828, F.A.C. (Please see Exhibit 1 attached to this letter)
3. On six (6) separate occurrences, the system may have failed to collect 5 source water samples within 24 hours of receiving a fecal indicator positive water sample result from a raw water sample. Violation of 40 C.F.R. Part 141, Subpart S §141.402(a)(3), as adopted and incorporated by Rule 62-550.828, F.A.C.
4. On six (6) separate occurrences, the system may have failed to implement corrective action as a treatment technique requirement for a fecal indicator-positive source well sample. Violation of 62-555.315(6)(f), F.A.C., and 40 C.F.R. Part 141, Subpart S §141.403(a) as adopted and incorporated by Rule 62-550.828, F.A.C.

Florida Department of Health, Palm Beach County Division of Environmental Public Health 800 Clematis Street – 4th Floor West Palm Beach, FL 33401 PHONE: 861-837-5900 FloridaHealth.gov / palmbeach.floridahealth.gov	 Accredited Health Department Public Health Accreditation Board

City of Riviera Beach Utility Special District
Warning Letter WP-085-24
Page 2 of 3

5. On six (6) separate occurrences, the system may have failed to issue a Tier 1 public notice within 24 hours of receiving a fecal indicator positive source water sample result. Violation of 40 C.F.R. Part 141, Subpart Q §141.201(a)(1)(i), 40 C.F.R. Part 141, Subpart Q §141.202 and 40 C.F.R. Part 141, Subpart S §141.402(g), as adopted and incorporated by Rule 62-550.828, F.A.C.
6. On three (3) separate occurrences, the system may have failed to collect repeat water samples within 24 hours of receiving a total coliform positive sample result from a treated water sample. Violation of 40 C.F.R. Part 141, Subpart Y 40 CFR §141.858(a)(1), as adopted and incorporated by Rule 62-550.830, F.A.C. (Please see Exhibit 1 attached to this letter)
7. On three (3) separate occurrences, the system may have failed to issue a Tier 2 Public Notice within 30 days for failure to perform repeat water quality monitoring for total coliform positive samples, as required by the drinking water regulations. Violation of 40 C.F.R. Part 141, Subpart Q §141.201(a)(1)(iii), and 40 C.F.R. Part 141, Subpart Q §141.203(2), which is incorporated by reference in Rule 62-560.410, F.A.C.
8. On three (3) separate occurrences, the system may have failed to collect triggered source water sampling within 24 hours of receiving a total coliform positive sample result from the distribution system. Violation of 40 C.F.R. Part 141, Subpart S §141.402(2) as adopted and incorporated by Rule 62-550.828, F.A.C.
9. On three (3) separate occurrences, the system may have failed to issue a Tier 2 Public Notice within 30 days of not completing triggered source water sampling following a total coliform positive distribution sample. 40 C.F.R. Part 141, Subpart Q, §141.203(a)(1), as adopted and incorporated by reference in Rule 62-560.410, F.A.C.
10. The system may have failed to conduct a Treatment Technique assessment within 30 days after potentially exceeding treatment technique triggers. Violation of 40 C.F.R. Part 141, Subpart Y §141.859(a), as adopted and incorporated by Rule 62-550.830, F.A.C.
11. The system may have failed to issue a Tier 2 Public Notice within 30 days for failure to perform a Treatment Technique assessment. Violation of 40 C.F.R. Part 141, Subpart Q §141.201(a)(1)(ii), and 40 C.F.R. Part 141, Subpart Q §141.203(1), as adopted and incorporated by reference in Rule 62-560.410, F.A.C.

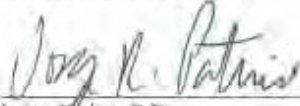
Violations of Florida Statutes (F.S.) or administrative rules may result in liability for damages and restoration, and the judicial imposition of civil penalties, pursuant to sections 403.121(4)(a), (5), (6) and (8), F.S.

Please be advised that this Warning Letter is part of an agency investigation preliminary to agency action in accordance with section 120.57 (5), F.S.

City of Riviera Beach Utility Special District
Warning Letter WP-085-24
Page 3 of 3

You are requested to contact Pamela Lape of this office at 561-837-5947 within 15 days of receipt of this Warning Letter to arrange a meeting with Department personnel to discuss this matter. You may bring anyone with you to the meeting that you feel may help resolve this matter. We look forward to your cooperation in completing the investigation and resolution of this matter.

For the Division Director,



Jorge Patino, P.E.
Environmental Administrator, Water Programs
Division of Environmental Public Health
Florida Department of Health Palm Beach County

cc: FDOHPBC File – WP-085-24

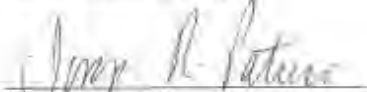
APPENDIX 3

Mission: To protect, promote and improve the health of all people in Florida through integrated state, county, and community efforts.		Ron DeSantis Governor Joseph A. Ladapo, MD, PhD State Surgeon General
Vision: To be the Healthiest State in the Nation		
October 28, 2024		
Mayor Ronnie Felder City of Riviera Beach Utility Special District 600 W. Blue Heron Boulevard Riviera Beach, FL 33404		WARNING LETTER WP-134-24 Delivered via email to RFelder@rivierabeach.org
Subject: Potential Violations of the Safe Drinking Water Act by the City of Riviera Beach Utility Special District - PWS ID # 4501229		
Dear Mr. Felder:		
The purpose of this letter is to advise you of possible violations of law for which your city may be responsible, and to seek your cooperation in resolving the matter. Information that recently became available to the Florida Department of Health Palm Beach County (Department) indicates that the following possible violation(s) may have occurred in May 2023:		
1. On one (1) occasion (sample collection date 5/11/2023), the City of Riviera Beach Utility Special District (the system) may have failed to report the bacteriological results of test measurements (with positive total coliform) or analyses within the first ten days following the month in which the result was received as required in Code of Federal Regulations (C.F.R). Part 141, Subpart D §141.31(a) as adopted and incorporated by Rule 62-550.730(1)(a), Florida Administrative Code (F.A.C.). (Please see Exhibit 1 attached to this letter) 2. On two (2) separate occurrences the system may have submitted falsified or misrepresented laboratory reports to the Department. The reports in question are identified by report numbers COL-W23-094 and COL-W23-096, with collection dates of May 9, 2024, and May 11, 2023, respectively. This constitutes a violation of Rule 62-550.310(e), F.A.C. (Please see Exhibit 1 attached to this letter)		
Violations of Florida Statutes (F.S.) or administrative rules may result in liability for damages and restoration, and the judicial imposition of civil penalties, pursuant to sections 403.121(4)(a), (5), (6) and (8), F.S.		
Please be advised that this Warning Letter is part of an agency investigation preliminary to agency action in accordance with section 120.57 (5), F.S.		
Florida Department of Health, Palm Beach County Division of Environmental Public Health 800 Clematis Street - 4th Floor West Palm Beach, FL 33401 PHONE: 561-837-3900 FloridaHealth.gov / palmbeach.floridahealth.gov		 Accredited Health Department Public Health Accreditation Board

City of Riviera Beach Utility Special District
Warning Letter WP-134-24
Page 2 of 3

You are requested to contact Pamela Lape of this office at 561-837-5947 within 15 days of receipt of this Warning Letter to arrange a meeting with Department personnel to discuss this matter. You may bring anyone with you to the meeting that you feel may help resolve this matter. We look forward to your cooperation in completing the investigation and resolution of this matter.

For the Division Director,



Jorge Patino, P.E.
Environmental Administrator, Water Programs
Division of Environmental Public Health
Florida Department of Health Palm Beach County

cc: JEvans@rivierabeach.org
DJacobs@rivierabeach.org
mdeberry@rivierabeach.org
mcoleman@rbpublicsafety.org
utilities@rivierabeach.org
NotifyUSD@rivierabeach.org

FDOHPBC File – WP-134-24

ATTACHMENT A
Response from City of Riviera Beach



CITY OF RIVIERA BEACH – UTILITY SPECIAL DISTRICT

TO: JOHN A. CAREY, INSPECTOR GENERAL – PALM BEACH COUNTY OIG

FROM: JONATHAN EVANS, CITY MANAGER, MPA, MBA, FRA-RA, ICMA-CM

SUBJECT: INVESTIGATIVE REPORT 2024 – 0006 – RBUSD RESPONSE

DATE: NOV. 14, 2024

This memorandum presents a comprehensive overview of the corrective measures and operational improvements implemented by the Riviera Beach Utility Special District (RBUSD) in response to compliance and water quality challenges identified in 2023. Prompted by a recent Florida Department of Health (FDOH) Warning Letter and findings from the Office of Inspector General (OIG), RBUSD leadership has taken responsibility for these past issues and committed to an extensive overhaul of practices, standards, and procedures to ensure public health and safety. It is noteworthy that all individuals implicated in the 2023 issues are no longer employed with RBUSD, further underscoring the district's commitment to accountability and reform.

Clarification of Reporting Compliance Instances

Following a detailed review of the 2023 compliance findings, which originally identified 151 alleged instances of failure to meet reporting requirements, the Riviera Beach Utility Special District (RBUSD) Compliance Manager confirmed that 23 of these instances were, in fact, compliant. Through examination of records and supporting documentation, it was determined that laboratory reports for these 23 occurrences were submitted to the Florida Department of Health (FDOH) in accordance with all regulatory requirements.

To ensure transparency and accuracy, RBUSD provided this documentation to the FDOH on October 23, 2024, for their review and consideration prior to any final enforcement action. This clarification demonstrates RBUSD's commitment to maintaining rigorous compliance standards and collaborating closely with FDOH to address and resolve regulatory matters accurately.

Comprehensive Actions Undertaken by RBUSD

In an effort to enhance RBUSD's compliance standards and reinforce staff expertise in water quality management, an assessment of the City's Compliance Department is currently underway. This assessment, led by our consultants, includes a thorough review of water quality data, regulatory reports such as Monthly Operating Reports (MORs), applicable Plans and Standard Operating Procedures (SOPs), field sampling procedures, laboratory analyses, and recordkeeping practices associated with sampling and laboratory activities.

Delineated below, are the certain activities that have been more recently developed and established to effectuate successful outcomes:

- **Revamped Bacteriological Sampling and Compliance Plan:**
 - o Action Details: RBUSD developed an extensive Bacteriological Sampling Plan, thoroughly reviewed and approved by both the USEPA and FDOH. The plan stipulates clear guidelines on sampling sites, collection schedules, and protocols for documenting and reporting results.
 - o Objective: This Plan addresses previous deficiencies by setting stringent procedures to prevent reporting delays, improve test accuracy, and mandate compliance with the Safe Drinking Water Act at all levels.
 - o Training and Implementation: Staff will receive dedicated training on adhering to this plan, with performance evaluations tied to compliance metrics to enforce accountability. Additionally, this Plan is now central to RBUSD's ongoing quality assurance audits.
- **Strategic Collaboration with US Water Corporation:**
 - o Purpose and Scope: To remediate systemic issues in operations, RBUSD engaged US Water Corporation, a leader in utility management services, to provide both operational support and expertise.
 - o Process Improvements: US Water Corporation is facilitating process enhancements, including optimization of lime softening procedures, addressing deferred maintenance, and improving distribution system reliability.
 - o Training and Oversight: This partnership includes a comprehensive staff training program, covering water quality protocols, safety measures, and compliance reporting. US Water Corporation's involvement ensures that these training sessions meet national standards and equip staff with industry-leading practices in water utility management.
- **Implementation of iWater GIS-Based Asset and Compliance Management System:**
 - o System Overview: RBUSD has introduced the iWater system, an advanced Geographic Information System (GIS) platform that consolidates work orders, maintenance records, customer complaints, and water quality data.
 - o Benefits and Impact: By integrating these operational aspects into a unified system, RBUSD will be able to track compliance trends, respond quickly to maintenance issues, and analyze water quality data in real-time. This technology facilitates transparent reporting to both regulatory bodies and the public.

- o Operational Impact: The system's detailed tracking and reporting capabilities also provide an audit trail for compliance verification, improving operational oversight and enabling proactive maintenance scheduling.

- **GlobalTech Wellfield Rehabilitation and Inspection Program:**

As part of RBUSD's commitment to enhancing the integrity and reliability of its water supply, the Riviera Beach Utility Special District (RBUSD) has engaged GlobalTech to lead a comprehensive rehabilitation and inspection program across its wellfields. This initiative is designed to ensure that all wells meet stringent regulatory standards, operational efficiency metrics, and safety requirements, aligning with RBUSD's dedication to maintaining a high standard of water quality for its residents.

- o Inspection and Maintenance: GlobalTech has been contracted to conduct extensive inspections of the RBUSD wellfield, focusing on each well's structural integrity, operational performance, and compliance with regulatory guidelines. These inspections are essential for identifying any maintenance needs, ensuring all wells operate within the parameters required for safe and sustainable water distribution.
- o Rehabilitation Measures: In addition to routine inspections, GlobalTech is actively implementing a series of rehabilitative actions across the wellfield to address wells that require urgent repair. Specific measures include well cleanings, seal repairs, and mechanical upgrades to restore full functionality and enhance the safety and reliability of the groundwater supply. As of this update:
 - Well 14 has undergone rehabilitation and is currently back in service.
 - Well 12A has also been rehabilitated and is awaiting final approval from the Florida Department of Health (FDOH) to be placed back in service.
 - Well 921 has been permitted and rehabilitated. Certification of completion, along with a request for clearance, is expected to be submitted to the City and FDOH imminently to expedite its return to service.

In addition to these specific wells, GlobalTech has initiated rehabilitation on several other wells within the RBUSD system as part of a targeted effort to bring all wells up to optimal standards.

- o Expanded Scope of Rehabilitation: To address both immediate and long-term needs, GlobalTech's scope includes the substantial rehabilitation of a total of twelve (12) wells. This includes emergency rehabilitation for seven (7) wells that had previously been out of service and substantial upgrades for an additional five (5) wells. The total investment for this critical initiative is valued at \$4,883,045.74, reflecting RBUSD's commitment to infrastructure resiliency and water quality.

- **Enhanced Communication and Accountability Framework:**

- o Communication Plan: RBUSD established a formalized Communication Plan to prevent the lapses in reporting and transparency previously encountered. This plan includes redundant

communication lines between RBUSD, testing laboratories, and regulatory agencies to ensure prompt, accurate information dissemination.

- o Defined Roles and Responsibilities: The Communication Plan specifies clear roles for each team member, including who is responsible for initiating communications and managing follow-ups on critical compliance matters. Each role is backed by documented accountability standards.
- o Internal Auditing: This plan includes periodic audits to verify that all communication procedures are being followed correctly, with a dedicated oversight team assigned to address any deviations promptly.

- **Focused Staff Training and Professional Development Program:**

Based on the findings of this assessment, our consultants are developing a continuing education training program scheduled for early December. This training will span approximately three days and will be conducted twice to accommodate all relevant personnel. The training sessions, which will include both classroom theory and practice instruction and hands-on practice, will cover key aspects of drinking water regulations at both the federal and state levels, proper procedures for Water Treatment Plant (WTP) and field sampling, adherence to approved laboratory analysis methods, and the required standards for documentation and recordkeeping. This initiative underscores RBUSD's commitment to compliance and continuous improvement in water quality and regulatory practices.

- o Objective: Recognizing the importance of a skilled and competent workforce, RBUSD, in collaboration with US Water Corporation, will enhance its training protocols to address every critical facet of water treatment, quality assurance, and regulatory compliance. This program aims to elevate the proficiency and accountability of all Utility Special District (USD) employees.
- o Training Components: The enhanced training program includes both initial and ongoing sessions covering essential topics such as water testing, emergency response, and precise documentation practices. As part of this initiative, compliance training is now a mandatory element of the onboarding process for all new hires. Additionally, in-service training sessions, supplemented by video modules, will be required throughout the year. Testing will ensure that each employee fully understands the regulatory standards and operational procedures essential for their role.
- o Evaluation and Certification: To reinforce a high standard of regulatory adherence, RBUSD requires the Water Plant Manager to certify that all operators complete their annual Continuing Education Units (CEUs). Each employee's progress and performance in the training program are monitored closely, with evaluations incorporated into annual reviews. Remedial training will be provided for any employees who encounter difficulties meeting the compliance benchmarks, ensuring they achieve the necessary competency. These evaluation and certification measures strengthen RBUSD's commitment to public trust and regulatory integrity.

- **Advancement of the New Water Treatment Facility:**

- o Project Overview: RBUSD has continued its work on the development of a new Water Treatment Plant, projected to employ nanofiltration and reverse osmosis technologies—considered some of the most effective treatment methods available for ensuring the safety of drinking water.
- o Design and Construction Status: The plant’s design is currently 60% complete, with additional efforts to address water quality challenges and operational efficiency. The facility aims to set a high standard for water safety and reliability within Riviera Beach.
- o Enhanced Water Quality Assurance: This facility will also be equipped with modernized monitoring systems for real-time water quality analysis, which will further assure customers of the safety and quality of their drinking water.

Commitment to Transparency and Accountability

On November 13, 2024, RBUSD leadership held a presentation detailing the Mission Statement, Objectives, and Core Values, delivered by the City Manager and Assistant City Manager. During this session, USD employees were briefed on our new guiding principles, which include:

- Mission Objectives: Focusing on public health and safety, operational efficiency, environmental stewardship, community transparency, staff development, and emergency preparedness.
- Core Values (I-REACT): Integrity, Responsibility, Excellence, Adaptability, Collaboration, and Trust, which collectively reinforce our commitment to the public and regulatory compliance.

Each employee has signed an acknowledgment form committing to uphold these principles and embody the RBUSD’s commitment to integrity, service excellence, and public trust. This acknowledgment is maintained as a part of their official records, holding them accountable to the standards and values of the Utility Special District.

In summary, RBUSD is dedicated to corrective action and full compliance, ensuring the safety and quality of water services for Riviera Beach customers. We are committed to continued cooperation with the OIG, FDOH, FDEP and any other regulatory agencies to uphold our responsibilities to public health and environmental safety.

Should additional details be required on the actions established, please reach out to our office directly.

Attachment(s):

- o Utility Special District 2024: Mission, Objective, and Core Values PowerPoint
- o Compliance, Accountability, and Operational Excellence Memorandum
- o USD Mission Statement, Objectives and Core Values

Utility Special District 2024: Mission, Objectives, and Core Values.

November 13, 2024

Presenter(s): City Manager, Jonathan Evans, MPA, MBA, FRA - RA, ICMA – CM.

Assistant City Manager, Deirdre Jacobs, MPA



Riviera Beach

see what's beneath the surface

NEW MISSION STATEMENT

“Our mission is to deliver safe, reliable, and sustainable water and wastewater services that **enhance public health**, protect the environment, and support Riviera Beach customers’ quality of life. Through innovation, **integrity**, and a steadfast commitment to **excellence**, we work to earn and maintain the trust of the customers we serve.”

Est. Nov. 2024

NEW MISSION OBJECTIVES

- **Ensure Public Health and Safety**: Uphold stringent water and wastewater quality standards, ensuring compliance with all regulations to protect public health.
- **Enhance Efficiency**: Implement best practices in water and wastewater management to optimize resources and improve reliability.
- **Promote Environmental Stewardship**: Adopt environmentally responsible practices across all operations.
- **Foster Community Trust and Transparency**: Strengthen public trust through proactive communication and transparent reporting.
- **Invest in Staff Development and Training**: Develop a knowledgeable workforce through education and skill-building opportunities.
- **Prepare for Emergencies and Adapt to Change**: Maintain contingency plans for service continuity in emergencies, adapting to evolving standards.

USD COMPLIANCE, ACCOUNTABILITY, AND OPERATIONAL EXCELLENCE

This memorandum serves as a directive to all Utility Special District (USD) staff on the standards, responsibilities, and expectations that govern our essential work. Our team's work directly impacts Riviera Beach residents' health, safety, and well-being. We are all responsible for maintaining the highest standards of professionalism, compliance, and transparency.

ADHERENCE TO CHAIN OF COMMAND

Each team member must follow the established chain of command, which includes Supervisors, Managers, Directors, and Administration. This structure is essential for accountability, clear communication, and coordinated decision-making. Report all concerns and incidents promptly to ensure effective resolution.

COMMITMENT TO COMPLIANCE AND TRANSPARENCY

Compliance with all regulations is mandatory, covering the Florida Safe Drinking Water Act, Federal Safe Drinking Water Act, and specific chapters of the Florida Administrative Code. Prompt, factual communication is crucial, particularly in reporting incidents and issues in water and sewer operations. All documentation must be accurate, timely, and transparent to maintain public trust.

PROFESSIONALISM AND ACCOUNTABILITY

Each staff member must maintain professionalism in appearance and conduct. Respect, cooperation, and teamwork are essential. Unacceptable behaviors such as gossiping or loitering during work hours are not tolerated, and security protocols must be followed rigorously. Only authorized personnel are allowed on USD grounds, ensuring a professional and secure environment.

TRAINING, INTEGRITY, AND CONTINUOUS IMPROVEMENT

Ongoing training and certifications are required to stay current with all standards. Integrity and honesty are the foundation of USD operations, ensuring truthfulness in every report and interaction. Commitment to these values supports compliance, public trust, and professional growth.

CORE VALUES – I-REACT

- **Integrity**: Uphold the **highest ethical standards**, ensuring honesty, transparency, and accountability.
- **Responsibility**: Embrace our duty to safeguard **public health**, safety, and the environment.
- **Excellence**: Commit to achieving the **highest quality standards** and continuous improvement.
- **Aadaptability**: Embrace **innovation** and forward thinking to meet current and future demands.
- **Collaboration**: Foster **teamwork** and value each team member's contributions.
- **Trust**: Build trust through respect, dedication, and **professionalism** in all service areas.

COMMITMENT TO OUR MISSION AND VALUES

Each member of USD pledges to uphold the Mission, Objectives, and Core Values of the Utility Special District. By embodying the I-REACT principles, we are committed to maintaining integrity, prioritizing public trust, and delivering reliable services for the community.

ACKNOWLEDGMENT OF COMMITMENT

By signing below, I acknowledge that I have read, understood, and agree to comply with the Mission, Objectives, and Core Values outlined. I pledge to uphold these standards, perform duties with integrity, and prioritize Riviera Beach customers' **health, safety, and trust.**

- Signature: _____
- Printed Name: _____
- Position: _____
- Date: _____

THANK YOU



Riviera Beach



CITY OF RIVIERA BEACH – UTILITY SPECIAL DISTRICT

TO: ALL USD PERSONNEL (Part Time and Full Time)

FROM: JONATHAN EVANS, CITY MANAGER, MPA, MBA, FRA-RA, ICMA-CM

SUBJECT: COMPLIANCE, ACCOUNTABILITY, AND OPERATIONAL EXCELLENCE

DATE: NOVEMBER 13, 2024

This memorandum serves as a directive to all Utility Special District (USD) staff on the standards, responsibilities, and expectations that govern our essential work. Our team's work directly impacts the health, safety, and well-being of Riviera Beach residents, and we all share the duty to maintain the highest standards of professionalism, compliance, and transparency. Our roles and actions are governed by local, state, and federal regulations, and I expect each member of the USD team to approach their responsibilities with a sense of urgency, purpose, and accountability.

Adherence to Chain of Command

- Each team member must follow the established chain of command, which includes Supervisors, Managers, Directors, and Administration. This structure is essential for accountability, clear communication, and coordinated decision-making. Any concerns, incidents, or operational needs should be reported promptly and appropriately up the chain, ensuring transparency and effective resolution. This alignment is critical for our department's efficiency and integrity.

Commitment to Compliance and Accuracy

- Compliance with all local, state and federal regulations is non-negotiable. Our operations are bound by the Florida Safe Drinking Water Act, the Federal Safe Drinking Water Act, and relevant provisions under Chapter 62-550, 62-555, 62-560, 62-602 and 62-699 of the Florida Administrative Code, as well as specific sewer and wastewater standards under Chapter 62-604 of the Florida Administrative Code. These guidelines cover essential requirements for water and sewer quality, testing, reporting, and spill response protocols. Accurate and timely compliance with these regulations protects public health and demonstrates our commitment to our community.

Transparency and Prompt Communication

- Factual and immediate communication is essential. This applies to all water and sewer operations, including the accurate and prompt reporting of water testing results, sewer conditions, and any incidents of sewer spills. All issues, particularly those affecting water and sewer quality or public safety, must be escalated expeditiously. Ensuring compliance with the reporting requirements under Chapter 62-604, F.A.C., requires immediate notifications to supervisors and regulatory authorities when sewer overflows or spills occur. Each of you is expected to prioritize transparency, allowing for timely action and preventing further risks to public health.

Accountability in Documentation and Reporting

- Precise documentation and truthful reporting are essential. All data, logs, and incident reports must be factual, thorough, and timely completed in accordance with established guidelines. This is particularly vital for reporting any non-compliant matters, for which accurate documentation and immediate communication with supervisors and relevant regulatory bodies are mandated. Any attempts to falsify, omit, or alter documentation will be addressed with strict disciplinary measures.

Personal and Professional Appearance

- Professionalism is reflected not only in conduct but also in personal appearance. Each staff member is expected to present themselves appropriately and professionally, underscoring the seriousness with which we approach our duties. Our appearance and behavior should reflect the trust and responsibility placed in us by the public.

Teamwork, Conduct, and Professionalism

- A culture of respect, cooperation, and teamwork is essential for our success. Gossiping, sleeping, loitering, or engaging in non-work-related activities during work hours will not be tolerated, as these behaviors undermine our collective efforts and professionalism. Each team member is expected to approach their role with focus, integrity, and a commitment to collaboration. Leaving work early or abandoning your post without authorization will be treated as job abandonment and addressed accordingly.

Only licensed, credentialed and authorized staff are permitted on USD grounds. Unauthorized visitors—including friends, family members, or staff from other departments—are strictly prohibited from accessing the facility. The safety and security of the plant are critical, and it is everyone's responsibility to ensure that only authorized personnel are present at all times. A professional and secure environment is paramount to our operational success, and I expect each of you to contribute positively to fostering this atmosphere.

Sense of Urgency and Purpose

- The work we perform is critical to the safety and daily lives of Riviera Beach customers. In water and sewer operations, a lack of diligence and urgency can have severe consequences for public health. Any non-compliant matters require immediate attention and conformance. It is imperative that each of you understands the gravity of your work and approaches it with the responsibility and purpose it deserves.

Proactive Problem Resolution and Preparedness

- Anticipating and addressing issues before they escalate are vital to our operations. Every team member must be proactive, identifying and resolving potential risks in water quality, sewer safety, and public communication. The same urgency applies to any irregularities in our system, particularly those impacting health and safety. Compliance with all local, state and federal guidelines requires that issues are not only managed but that root causes are identified and mitigated.

Continual Training and Improvement

- Ongoing training is critical for compliance and professional growth. Every USD team member must meet training and certification requirements, keeping current with all water and sewer operation standards, including Safe Drinking Water Act requirements and sewer management protocols. Our department will continue to provide training, and it is each employee's responsibility to take full advantage of these resources to remain knowledgeable and effective.

Honesty and Integrity

- Above all, honesty and integrity are the foundation of our department. Every action, report, and interaction must reflect truthfulness and a commitment to ethical standards. I expect each of you to uphold these values and maintain the public's trust through honest conduct and transparent operations.

We serve the City of Riviera Beach in a critical capacity, and the public relies on our diligence and professionalism. I urge each of you to commit to these expectations fully, recognizing that our work has direct impacts on public health and safety. Together, we will build a USD team grounded in excellence, accountability, and respect.

Thank you for your continued dedication to our mission.



CITY OF RIVIERA BEACH – UTILITY SPECIAL DISTRICT

TO: ALL USD PERSONNEL (Part Time and Full Time)

FROM: JONATHAN EVANS, CITY MANAGER, MPA, MBA, FRA-RA, ICMA-CM

SUBJECT: USD MISSION STATEMENT, OBJECTIVES AND CORE VALUES

DATE: NOVEMBER 13, 2024

As we enter a new chapter of excellence in 2024, I am proud to share our newly adopted Mission Statement, Objectives, and Core Values for the Utility Special District (USD). These foundational principles serve as the compass for our work, guiding us in delivering the highest standards of service, accountability, and safety for our Riviera Beach customers. Our department's success depends on each team member embracing these values and objectives, as we reflect on our shared commitment to the public's trust.

Mission Statement

Our mission is to deliver safe, reliable, and sustainable water and wastewater services that enhance public health, protect the environment, and support the quality of life for the Riviera Beach customers. Through innovation, integrity, and a steadfast commitment to excellence, we work to earn and maintain the trust of the customers we serve.

Objectives

Ensure Public Health and Safety

- Uphold stringent water and wastewater quality standards, ensuring full compliance with local, state, and federal regulations to protect public health and deliver safe, reliable services.

Enhance Efficiency

- Implement best practices in water and wastewater management to optimize resource use, reduce operational costs, and improve service reliability for the benefit of our customers.

Promote Environmental Stewardship

- Protect and sustain natural resources by adopting environmentally responsible practices in all operations, from water treatment to wastewater management.

Foster Community Trust and Transparency

- Build and strengthen public trust through proactive communication, transparent reporting, and timely responses to customer needs and concerns.

Invest in Staff Development and Training

- Develop a knowledgeable, well-trained, and motivated workforce through ongoing education, certifications, and skill-building opportunities that support operational excellence.

Prepare for Emergencies and Adapt to Change

- Maintain robust contingency plans to respond swiftly and effectively to emergencies, ensuring continuity of services under any circumstances and adapting to evolving industry standards.

Core Values – I-REACT

To reinforce our dedication to these objectives and to our customers, we have adopted **I-REACT** as the acronym for our core values. **I-REACT** embodies the standards and principles that are fundamental to our success.

I – Integrity

- Uphold the highest ethical standards, ensuring honesty, transparency, and accountability in every action and decision. Integrity is the foundation of public trust, and we must exemplify it daily in all we do.

R – Responsibility

- Embrace our duty to safeguard public health, safety, and the environment. We take full responsibility for the quality, safety, and sustainability of our operations, acknowledging the impact of our work within the service area.

E – Excellence

- Commit to achieving the highest quality standards and continuous improvement. Striving for excellence in every task reflects our commitment to providing exceptional services to our customers.

A – Adaptability

- Embrace innovation and forward-thinking as we navigate challenges and evolving industry standards. Adaptability ensures that we are prepared to meet both current and future demands.

C – Collaboration

- Foster teamwork as the foundation of our success. Each team member's contributions are valued, and we rely on each other's expertise and support to achieve our shared goals.

T – Trust

- Our work is meaningful because the community depends on us. By serving with respect, dedication, and professionalism, we build and maintain the trust of the people we serve.

Signature Acknowledgement

By signing below, I acknowledge that I have read, understood and agreed to comply with the expectations and standards outlined in this memorandum.

By signing below, I also pledge to uphold the Mission, Objectives, and Core Values of the Utility Special District. I commit to embody **I-REACT** in all my actions and decisions, to perform my duties with integrity, and to prioritize the health, safety, and trust of the Riviera Beach customers. I understand the importance of my role in delivering reliable, safe, and transparent services, and I will strive to meet and exceed the standards set forth in this memorandum.

Signature: _____

Printed Name: _____

Position: _____

Date: _____

Our Mission, Objectives, and Core Values guide us in our essential work of supporting the Riviera Beach customers. I encourage each of you to let these principles be the foundation of your daily actions, decisions, and interactions. Together, through our adherence to **I-REACT** and our shared commitment to excellence, we will continue to uphold the highest standards in 2024 and beyond.

ATTACHMENT B
Response from the FDOH

Mission:

To protect, promote and improve the health of all people in Florida through integrated state, county and community efforts.



Ron DeSantis
Governor

Joseph A. Ladapo, MD, PhD
State Surgeon General

Vision: To be the Healthiest State in the Nation

November 8, 2024

Stuart Robinson
Director of Investigations
Office of the Inspector General
100 Australian Avenue
West Palm Beach, Florida 33406

Dear Director Robinson,

The Department of Health, Palm Beach County ("Department") has reviewed the Draft Investigative Report provided to us by the Office of the Inspector General on November 1, 2024 and would like to make the following recommendations for correction:

1. Rafael Reyes's title with the Department of Health, Palm Beach County should be "Environmental Public Health and Communications Director." On page 14 of the report and throughout, he is referred to as Health Director and Director. This could potentially be confusing as the Department has a separate Medical Director and Health Officer. The Department would request Mr. Reyes be identified as the Environmental Public Health and Communications Director initially, and then "Mr. Reyes" throughout.
2. The number of reporting violations in the Department's warning letter was 151. However, the City Utility District produced evidence after the warning letter was issued, which resulted in the Department reducing the amount of reporting violations to 130. As such, the Department would request that the 151 violations listed throughout the document be amended to 130 violations.
3. On page 3 the drinking water program is referred to as "FDOH Drinking Water Program." This should be amended to "FDEP Drinking Water Program" as the program is delegated from the Florida Department of Environmental Protection to the Department for implementation and enforcement.

The Department is the regulatory agency for the State Safe Drinking Water Act and enforces those regulations. The City Utility Special District is a regulated entity by the Department. The Draft Investigative Report is accurate as to the interview of the Department employees and our investigation in relation to this case. The Department does not object to the recommendations made by the Inspector General.

Sincerely,

Rafael Reyes

**Florida Department of Health, Palm Beach County
Legal Office**
P.O. Box 29, 800 Clematis Street
West Palm Beach, FL 33401
PHONE: 561-671-4008 • FAX: 561-837-5195
FloridaHealth.gov / palmbeach.floridahealth.gov



Accredited Health Department
Public Health Accreditation Board

ATTACHMENT C
Response from Mr. Low

MICHAEL R T LOW

November 12, 2024

Stuart Robinson
Director of Investigations
Office of Inspector General
P. O. Box 16568
West Palm Beach, FL 33416
Inspector@pbcgov.org

Dear Mr. Robinson,

Thank you for providing me with an opportunity to review the report and to make comments. The report is extensive and detailed. I intend to limit my comments to responding to the statements made to your office by Ms. Deirdre Jacobs and Mr. Jonathan Evans. As City Administration they hold the ultimate responsibility for the condition of the Utility District.

Ms. Jacobs states that the first she knew of the problems was in September 2023. In fact, I emailed her the day I received the warning letter, July 29, 2023. This was also the date that I first became aware of the problem. Furthermore, she corrected my English and approved the letter I wrote to the DOH in September following the meeting with the DOH that month. The District was not aware of the exact nature of the December meeting at the DOH prior to the meeting. Ms. Jacobs was also informed of the results of that meeting at which the District was instructed to issue a Tier 1 notice regarding the incident at well 14. The DOH meeting she and Mr. Evans attended took place after the mayor's press conference regarding possible contamination in the distribution system. Ms. Jacobs was kept informed of progress in responding to the EPA and DOH sanitary surveys as well as operational issues in the District both verbally, at routine meetings of her team, and in writing.

Mr. Evans states that he would meet every two weeks to discuss issues individually with me. These meetings did not commence until January 2024 and were often cancelled. Prior to that time, it was assumed that Ms. Jacobs was keeping him apprised of the situation as I reported directly to her. As the various engineering reports and DOH correspondence regarding the issues became available, they were shared with city administration, and if appropriate the elected officials, with explanatory reports prepared by me where needed.

Mr. Evans states that I had never informed him of the overall condition of the water infrastructure and the seriousness of the situation. Since the District Board had approved around \$13M for improvements to the existing plant prior to my arrival, and the water plant replacement project had already been awarded to the design build team prior to my start

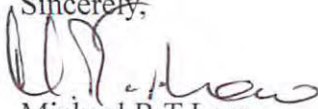
November 12, 2024

date, he had to have been aware that there were issues. In addition, two engineering reports on the state of the wells and the wastewater pumping stations were completed prior to my arrival, when the utility was being managed by Ms. Jacobs. Both reports detailed extensive problems in these assets with an indicated repair bill exceeding \$70M.

Mr. Evans comment regarding my failure to visit the water plant, is based on hearsay evidence, and is not true. My office is right by the water plant, and I would visit the plant, the maintenance facilities and locations in the field on a regular basis.

Please feel free to contact me if you have any further questions.

Sincerely,



Michael R T Low

ATTACHMENT D
Response from Mr. Doyle

November 5, 2024

Attn. Mr. Stuart Robinson
Director of Investigations
Office of Inspector General
PO Box 16568
West Palm Beach, Florida 33416

Ref: OIG Case Number: 2024-0006

Dear Mr. Robinson

Thank you for the opportunity to clarify some of the comments made within the Draft Investigative Report 2024-0006 dated November 2024.

Attached are several comments/ clarifications that should be considered for inclusion in the draft report.

Page 7: The Organization Chart presented on page 7 is not correct as it was presented to me at the time of my hire. The Executive Assistant Director did not directly supervise various divisions but similar the Executive Assistant (Luecinda Monroe), we were branched to the left and right. The Assistant Director worked on assignments at the discretion of the Director. The Organization Chart noted in the draft report should be corrected. The Chart provided to me can be verified through the Executive Assistant.

Page 25: Paragraph 4: Mr. Pinkney claimed that Compliance monitoring was assigned to Steven Doyle and David Salas. Water plant operations and compliance monitoring were assigned to the Superintendent and the WTP Staff. The following explains the reasoning. I was informed that the Lab Technician and Compliance Manager positions were created by converting vacancies in the Water Treatment Plant division. Prior to the creation of the lab technician and compliance manager positions, the task of monitoring and reporting to the FDEP was performed through the Superintendent and the Plant Operators. Therefore, the assignment of WTP operating maintenance, compliance and reporting remained with the WTP Division.

Page 62: Paragraph 1, Line 4: The statement, "All of the direction that lab technicians were receiving came from Mr. Doyle at the time." is not correct. Compliance was assigned to the Superintendent and Operations staff. Mr. Williams had not transferred his telephone calls, voice messages and/or emails to me upon leaving his employment with the City.

Page 64: Paragraph 7: I am not aware of Mr. Pinkney informing me of well #14 in June 2023. Utility staff meetings were routinely hosted biweekly at which time Mr. Pinkney should have brought this to everyone's attention, including Mr. Low's.

Page 66: Paragraph 5: Mr. Doyle was not tasked with implementing compliance but had assigned compliance monitoring and reporting to WTP personnel. The Superintendent and his Team of over twelve operators performed these duties prior and were collectively the most qualified and most knowledgeable to perform the task.

Page 68, Paragraph 3: Mr. Evan's source claimed that myself in particular, "rarely or never present on-site at the water plant site." Mr. Evan's was misinformed. For example, on many occasions, I spent days working in the lab room trying to restore or fix outdated equipment. I physically replaced hung ceiling tiles, replaced ductwork registers, sealed openings to improve air quality due to complaints from staff. Cleaned the filter room on the second floor and moved available operating and maintenance manuals to bookshelves for easy access. Worked with the electrical division to remove and repair motor control room VFD and soft start controllers. Numerous times spent with operators and mechanics replacing high service pump motors. Worked with staff on replacing the WTP main generator and fuel tank system. Spent several Saturday's cleaning up debris from a well site located on MLK Blvd. Made periodic visits to the WTP on Saturdays to visit both the WTP and the Water / Wastewater Divisions. I can go on and on, but I find it difficult to believe Mr. Evan's source.

In closing, I am unable to confirm every aspect of the report given only a few days in which to review and comment. I appreciate the level of effort made by your staff in performing this investigation and must assume the accuracy of its content.

As was stated in the report, I ceased my employment with the city when I could no longer trust the information provided by others. There are a lot of good people that work for the city, while this investigation is informative and negative, it does not reflect the positive work performed by so many others.

Sincerely,

Steven J. Doyle

ATTACHMENT E
Response from Dr. Williams

November 14, 2024

Stuart A. Robinson
Director of Investigations
Palm Beach County Office of Inspector General
100 Australian Ave.
West Palm Beach, FL 33406

RE: *Investigative Report No. 2024-0006*

Mr. Robinson,

Dr. Anthony Williams has retained undersigned counsel regarding this investigation. We have reviewed the Draft Investigative Report (“Report”). The Report states that the OIG found sufficient information to warrant a referral to law enforcement. On behalf of Dr. Williams, the undersigned counsel denies the OIG’s findings regarding any and all misconduct on the part of Dr. Williams. We deny the OIG’s summaries, conclusions, and opinions regarding any and all statements made by Dr. William’s to the OIG. We deny the veracity of the statements made by any other individual regarding Dr. Williams. Thank you for your time and consideration.

Respectfully Submitted,

/s/ David Tarras

David Tarras, Esq.

/s/ Brian Gabriel

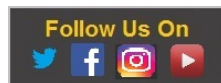
Brian Gabriel, Esq.



Re-Accredited February 22, 2024, CFA IG-012 (/OIG/docs/Misc/2024_Reaccreditation.pdf)

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Audit Division

Audit Reports:

[06-02-26 - Ocean Ridge - Credit Cards Audit Report - 2026-A-0004 \(/oig/docs/reports/06-02-26-Ocean_Ridge-Credit_Cards_Audit_Report-2026-A-0004.pdf\)](/oig/docs/reports/06-02-26-Ocean_Ridge-Credit_Cards_Audit_Report-2026-A-0004.pdf)

[03-31-26 - Jupiter Inlet Colony - Insurance, Travel, and Purchasing Card Purchases - 2026-A-0003 \(/oig/docs/reports/03-31-26-Jupiter_Inlet_Colony-Insurance_Travel_and_Purchasing_Card_Purchases-2026-A-0003.pdf\)](/oig/docs/reports/03-31-26-Jupiter_Inlet_Colony-Insurance_Travel_and_Purchasing_Card_Purchases-2026-A-0003.pdf)

[11-20-25 - Wellington Club WHP Audit - 2026-A-0002 \(/oig/docs/reports/11-20-25-Wellington_Club_WHP_Audit-2026-A-0002.pdf\)](/oig/docs/reports/11-20-25-Wellington_Club_WHP_Audit-2026-A-0002.pdf)

[10-23-25 - Solid Waste Authority - Tipping Fee Revenue and Cash Intake Audit - 2026-A-0001 \(/oig/docs/reports/10-23-25-Solid_Waste_Authority-Tipping_Fee_Revenue_and_Cash_Intake_Audit-2026-A-0001.pdf\)](/oig/docs/reports/10-23-25-Solid_Waste_Authority-Tipping_Fee_Revenue_and_Cash_Intake_Audit-2026-A-0001.pdf)

Audit Plan:

[FY2026 Annual Risk Assessment and Audit Plan - 2026-AP-0001 \(/oig/docs/reportsinternal/FY2026_Annual_Risk_Assessment_and_Audit_Plan-2026-AP-0001.pdf\)](/oig/docs/reportsinternal/FY2026_Annual_Risk_Assessment_and_Audit_Plan-2026-AP-0001.pdf)

Other:

None Released At This Time!

Investigative Division

Investigations:

[08-04-26 - False Information on PBC Rental Assistance Program Applications- West Palm Beach - 2023-0008 \(/oig/docs/reports/08-04-26-False_Information_on_PBC_Rental_Assistance_Program_Applications-West_Palm_Beach-2023-0008.pdf\)](#)

[05-20-26 - Town of Mangonia Park Inappropriate Financial and contracting Procedures - 2024-0008 \(/oig/docs/reports/05-20-26-Town_of_Mangonia_Park_Inappropriate_Financial_and_Contracting_Procedures-2024-0008.pdf\)](#)

[05-11-26 - Lantana Nature Preserve - 2022-0024 \(/oig/docs/reports/05-11-26-Lantana_Nature_Preserve-2022-0024.pdf\)](#)

[03-25-26 - False Information on Palm Beach County Rental Assistance Program Applications - Anitra Jones - 2022-0013 \(/oig/docs/reports/03-25-26-False_Information_on_Palm_Beach_County_Rental_Assistance_Program_Applications-Anitra_Jones-2022-0013.pdf\)](#)

[02-09-26 - False Information on Palm Beach County Rental Assistance Applications – Belle Glade - 2025-0002 \(/oig/docs/reports/02-09-26-False_Information_on_Rental_Assistance_Applications-Belle_Glade-2025-0002.pdf\)](#)

[12-30-25 - Conspiracy to Submit False Information on Palm Beach County Assistance Applications - 2023-0004 \(/oig/docs/reports/12-30-25-Conspiracy_to_Submit_False_Information_on_Palm_Beach_County_Assistance_Applications-2023-0004.pdf\)](#)

Investigative Reviews:

None Released At This Time!

Other:

None Released At This Time!

Contract Oversight and Evaluations Division

Reports:

[03-24-26 - Riviera Beach - Fire Stations 87 and 88 Contract Review - CA-2024-0043 \(/oig/docs/reports/03-24-26-Riviera_Beach-Fire_Stations_87_and_88_Contract_Review-CA-2024-0043.pdf\)](#)

[03-19-26 - Service Plus Parts Contracts Review - CA-2025-0013 \(/oig/docs/reports/031926-Service_Plus_Parts_Contracts_Review-CA-2025-0013.pdf\)](#)

Tips & Trends

[2026-0002 - Code Inspector Worn Body Cams \(/oig/docs/advisories/Tips_and_Trends-2026-0002-Code_Inspector_Worn_Body_Cams.pdf\)](#)

[2026-0001 - Fake Documents to Exploit Public Assistance Programs \(/oig/docs/advisories/Tips_and_Trends-2026-0001-Fake_Documents_To_Exploit_Public_Assistance_Programs.pdf\)](#)

Quarterly Publications

None Released At This Time!

Annual Report

[2025 Annual Report \(/oig/docs/reportsinternal/2025_Annual_Report.pdf\)](/oig/docs/reportsinternal/2025_Annual_Report.pdf)

Status Reports

None Released At This Time!

Additional Information

[2023-2028 Strategic Plan \(/oig/docs/reportsinternal/2023-2028_Strategic_Plan.pdf\)](/oig/docs/reportsinternal/2023-2028_Strategic_Plan.pdf)

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Miami Division

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State Correction Officers and Others Charged in Drug Trafficking Scheme

Sixteen Charged in Undercover Corruption Investigation in Palm Beach County

U.S. Attorney's Office

February 11, 2010

Southern District of Florida

(305) 961-9001

Jeffrey H. Sloman, United States Attorney for the Southern District of Florida; Michael McAuliffe, State Attorney for Palm Beach County; John V. Gillies, Special Agent in Charge, Federal Bureau of Investigation (FBI), Miami Field Office; Walter McNeil, Secretary, Florida Department of Corrections; Ric Bradshaw, Sheriff, Palm Beach County Sheriff's Office; and Ken J. Mascara, Sheriff, St. Lucie County Sheriff's Office, announced the federal indictment of sixteen (16) individuals in connection with a long-term undercover corruption investigation involving Florida state prison guards.

Today's charges stem from an investigation begun at the request of the Florida Department of Corrections into alleged smuggling of contraband into Glades Correctional Institution by state employees. As a result of the investigation, conducted jointly by federal, state, and local authorities, in addition to the federal charges announced today, the Palm Beach County State Attorney's Office has also filed state charges against other individuals accused of smuggling contraband into the prison.

The 10-count federal indictment unsealed today charges defendants Latess Hill, 27, of Belle Glade; Jentle Chatman, 27, of Belle Glade; Zedra Warner, 32, of Pahokee; Belinda Davis Brown, 34, of Belle Glade; Tanika Wright, 26, of Mangonia Park; Samantha Wilkerson, 27, of Belle Glade; Kenyetta Biggs, 25, of Pahokee; Elisha Allen, 26, of Belle Glade; Melvin Brown, 24, of Clewiston; Antonio Key, 26, of Belle Glade; Jason Miller, 27, formerly of West Palm Beach; Marcus Pitre, 27, of Belle Glade; Dondia Wilkerson, 22, of Belle Glade; Pakesha McCray, 30, of South Bay; Takisha Golden, 33, of Belle Glade; and Melissa Jefferson, 26, of South Bay, with one count of conspiracy to possess cocaine with intent to distribute, in violation of Title 21, United States Code, Section 846. The Indictment also charges individual defendants in nine counts of attempting to possess cocaine with intent to distribute, in violation of Title 21, United States Code, Section 841(a)(1). Lastly, the Indictment seeks the forfeiture of \$145,000, which sum represents the proceeds the defendants allegedly received from their participation in the drug scheme. If convicted, the defendants face a minimum sentence of 10 years in federal prison.

Eleven of the 16 individuals charged today were employed by the State of Florida as Corrections Officers at the Glades Correctional Institution, located in Belle Glade, FL. Defendant Tanika Wright was employed as a Corrections Officer at Florida Road Prison, located in Loxahatchee, FL. Defendant Elisha Allen was employed by The Geo Group, a third-party contractor with the State of Florida, as a Corrections Officer at South Bay Correctional Facility, located in South Bay, FL. Defendants Antonio Key, Dondia Wilkerson, and Pakesha McCray were not Corrections Officers, but misrepresented themselves as Corrections Officers to participate in the purported drug distribution scheme during the undercover investigation.

During the investigation, FBI undercover agents represented to the defendants that they were members of a purported drug trafficking group, interested in having the defendants protect and facilitate the undercover agents' drug trafficking operation in exchange for cash payments. According to the Indictment, the defendants agreed to use their positions and status as Corrections Officers to protect and facilitate the purported drug activities of the undercover agents.

Thereafter, the defendants allegedly agreed to transport and did in fact transport on multiple occasions what they believed to be multi-kilo quantities of cocaine from the undercover warehouses in Miami-Dade County to locations in West Palm Beach. Specifically, the indictment alleges nine separate episodes in which the defendants transported the purported cocaine from Miami-Dade County to locations in Palm Beach County, beginning in September 2008 and continuing through November 2009.

In exchange for transporting and protecting the purported cocaine, the defendants allegedly received the following cash payments from the undercover agents:

- Latess Hill: \$33,000
- Jentle Chatman: \$19,000
- Zedra Warner: \$10,000
- Belinda Davis Brown: \$10,000

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- Antonio Key: \$5,000
- Jason Miller: \$5,000
- Marcus Pitre: \$5,000
- Dondia Wilkerson: \$5,000
- Pakesha Mccray: \$5,000
- Takisha Golden: \$5,000
- Melissa Jefferson: \$5,000

U.S. Attorney Jeffrey H. Sloman stated, “This case is a shining example of federal, state and local law enforcement cooperation to combat corruption in our state. Corruption—whether at City or County Hall, within a police department, or within a state prison—erodes the public’s confidence in government officials and institutions. For this reason, we cannot allow those involved in the administration of justice, at any level, to misuse their official positions to line their own pockets.”

Palm Beach County State Attorney Michael McAuliffe said, “The joint investigation in this matter shows how agencies can work together with a common vision and goal to combat corruption in all its forms, including when the alleged corruption occurs within law enforcement. The charges in the federal indictment and in the state informations reflect serious allegations of abuse of authority in the state corrections system. The need for accountability has never been greater in our community. This case is a significant step in the right direction.”

FBI Special Agent in Charge John V. Gillies added, “Prison guards have one of the toughest jobs in law enforcement and are crucial to public safety. When they break the law, not only does it create an unstable prison environment, but it also puts our communities at risk. Our success in this investigation was the direct result of the exceptional cooperation and expertise among the federal, state, and local law enforcement agencies.”

“Department of Corrections staff alerted authorities in December 2007 to the unusual amount of drug activity occurring in their facility, and have worked continuously with state and federal agents to bring this investigation, dubbed ‘Operation Blind Justice,’ to a successful conclusion,” said Department of Corrections Secretary Walter McNeil. “I am particularly proud of prison leadership and our Inspector General’s Drug Interdiction Unit, who spotted the problem and took immediate and appropriate action.”

“Allegations of corruption within a public safety organization are always disturbing and serious. Corruption allegations hurt not only the affected agency, but hurt all of us in the criminal justice system who rely so greatly on the public’s trust. This case exemplifies the collaborative effort of public safety and law enforcement officials to dedicate necessary resources to fully investigate those allegations. I am proud to play a part in this investigation and would like to thank the investigators of the St. Lucie County Sheriff’s Office who tirelessly assisted in this case.”

Mr. Sloman commended the investigative efforts of the Federal Bureau of Investigation, the Palm Beach County Sheriff’s Office, and the St. Lucie County Sheriff’s Office. Mr. Sloman also noted with appreciation the cooperation of the Florida Department of Corrections during this investigation. The case is being prosecuted by Assistant U.S. Attorneys Stephen Carlton and Julia Paylor.

An Indictment is only an accusation and a defendant is presumed innocent until and unless proven guilty.

A copy of this press release may be found on the website of the United States Attorney’s Office for the Southern District of Florida at www.usdoj.gov/usao/fls. Related court documents and information may be found on the website of the United States District Court for the Southern District of Florida at www.flsd.uscourts.gov or <http://pacer.flsd.uscourts.gov>.

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BROWARD OFFICE OF THE INSPECTOR GENERAL

MEMORANDUM

To: Honorable Joy Cooper, Mayor, City of Hallandale Beach,
And Members, City of Hallandale Beach City Commission

From: John W. Scott, Inspector General

Date: August 9, 2017 

Subject: **OIG Final Report Re: *Ethical Misconduct by City of Hallandale Beach Commissioner Anthony Sanders, Ref. OIG 16-011***

Attached please find the final report of the Broward Office of the Inspector General (OIG) regarding the above-captioned matter. The OIG has concluded its investigation into allegations that Hallandale Beach city commissioner and community redevelopment agency (CRA) director Anthony Sanders failed to disclose payments that Palms Community Action Coalition, Inc. (PCAC), an organization which he voted to receive thousands of dollars in city and developer funding, made to him and his son. We found that, as described in the report, Commissioner Sanders engaged in a pattern of misconduct that violated Florida ethics laws, the Hallandale Beach city charter, and the Broward code of ethics for elected officials.

When the city was aware of his and his wife's relationships with community-based organizations Eagle's Wings, Palms of Hallandale Beach Weed and Seed, and PCAC, Commissioner Sanders refrained from voting on matters that could benefit those organizations. But when their connections appeared to end in late 2012, Commissioner Sanders resumed voting on items that directly and indirectly benefited PCAC. What the public did not know was that, from January 2013 through December 2015, PCAC paid the commissioner's wife and two sons approximately \$7,588 for consulting and employment and paid his employer Higher Vision Ministries approximately \$31,100, purportedly for transporting PCAC trainees to classes. During this same time period, Commissioner Sanders voted to approve direct city funding to PCAC in the amount of approximately \$202,450. He also voted to approve \$9,869,268 in development contracts that benefited PCAC by approximately \$695,870. On the same day he voted to benefit two developers and PCAC, PCAC wrote a \$2,000 "Donation/Pastor's Appreciation" check to Higher Vision Ministries, and he solicited one of the developers to give a \$600 contribution to the church. The other developer gave a \$500 contribution to the church two days later. When PCAC terminated its agreement with Higher Vision Ministries against Commissioner Sanders's will, PCAC lost all city-facilitated funding.

John W. Scott, *Inspector General*

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www.browardig.org • (954) 357-TIPS

We found that PCAC paid Commissioner Sanders's employer and his immediate family members approximately \$38,688 during the same three-year time period during which the commissioner's official action benefited PCAC approximately \$898,320. Commissioner Sanders concurrently continued taking a salary from his employer, continued accepting significant payments from PCAC on behalf of his employer, failed to disclose his voting conflicts to the city commission verbally or in writing, failed to abstain from voting, directly and indirectly solicited developers to give contributions to his employer, and accepted those contributions on behalf of his employer.

Commissioner Sanders violated state ethics laws that (1) prohibit an elected official from voting on measures that he knows would inure to the special private gain or loss of his employer or relative; (2) prohibit a municipal officer from having an employment or contractual relationship that impedes the full and faithful discharge of his public duties; (3) prohibit a public officer from corruptly using or attempting to use his official position or perform his official duties to secure a special privilege, benefit, or exemption for another; (4) prohibit a public officer from soliciting or accepting anything of value to him based upon any understanding that thereby his vote, official action, or judgment would be influenced; and (5) prohibit a public officer or his spouse from accepting anything of value when he knows or should know that it was given to influence his vote or other action in which he was expected to participate. He also violated the Hallandale Beach city code provisions that (1) prohibit a city official from voting where he has a personal, financial, or organizational interest; (2) require a city official who may receive some benefit not shared by the general public due to a personal, financial, or organizational interest, to disclose the interest in writing; and (3) require a city official to disclose all personal, organizational, and financial interests in a business receiving city funds, directly or indirectly, through an agreement with the city or a city contractor. Finally, the commissioner also violated the Broward code of ethics for elected officials, which prohibits an elected official from engaging in activity that goes against his duty to provide loyal service and honest governance for the residents of his city.

In accordance with our charter mandate, we are referring this matter to the Florida Commission on Ethics and the Hallandale Beach city commission for whatever action those entities deem appropriate, and we are filing against Commissioner Sanders a Broward County ethics complaint to be tried by an administrative hearing officer.

Attachment

cc: Roger M. Carlton, City Manager

Honorable Barbara Sharief, Mayor, Member, Broward Board of County Commissioners

Honorable Beam Furr, Vice Mayor, Member, Broward Board of County Commissioners

Individuals previously provided a Preliminary Report (under separate cover)

BROWARD OFFICE OF THE INSPECTOR GENERAL



FINAL REPORT

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OIG 16-011
August 9, 2017

*Ethical Misconduct by Hallandale Beach City Commissioner
Anthony Sanders*



BROWARD OFFICE OF THE INSPECTOR GENERAL

FINAL REPORT RE: *ETHICAL MISCONDUCT BY CITY OF HALLANDALE BEACH COMMISSIONER ANTHONY SANDERS*

SUMMARY

The Broward Office of the Inspector General (OIG) has concluded its investigation into allegations that Hallandale Beach city commissioner and community redevelopment agency (CRA) director Anthony Sanders failed to disclose payments that Palms Community Action Coalition, Inc. (PCAC), an organization which he voted to receive thousands of dollars in city and developer funding, made to him and his son. We found that, as described below, Commissioner Sanders engaged in a pattern of misconduct that violated Florida ethics laws, the Hallandale Beach city charter, and the Broward code of ethics for elected officials.

The OIG substantiated that PCAC made contractual payments to Higher Vision Ministries, the church that employed the commissioner and which he controlled; that PCAC employed his son; and that PCAC also made other consulting and employment payments to the commissioner's wife and another son. These payments occurred regularly during the same three-year time period in which Commissioner Sanders voted in favor of PCAC.

From January of 2013 through December of 2015, the city commission—including Commissioner Sanders—approved giving direct grants to PCAC three times. In addition, the city commission—including Commissioner Sanders—approved development contracts that included PCAC as a community benefit plan partner seven times. In all, the commissioner voted to approve or facilitate grants and development contracts on ten occasions that ultimately benefited PCAC a total of approximately \$898,320.

During this same time period, PCAC paid Mrs. Sanders for consulting and grant writing and paid two of the Sanders's adult sons for part-time employment. We found that PCAC directly paid the commissioner's immediate family a total of approximately \$7,588 between January 2013 and December 2015. Also in this time frame, it made monthly \$1,000 payments to Higher Vision Ministries to transport job trainees to classes. Neither the church nor PCAC documented any rides, but we determined that PCAC paid approximately \$27,000 to Higher Vision Ministries for approximately 613 miles of transportation services—or about \$44 for each accountable mile—under the agreement. In all, PCAC paid Commissioner Sanders's employer and immediate family a total of approximately \$38,688 during this three-year period.

Following one of Commissioner Sanders's votes in November 2013 for a Hallandale Beach multi-million dollar public works project that included PCAC as the community benefit plan partner, PCAC paid an extra (that is, over and above \$1,000 per month) \$2,000 to Higher Vision Ministries with a memo notation of "Donation/Pastor's Appreciation." Again following city commission approval for

BROWARD OFFICE OF THE INSPECTOR GENERAL
FINAL REPORT RE: *ETHICAL MISCONDUCT BY*
CITY OF HALLANDALE BEACH COMMISSIONER ANTHONY SANDERS

direct city funding to PCAC between October and November of the following year, it made extra payments totaling another \$2,100 to Higher Vision Ministries.

As described in this report, the commissioner was well aware of the nature of these conflicting relationships and their bearing on the propriety of his voting. Yet, Commissioner Sanders admitted that he did not disclose these relationships or payments to the public at any time during the period he voted to benefit PCAC.

Finally, the OIG also established that, while they were at city hall for a commission meeting involving one of the development votes, Commissioner Sanders solicited one of the project awardees to make a direct contribution to the Higher Vision Ministries church, who then asked a second developer to do the same. Their companies' two donations to the church totaled \$1,100.

Florida law prohibits an elected official from accepting "anything of value" based upon any understanding that his vote, official action, or judgment would be influenced. It also prohibits a municipal elected official from voting on any matter that would inure to his special, economic, private gain or loss or that he knows would inure to one of his immediate family member's or his employer's special, economic, private gain or loss. In addition to abstention, the law requires contemporaneous verbal and written explanation of the conflict. A Hallandale Beach city ordinance prohibits a commissioner from voting on a matter where he has an organizational interest and also requires written disclosure of the interest. For frequently recurring conflicts or those relationships that impede an official's ability to carry out his public duties fully and faithfully, state law requires the public official to refrain from the activity giving rise to the conflict or to terminate the conflicting relationship. The Broward code of ethics for elected officials states that an elected official shall not receive any personal economic or financial benefit resulting from his service on his local governing body beyond legally authorized direct compensation" and prohibits him from engaging in "any activity in contravention of his ... duty to provide loyal service and honest governance for the residents of the governmental entity that he ... serves."

Commissioner Sanders continued taking a salary from his employer, continued accepting significant payments from PCAC on behalf of his employer, failed to abstain from voting, failed to disclose the voting conflicts to the voting body either verbally or in writing, directly and indirectly solicited developers to give contributions to his employer, and accepted those contributions on behalf of his employer. Thus, in accordance with our charter mandate, we are referring this matter to the Florida Commission on Ethics and the Hallandale Beach city commission for whatever action those entities deem appropriate, and we are filing against Commissioner Sanders an ethics complaint charging a violation of the Broward code of ethics to be tried by an administrative hearing officer.

OIG CHARTER AUTHORITY

Section 12.01 of the Charter of Broward County empowers the Broward Office of the Inspector General to investigate misconduct and gross mismanagement within the Charter Government of Broward County and all of its municipalities. This authority extends to all elected and appointed officials, employees and all providers of goods and services to the County and the municipalities. On

BROWARD OFFICE OF THE INSPECTOR GENERAL
FINAL REPORT RE: ETHICAL MISCONDUCT BY
CITY OF HALLANDALE BEACH COMMISSIONER ANTHONY SANDERS

his own initiative, or based on a signed complaint, the Inspector General shall commence an investigation upon a finding of good cause. As part of any investigation, the Inspector General shall have the power to subpoena witnesses, administer oaths, require the production of documents and records, and audit any program, contract, and the operations of any division of the County, its municipalities and any providers.

The Broward Office of the Inspector General is also empowered to issue reports, including recommendations, and to require officials to provide reports regarding the implementation of those recommendations. The Inspector General also has the authority to bring a complaint for a civil infraction for which there is no civil, criminal, or administrative agency that would have jurisdiction over the matter.¹

INDIVIDUALS AND ENTITIES COVERED IN THIS REPORT

Anthony Sanders

Anthony Sanders was born in Hallandale Beach and has lived there all of his life. He was appointed to an open seat on the Hallandale Beach City Commission in 2008 and has served as a city commissioner and a director of the city's CRA² continuously since then, having been elected and re-elected in 2008, 2012, and 2014.

Since its inception in 1998, he has been the pastor and only full-time employee of the Higher Vision Ministries church in Hallandale Beach. His financial disclosures list Higher Vision Ministries as his only source of income, other than his income from his elected position, during the review period of 2013 through 2015.

Palms Community Action Coalition, Inc.

PCAC was a Hallandale Beach-based, non-profit organization that provided job training and community development. It was originally named Palms Community Development Corporation in early 2011 but within three months, with Mrs. Sanders's involvement, it changed its name to Palms Community Action Coalition, Inc. Witnesses informed us that its predecessor was Palms of Hallandale Beach Weed and Seed, which concluded operating around the end of 2012. The city of Hallandale Beach funded PCAC directly through grants and indirectly via private developers through the Hallandale Beach community benefit plan program. As of February 2017, its operations had all but ended.

¹ A violation of the Broward Code of Ethics for Elected Officials, Sec. 1-19 of the Broward County Code of Ordinances, is such a civil infraction.

² The Hallandale Beach CRA's board of directors is an exact mirror of the Hallandale Beach city commission. According to the Hallandale Beach city website "*The HBCRA Board consists of Five (5) members who also serve as the Mayor and City Commission.*"

Murvin Wright

Murvin Wright, the chair of the board of directors of PCAC, was born and raised in Hallandale Beach. He was employed as a security specialist for Sheridan Technical High School in Fort Lauderdale. In 2011 Mr. Wright began attending meetings of Palms of Hallandale Beach Weed and Seed at the request of Commissioner Sanders. In 2012 he became PCAC's board chair. At that time, the organization had just become PCAC.

Timothy Burton

Timothy Burton has a current professional association with the Hallandale Beach-based South Florida Educational Development Center. Until early 2016, he was a non-voting member of the board of directors of PCAC. Mr. Burton has known Commissioner Sanders for approximately 25 years and is the godfather to one of his sons. Commissioner Sanders is also the godfather to Mr. Burton's son. Commissioner Sanders and Mr. Burton attended theological school together, and Mr. Burton has acted as a guest minister at Higher Vision Ministries on numerous occasions.

RELEVANT GOVERNING AUTHORITY

Florida Code of Ethics for Public Officers and Employees

Section 112.313, Florida Statutes - Standards of conduct for public officers, employees of agencies, and local government attorneys

(2) Solicitation or Acceptance of Gifts — No public officer ... shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the public officer, employee, local government attorney, or candidate would be influenced thereby.

(4) Unauthorized Compensation — No public officer ... or his spouse ... shall, at any time, accept any compensation, payment, or thing of value when such public officer ... knows, or, with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the officer, employee, or local government attorney was expected to participate in his or her official capacity.

(6) Misuse of Public Position — No public officer, employee of an agency, or local government attorney shall corruptly use or attempt to use his or her official position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit, or exemption for himself, herself, or others. This section shall not be construed to conflict with s. 104.31.

(7) Conflicting Employment or Contractual Relationship —

(a) ... nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.

Section 112.3143, Florida Statutes - Voting conflicts

(3)(a) No ... municipal, or ... public officer shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss; which he or she knows would inure to the special private gain or loss of any principal by whom he or she is retained ... or which he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer. Such public officer shall, prior to the vote being taken, publicly state to the assembly the nature of the officer's interest in the matter from which he or she is abstaining from voting and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes.

Hallandale Beach City Charter – Article VII, Official Conduct

Sec. 7.02 - Personal financial interest.

... Nor shall any city officer, employee or board member, or members of their immediate families subsequently benefit from any contract with the city, ... or the sale of any ... material, supplies or services to the city or to a contractor supplying the city wherein his financial interest failed to be disclosed under penalty of forfeiture of office or position and such additional penalties as may be prescribed by law. Any city officer, employee, or board member who willfully conceals such a substantial financial interest or willfully violates the requirements of this section, shall be guilty of malfeasance in office or position and shall forfeit his office or position. ...

Hallandale Beach City Code – Article IV, Code of Ethics

Sec. 2-437 - Prohibition on participation on items of personal, financial, or organizational interest.

Except as otherwise preempted under applicable federal, state, and common law and policies, no city official shall vote where they have a personal, financial or organizational interest.

Sec. 2-438 - Disclosure on items of personal, financial, or organizational interests.

A city official who may receive some benefit not shared by the general public due to a personal, financial, or organizational interest, shall disclose the interest and shall file a written disclosure with the city clerk describing the disqualifying interest.

Sec. 2-440 - Contract-related disclosure required.

(a) City officials must disclose all personal, organizational, or financial interests in a business that is receiving city funds, directly or indirectly, through a business agreement with the city or a city contractor.

(b) The disclosure required by this chapter shall be accomplished by filing with the city clerk a written statement by the city official involved describing the interest being disclosed.

Financial interest in an official action exists when the action may result directly or indirectly in a financial gain or loss accruing to the city official and or his immediate family to a greater extent than could reasonably be expected to accrue to the general public. Financial interest in a company, business, organization, or other entity exists when the city official and or their immediate family owns individually or combined, five percent or more shares of the company, business, or other entity and the value of such shares exceed \$5,000.00.

Organizational interest in a company, business, organization, or other entity exists when the city official is a director or a member of a board which establishes policy and/or budgetary decisions for the entity.

Personal interest means a direct or indirect interest, matter, or relationship not shared by the general public which could be reasonably expected to impair the city official's objectivity or independence of judgment.

Broward County Code of Ethics for Elected Officials

Sec. 1-19(a) – Statement of Policy

It is the policy of Broward County that ... elected officials of municipalities work for the benefit of the citizens of their respective municipalities. ... [E]lected municipal officials shall not receive any personal economic or financial benefit resulting from their service on their local governing bodies beyond legally authorized direct compensation. It is the responsibility of each ... elected municipal official to act in a manner that promotes public trust and confidence in government with complete transparency and honesty in their services, and to avoid even the appearance or perception of impropriety.

Sec. 1-19(c)(4) – Honest Services

- a. An Elected Official may not engage in a scheme or artifice to deprive another of the material intangible right of honest services or any activity in contravention of his or her duty to provide loyal service and honest governance for the residents of the governmental entity that he or she serves.

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- b. This section shall be construed, to the extent possible, in accordance with the standards and intent set forth under 18 U.S.C. s. 1346, as may be amended, and Florida Statutes Chapter 838.

INVESTIGATION

The OIG predicated this investigation on allegations that Commissioner Sanders was participating in discussions and voting on official action favoring PCAC at the same time that it paid him \$1,000 per month for undocumented transportation services and paid his son as an employee. The OIG substantiated that, at the same time that the commissioner executed his public duties in a manner that favored PCAC, he was aware of and controlled such monthly \$1,000 payments to his employer and was aware that it made employment payments to his son. In the course of our investigation, we also found that Commissioner Sanders was aware that PCAC made contractual and employment payments to his wife during this time and that he directly and indirectly solicited private developers who sought and obtained city contracts to make contributions to his church, which he accepted.

This investigation included the examination of substantial documentation from PCAC, Higher Vision Ministries, Sheridan Technical College, and the city of Hallandale Beach, including but not limited to bank records, memoranda, emails, meeting minutes, and grant and private development applications and records. OIG Special Agents also conducted interviews of city employees, PCAC directors and staff members, Higher Vision Ministries members, owners and employees of private developers and city contractors and subcontractors, Mrs. Sanders, and Commissioner Sanders.

Since 1998, Commissioner Sanders Was Employed by the Church He Controlled, and He Depended on its Revenues

Higher Vision Ministries is a non-denominational church serving the “un-churched,” according to Commissioner Sanders, and has between 50 and 150 congregants, according to various witnesses. The commissioner and his wife founded the church in 1998. Commissioner Sanders informed the OIG that the church received roughly \$7,000 in gross monthly revenue from January of 2013 through December of 2015. The deposits into the church’s known bank accounts averaged approximately \$6,568 during this time, according to our analysis. This included money from congregants’ contributions, special services and fundraisers, rent payments from other churches, and payments from PCAC for transportation services, as described below.

Commissioner Sanders and his wife operate the church. At all times since its inception, he has been a signatory on the Higher Vision Ministries’ bank accounts, and he has been its only full-time employee. As the pastor’s wife, Mrs. Sanders said she worked at Higher Vision Ministries without compensation, and at least two of Commissioner Sanders’s sons also helped out. The commissioner told the OIG that he received \$20,800 in annual gross salary from Higher Vision Ministries and that the church also paid him a parsonage or housing allowance of between \$400 and \$800 monthly (\$4,800 to \$9,600 annually) for the past five years. Bank records showed that, from January 2013 through December 2015, the church paid the commissioner at least \$53,027 for “Payroll” and “Housing” and paid his family at least

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another \$3,526.³ Including expense reimbursements, the bank records showed that the church paid the commissioner and his immediate family members a total of about \$92,463, out of the \$234,767 in total church expenditures. We note that Commissioner and Mrs. Sanders deposited approximately \$40,325 into the two church accounts during this time period.

Commissioner Sanders told the OIG that the amount of his housing allowance depended on how much was in the church's bank account.

Eagle's Wings Employed Commissioner Sanders and/or His Wife between 2007 and 2012, and Palms of Hallandale Beach Weed and Seed Employed His Wife from 2010 to 2012

In about 2002, Commissioner and Mrs. Sanders started an outreach center called Eagle's Wings Development Center, Inc., which operated on grant funding including funding from the city of Hallandale Beach. Commissioner Sanders held the title of president twice, most recently from 2007 to 2010. According to Mrs. Sanders, Eagle's Wings employed both her husband and her on a full-time basis beginning in 2007. The commissioner remained a full-time employee there until, for several reasons relating to his involvement on the commission including "turmoil" with a fellow commissioner over funding for Eagle's Wings, he began distancing himself from the organization. She said this was within a year of his becoming a city commissioner. Florida state records show that the corporation dropped Commissioner Sanders as president in 2010 and added Timothy Burton as registered agent, president, and director in 2011. Mr. Burton is a former PCAC board member and close friend of the commissioner. Mrs. Sanders served as the Eagle's Wings executive director starting in 2003 and in 2009 gained the additional title of corporate secretary, which she kept until her involvement ended in 2012.

Mrs. Sanders also served as the program coordinator and sole employee of Palms of Hallandale Beach Weed and Seed, a local crime prevention and community development program, from about 2010 to 2012. The U.S. Department of Justice and the city of Hallandale Beach provided the organization with funding and, according to Mrs. Sanders, her salary was equal to the amount of the city's funding. Both Commissioner Sanders and Murvin Wright, the chair of the board of PCAC, told the OIG that, as Palms of Hallandale Beach Weed and Seed was winding down due to the scheduled termination of its federal funding, PCAC was starting up. The commissioner told the OIG that, at its inception, PCAC had non-federal monies from Palms of Hallandale Beach Weed and Seed that it transferred to PCAC. According to Mr. Burton, the PCAC Office Manager,⁴ and the PCAC Treasurer, Mrs. Sanders discontinued her employment relationship with PCAC by the end of 2012 because of her husband's inability to vote to fund it while she worked there. Mrs. Sanders said that PCAC did not keep her on because it could not afford to. But we determined that PCAC could afford to employ an executive director but chose to hire the PCAC Office Manager into the position instead of keeping Mrs. Sanders. Mrs. Sanders was not employed again until May of 2013, when she became a Broward County employee.

³ We did not undertake to obtain or review internal records of the church's cash expenditures, if any.

⁴ We titled this individual "PCAC Office Manager" although she was also a former PCAC executive director until replaced in October 2015.

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Commissioner Sanders Abstained from Voting on Other Matters but Voted for PCAC after Mrs. Sanders's Overt Involvement with It Ended

The state ethics code prohibits a municipal elected official from voting in matters he knows would directly inure to the financial benefit or detriment of his employer, spouse or child. The law requires the official, prior to the vote, to publicly state the nature of his interest to the assembly and, within 15 days after the vote, disclose the same in a written memorandum (Florida Commission on Ethics (CE) Form 8B) filed with the city's minutes secretary, who is required to incorporate the memorandum in the meeting's minutes.

In March 2010, an attorney with the Florida Commission on Ethics wrote a letter titled, "Re: Your inquiry regarding Commissioner Anthony Sanders" to an attorney with the city of Hallandale Beach, addressing the propriety of the city purchasing services from Palms of Hallandale Beach Weed and Seed, which was then headed by Mrs. Sanders. (Exhibit 1) The letter stated that such a purchase did not pose a prohibited conflicting relationship for Commissioner Sanders under the state ethics code, because there was no connection between the commissioner and Palms of Hallandale Beach Weed and Seed and because his wife's relationship to the organization was as an employee.⁵ Relying on the state law on voting conflicts, the ethics attorney continued, "However, the Commissioner should declare his wife's relationship to Weed and Seed, abstain from voting, and timely file CE Form 8B (memorandum of voting conflict), regarding any measures/votes of the City Commission concerning Weed and Seed, its funding, or related matters."⁶

We conducted a review of city and CRA minutes and all Forms 8B submitted by Commissioner Sanders that the city provided to us, from the time he was sworn into office until May 3, 2017. We found that the commissioner abstained from voting on eight out of the nine occasions when he was called to vote on items involving Eagle's Wings, Higher Vision Ministries, Palms of Hallandale Beach Weed and Seed, and PCAC until the time his wife appeared to disconnect from PCAC at the end of 2012, as shown below in OIG Table 1. The one occasion when Commissioner Sanders did vote on a matter involving any of these entities during that time period was on March 4, 2009, when the commission voted to permit an Eagle's Wings facility to remain on the former property of Higher Vision Ministries, which the CRA had purchased, through a retention agreement. After the end of 2012, no Eagle's Wings or Palms of Hallandale Beach Weed and Seed item came up for a vote. After the end of 2012, the commissioner voted on every PCAC item that came up for a vote, as shown in OIG Tables 5 and 6, below.

⁵ The letter cited to F.S. § 112.313(3) and (7).

⁶ See F.S. § 112.3143(3)(a).

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OIG Table 1: Commissioner Sanders Abstentions
Eagle's Wings, Higher Vision Ministries, Palms of Hallandale Beach Weed & Seed, and PCAC
September 3, 2008, to May 3, 2017

DATE	ENTITY	ITEM	FORM 8B ON FILE
09/17/08	Unknown ⁷	Annual budget (grant)	No
09/24/08	Unknown ⁸	Annual budget (grant)	No
02/12/09	Higher Vision Ministries	CRA purchase of real property	No
07/28/10	Eagle's Wings ⁹	CRA donation (\$50,000)	No
05/18/11	Eagle's Wings ¹⁰	Foster Park development	Yes
07/14/11	Eagle's Wings	Funding (\$35,000)	Yes
07/14/11	Weed & Seed	Funding (\$40,000)	Yes
02/15/12	PCAC	CRA participation in Art in Community challenge	Yes
09/19/12	PCAC	Approving CBP grants (\$315,213)	Yes

The meeting minutes for February 12, 2009, reflect that, at the time of the CRA vote whether to purchase real property from Higher Vision Ministries, "Commissioner Sanders stated he would recuse himself from any vote and discussion given his relationship as President of Higher Vision Ministries, Inc. which owns [property address]."

And on the Forms 8B that Commissioner Sanders filed on February 15, 2012, and September 19, 2012, he wrote,

I abstained from voting ... due to the appearance of a conflict; as my wife [name] is the Executive Director for the Palms Community Action Coalition (PCAC), which is one of the organizations being considered for funding by the City Commission under the Community Partnership Grants Program for fiscal year 2013. As required by Florida State Statutes, 112.143, I was required to recuse myself from voting on the matter as doing so would inure to special gain or loss of my relative.

⁷ Meeting minutes reflect that Commissioner Sanders abstained because "voting on it might result in or inure to his pecuniary gain or loss or that of one of his relatives."

⁸ Meeting minutes show that Commissioner Sanders abstained because "voting on it might result in or inure to his pecuniary gain or loss or that of one of his relatives."

⁹ Meeting minutes show that Commissioner Sanders abstained due to a possible conflict of interest, as his wife was the secretary of Eagle's Wings and was requesting funding on its behalf.

¹⁰ Commissioner Sanders disclosed on the Form 8B the following: "My wife (NAME) serves as Interim Site Coordinator for agency that was secondary party to proposal being presented for award. Also my wife (NAME) serves as secretary for agency that was a secondary party to second proposal being presented for award."

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Post-September 2012 city commission and CRA minutes did not reflect that anyone mentioned his employer's or immediate family's financial connection to PCAC at the time the city commission or CRA cast the votes that benefited PCAC. In addition, we spoke to several eyewitnesses who were present during the discussion and voting on those items and confirmed that no one referenced his church's, his wife's, or his sons' involvement with PCAC.¹¹

In his interview with the OIG, Commissioner Sanders admitted that he did not disclose his employer's or immediate family's connection to PCAC at the public meetings when he voted to favor it.¹² He distinguished his votes on those matters with the ones where he did abstain, saying that PCAC never employed Mrs. Sanders and that it only paid her for her past employment with Palms of Hallandale Beach Weed and Seed, an explanation we found entirely contrary to the evidence and one that failed to address his employer's interest in PCAC.

From 2013 through 2015, PCAC Paid the Commissioner's Family approximately \$7,588 for Consulting and Employment

PCAC was a Hallandale Beach-based non-profit organization that provided job training and community development. It was originally named Palms Community Development Corporation in early 2011 but within three months, with Mrs. Sanders's involvement, changed its name to Palms Community Action Coalition, Inc. Witnesses informed us that its predecessor was Palms of Hallandale Beach Weed and Seed, which concluded operating at the end of 2012. The city of Hallandale Beach funded PCAC directly and through private developers through its community benefit plan program.

It was Commissioner Sanders who initially promoted the idea that local workers should be included in city development. Since about 2012, the city of Hallandale Beach has required all potential developers on city projects of over \$1 million to include the community benefit plan program and the name of their program partner as a component of their proposals. Because of the weight the city gave to the program, it was very difficult for a developer to win a project without including this component. We determined through our review that developers on city projects between 2013 and 2015 frequently designated PCAC as their community benefit plan program partner in their proposals.

An OIG analysis of financial records of PCAC and Higher Vision Ministries showed that PCAC made direct payments to members of Commissioner Sanders's immediate family from January 16, 2013, through December 21, 2015.

¹¹ See our discussion below OIG Table 6 about how the commissioner was not required by law to abstain from voting on some of these votes but that state law did prohibit the relationships that gave rise to frequently recurring conflicts and relationships that impeded his ability to carry out his public duties.

¹² Commissioner Sanders said he sought legal advice from the former city attorney regarding PCAC compensating his family members and his employer, and she verbally advised him he did not have to publicly disclose the payments. We note that in order to be binding, under the State ethics code or the Broward ethics code, a legal opinion must be in writing from the state Commission on Ethics or the official's municipal attorney, respectively. Other requirements also apply in order for any legal opinion to be binding. In any event, the commissioner refused to waive the attorney-client communication privilege to enable the OIG to interview the city attorney and corroborate this account.

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During the transition period in 2013 after Palms of Hallandale Beach Weed and Seed wound down and PCAC started up, PCAC paid Mrs. Sanders consulting fees totaling \$3,500. Commissioner Sanders characterized this transition period as difficult on his family. Although he said these checks were for money that Palms of Hallandale Beach Weed and Seed previously owed his wife and denied that she worked for PCAC after she left Palms of Hallandale Beach Weed and Seed, Mrs. Sanders told the OIG that she continued to assist PCAC in 2013 after she left its formal employment, helping with grant applications and training its new executive director. We also noted that the three PCAC checks written to Mrs. Sanders during 2013, which were deposited into the Sanders's joint checking account, contained the memo lines, "Consulting Services (Grant Writing)," "Grant Writer," and "Consulting Services." (Composite Exhibit 2)

Moreover, Mr. Wright confirmed that Mrs. Sanders was an experienced grant writer upon whom PCAC relied during 2013, and he described specific grants she helped with during that year. He said that the payments to her in no way represented Palms of Hallandale Beach Weed and Seed monies or work efforts and that they represented work Mrs. Sanders contemporaneously performed for PCAC.

Commissioner and Mrs. Sanders and Mr. Wright also acknowledged that, between 2013 and 2015, PCAC paid two of the Commissioner's sons for part-time employment and an internship. In January or February 2016, around the time when PCAC severed its ties with Commissioner Sanders's church, PCAC dismissed the son who was still working there. We calculated the payments to the commissioners' sons to be another \$4,087.50.

Altogether, we found that PCAC paid the commissioner's family at least approximately \$7,588 between January 2013 and December 2015, as follows:

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**OIG Table 2: PCAC Payments
to Immediate Family Members of Commissioner Sanders, 2013-2015**

DATE	PAYEE	AMOUNT	CHECK MEMO
01/16/13	(Son 1)	\$150.00	Videographer Service
03/14/13	(Son 1)	\$150.00	Technical Assistance
04/05/13	(Wife)	\$1,000.00	Consulting Services (Grant Writing)
04/24/13	(Son 1)	\$150.00	Computer Tech
05/22/13	(Wife)	\$1,500.00	Grant Writer
10/17/13	(Wife)	\$1,000.00	Consulting services
06/05/14	(Son 2)	\$240.00	Workforce Intern 6/2 – 6/2/2014
06/19/14	(Son 2)	\$600.00	Workforce Intern 6/9 - 6/20/2014
07/03/14	(Son 2)	\$260.00	Workforce Intern 6/23 – 6/26/2014
01/01/15	(Son 2)	\$150.00	(blank)
01/15/15	(Son 2)	\$300.00	(blank)
04/02/15	(Son 2)	\$150.00	Student - Intern
06/04/15	(Son 2)	\$250.00	(blank)
06/18/15	(Son 2)	\$300.00	(blank)
07/03/15	(Son 2)	\$150.00	(blank)
08/13/15	(Son 1)	\$210.00	(blank)
09/10/15	(Son 1)	\$275.00	(blank)
09/24/15	(Son 1)	\$225.00	(blank)
10/07/15	(Son 1)	\$175.00	(blank)
11/19/15	(Son 1)	192.50	(blank)
12/21/15	(Son 1)	\$160.00	(blank)
TOTAL		\$7,587.50	

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From 2013 through 2015, PCAC Paid Higher Vision Ministries \$31,100 for Transportation

Beginning on March 14, 2013, and continuing through November 13, 2015, PCAC also made a series of payments to Higher Vision Ministries, the church where Commissioner Sanders was pastor and the only full-time employee. These payments¹³ totaled \$31,100, as follows:

OIG Table 3: PCAC Payments to Higher Vision Ministries, 2013-2015

DATE	AMOUNT	CHECK MEMO
03/14/13	\$1,000	Transportation for Job Linkage Program 3/9-4/6/13
04/05/13	\$1,000	Transportation
07/01/13	\$1,000	Transportation for Job Training Participants
08/01/13	\$1,000	Transportation
11/06/13	\$2,000	Donation/Pastor's Appreciation
01/16/14	\$1,000	Transportation
02/13/14	\$1,000	Transportation (Sheridan Tech)
03/13/14	\$1,000	Transportation (March)
04/10/14	\$1,000	Transportation
05/07/14	\$1,000	Donation
06/05/14	\$1,000	Transportation
07/03/14	\$1,000	Transportation
08/14/14	\$1,000	Transportation
09/16/14	\$1,000	Transportation
10/23/14	\$1,600	Transportation
11/20/14	\$1,500	(blank)
11/26/14	\$1,000	Transportation
12/18/14	\$1,000	(blank)
01/15/15	\$1,000	(blank)
02/12/15	\$1,000	(blank)
03/12/15	\$1,000	(blank)
04/16/15	\$1,000	(blank)
05/14/15	\$1,000	(blank)
06/12/15	\$1,000	(blank)
07/16/15	\$1,000	(blank)
08/13/15	\$1,000	(blank)
09/10/15	\$1,000	(blank)
10/14/15	\$1,000	(blank)
11/13/15	\$1,000	(blank)
TOTAL	\$31,100	

¹³ In addition, we observed that, on March 11, 2015, PCAC made a payment to Ebenezer Baptist Church for \$1,000 by a check with the memo line, "10 Gala Tickets for Higher Vision Ministries."

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Mr. Wright, Mr. Burton, the PCAC Office Manager, and other witnesses told the OIG that the payments represented compensation to the church for transporting PCAC trainees to and from Sheridan Technical College classes. These classes lasted from 8:00 a.m. until noon on Saturday mornings for approximately 13 weeks per session.¹⁴

The OIG obtained copies of two agreements between PCAC and Higher Vision Ministries, both on PCAC letterhead, signed by the PCAC Office Manager for PCAC and the Higher Vision Ministries Bookkeeper, and titled “PCAC Transportation Agreement.” The Higher Vision Ministries Bookkeeper was both a volunteer bookkeeper for the church and a staff member of PCAC. The first memorialization occurred five months after the payments began; that is, after PCAC had already paid \$4,000 to Higher Vision Ministries. Both the August 1, 2013, agreement (Exhibit 3) and the January 16, 2014 agreement (Exhibit 4) provided that PCAC would pay \$1,000 (presumably, per month¹⁵) for Higher Vision Ministries to provide a driver and transport trainees to and from Sheridan Technical Center.

The OIG also received a copy of a letter from Higher Vision Ministries to PCAC dated February 1, 2014, titled “Re: Higher Vision Ministries’ Church Van.” (Exhibit 5) This letter was signed by the Higher Vision Ministries Bookkeeper and the Van Driver, and “verified” that the Van Driver would use the church van to transport PCAC trainees “on a monthly basis as needed.” It provided that the Van Driver would keep the van on his premises, that he was responsible for scheduling all drivers, and that his compensation would be given to the church on his behalf. The Van Driver told the OIG that he could not receive the money directly because he was on disability from the city of Hallandale Beach.

The Van Driver, the Higher Vision Ministries Bookkeeper, and Commissioner Sanders all denied authoring the agreements and letter. The Van Driver told the OIG that the bookkeeper called him and asked him to come and sign the letter at Higher Vision Ministries. Commissioner Sanders told the OIG that, although he knew the Van Driver had requested the letter, he did not know who wrote it. The Higher Vision Ministries Bookkeeper told the OIG that Commissioner Sanders created the language in the two memoranda but that she did not know who drafted the letter.

OIG interviews and records examinations determined that neither Higher Vision Ministries nor PCAC documented any of the services that were provided under their transportation agreement. Sheridan Technical College provided the OIG with records that documented PCAC class sessions for March 15, 2013, through November 23, 2015,¹⁶ with which we determined that Higher Vision

¹⁴ The www.mapquest.com distance between the PCAC pickup point, Ebenezer Missionary Baptist Church in Hallandale Beach, and the drop-off point at Sheridan Technical College in Hollywood is 5.9 miles, for a total driving distance of 11.8 miles per class day. Extrapolated to the total number of Sheridan Technical College class days (52), Higher Vision Ministries drove PCAC trainees a total of approximately 613.6 miles. When 27 monthly \$1,000 payments is divided by that total mileage, we calculated that Higher Vision Ministries received approximately \$519.23 per accountable day driven or \$44.00 for each accountable mile driven under the agreement. Although witnesses suggested that additional, non-Sheridan trips may have been made, neither Higher Visions Ministries nor PCAC documented them.

¹⁵ Neither was a duration specified for the \$1,000 payment nor was there a termination date provided for in either agreement.

¹⁶ This is the period during which the transportation agreement was in place and payments were received.

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Ministries transported PCAC trainees per their agreement on no more than 52 days during a 27-month period, as follows:

OIG Table 4: PCAC
Classes at Sheridan Technical College, 3/15/13 – 11/23/15

DATES OF SHERIDAN TECHNICAL COLLEGE CLASS SESSION	NUMBER OF CLASS DAYS IN SESSION	SESSION DURATION IN CALENDAR DAYS
03/09/13 – 06/01/13	13	84
06/15/13 – 09/07/13	13	84
11/02/13 – 02/08/14	13	98
02/21/15 – 05/16/15	13	84

We determined that Higher Vision Ministries did not transport any PCAC trainees to Sheridan Technical College after May 16, 2015, despite the Van Driver’s claims to the contrary. The PCAC Office Manager explained that no services were provided after that date because there were no trainees who needed a ride. The city’s Grant Monitor said that, during fiscal year 2015, the city allocated \$17,000 for ten women, six of whom dropped out, to receive nursing training at Sheridan Technical College and provided the trainees with free bus passes for transportation to the school. The Grant Monitor observed that, if PCAC paid for the trainees to be transported to the program, the bus passes would have been unnecessary, duplicate payments.

PCAC made another six monthly payments—of \$1,000 each—through November of 2015 for the purpose of transporting trainees to Sheridan, but without actually doing so.¹⁷

Commissioner Sanders told the OIG that the Van Driver drove the majority of the time in fulfillment of the agreement, and that, in addition to rides to Sheridan Technical College on Saturday mornings, he also drove to other destinations for PCAC.

OIG special agents interviewed the Van Driver, who generally corroborated the commissioner’s account about the transportation of trainees for PCAC. He stated that PCAC was originally going to pay him to drive the Higher Vision Ministries van, but he decided to tithe the money to the church instead. The Van Driver also told the OIG that he was sure that Commissioner Sanders did not vote on matters affecting PCAC in his role as a Hallandale Beach commissioner. He said that Commissioner Sanders knows that he is not allowed to mix church and city government and that the commissioner is not the type of person who would do that. The Van Driver also said that Mr. Wright,

¹⁷ By the time of his OIG interview Mr. Burton, Commissioner Sanders’s long-time personal friend and PCAC board member, had negotiated a \$600 per month private van service for job training classes at Sheridan Technical College for the fire station project, described below, payable only during months when rides were given. Mr. Burton asked the OIG, “If I don’t need the service, why am I gonna pay for it?”

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the PCAC Office Manager, and the PCAC Field Coordinator from PCAC tasked him many times to provide rides in addition to those he made to Sheridan Technical College on Saturday mornings.

However, Mr. Wright, the PCAC Office Manager, and the PCAC Field Coordinator collectively and independently recalled no more than seven occasions between 2013 and 2015 when the rides were not for Sheridan Technical College's Saturday morning classes.¹⁸ The PCAC Office Manager detailed the times when she tried to get Higher Vision Ministries to transport PCAC trainees and could not get service. Mr. Wright told the OIG that the Van Driver initially provided the Sheridan Technical College rides but that something happened which affected the Van Driver's ability to be the driver on the transportation agreement. After that, there were a number of different drivers, including Commissioner Sanders and his sons.

We also noted there were several payments that exceeded the \$1,000 per month as apparently called for by the agreement.

The PCAC Office Manager, who issued checks at Mr. Wright's direction, told the OIG she did not know why the November 2013 payment was \$2,000 instead of \$1,000, why the check noted "Donation/Pastor's Appreciation" (Exhibit 6) or why a total of \$4,100 was paid during October and November of 2014. She did note that October was the month when Hallandale Beach grant funding to PCAC began each fiscal year.

Mr. Wright did not recall the \$2,000 "Donation/Pastor's Appreciation" check he would have authorized, but he did say that was "a lot of money" for PCAC at the time. Neither did he have an explanation for the PCAC checks to Higher Vision Ministries that were more than the \$1,000 monthly payments, although he "understands the concern" about them, agreeing that the extra monies to Higher Vision Ministries from PCAC in the fall of 2013 and the fall of 2014 "don't look good" because they occurred shortly after the city's annual grant funding. As did the PCAC Office Manager, Mr. Wright noted that Hallandale Beach grant funding for each fiscal year began in October.

Commissioner Sanders told the OIG that the \$2,000 check was a donation to his church and had nothing to do with the transportation agreement. However, the day after he deposited the \$2,000 check, his church issued a \$500 check to Mr. Burton, his close friend, PCAC board member and occasional Higher Vision Ministries minister. It was Mr. Burton who facilitated the partnership between PCAC and the developers who benefited from Commissioner Sanders's vote the day that PCAC wrote the \$2,000 check. (Exhibit 7) The check payable to Mr. Burton stated, "Love Offering" on the memo line. Although Commissioner Sanders told the OIG that this acknowledged Mr. Burton's ministerial services to the church, we noted that Mr. Burton was on the PCAC board of directors and working on developing additional partnership relationships for it at the time. Mr. Burton told the OIG that he has known Commissioner Sanders for about 25 years and that he and Commissioner Sanders are godfathers to each other's sons. At first Mr. Burton stated that he did not know what the \$500

¹⁸ Mr. Wright remembers three non-Saturday morning rides that Higher Vision Ministries provided for PCAC; the PCAC Field Coordinator said he believed there were two non-Saturday rides; and the PCAC Office Manager said she could only remember two non-Saturday morning rides.

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check was for and that his Higher Vision Ministries speaking fee checks were \$50 each. He then said the \$500 might have been for speaking.

On October 23, 2014, PCAC issued a check to Higher Vision Ministries for \$1,600. (Exhibit 8) This check noted "Transportation" in the memo line. Commissioner Sanders told the OIG that he had no involvement in and did not know why this check was \$600 more than normal.

On November 20, 2014, PCAC issued a check to Higher Vision Ministries for \$1,500, with the memo line blank. (Exhibit 9) Six days later, PCAC sent another \$1,000 check, this time with "Transportation" on the memo line. (Exhibit 10) Commissioner Sanders told the OIG that he did not know what the \$1,500 check was for but said that November is normally the month when Higher Vision Ministries does anniversary fund-raising for the church, even though the church was founded during the month of January.

The PCAC Executive Director said that, when she assumed her position in October 2015, she saw the expenditures to Higher Vision Ministries and sought an explanation. She and a consultant for PCAC determined that Higher Vision Ministries had not given any rides in months, and they did not feel there was an appropriate reason for the agreement. They were also concerned whether Higher Vision drivers were insured, as they did not receive proof of insurance as they requested from Commissioner Sanders and his church. The PCAC Executive Director told the OIG she believed that the real reason for this transportation agreement was to maintain Commissioner Sanders's support for her organization to continue receiving city grants and private developer community benefit plan contracts.

At the Same Time that PCAC Paid His Employer and Family, Commissioner Sanders Voted to Grant \$202,450 in City Funds to PCAC

The City of Hallandale Beach produced records showing that, between 2013 and 2015, its commission, including Commissioner Sanders, voted to appropriate \$202,450 directly to PCAC, as follows:

**OIG Table 5: Commissioner Sanders Votes That Benefited
PCAC with Direct Grants, 2013-2015**

DATE OF PAYMENT APPROVAL	AMOUNT	PURPOSE
02/19/13	\$50,000	Community partnership grant
08/19/13	\$50,000	One year community partnership grant
09/22/14	\$102,450	Three year community partnership grant, re-confirmed annually
TOTAL	\$202,450	

The Grant Monitor told the OIG that, during fiscal year 2015, PCAC operated for about 20 hours per week, ran a total of two classes which had no relation to job placement, was below standard for both rate and speed of job placement, and had administrative costs that were too high, all conclusions that she said she passed on to the city. She was not aware of Higher Vision Ministries's transportation agreement with PCAC, which when described concerned her for incurring potentially duplicative or redundant costs where the city provided free bus passes to PCAC trainees. She said she would have wanted to know about that relationship, especially if some of the grant monies were used to pay a church that had as its pastor a city commissioner voting to fund the grantee.

At the Same Time that PCAC Paid His Employer and Family, Commissioner Sanders Voted to Approve Contracts that Benefited PCAC by \$695,870

Starting in 2011, Hallandale Beach required developers of all city-funded capital improvement projects of over \$1 million to include a percentage commitment for a community benefit plan and encouraged developers of all non-capital improvement projects and capital improvement projects under \$1 million to do so. According to the city's June 2016 publication, "*A Guide to the City of Hallandale Beach Community Benefit Program*," developers seeking to do business with the city under the plan:

...must demonstrate and provide a proposed community benefit plan which has identifiable and observable community benefits for the project and the city. The benefits should include the approach for insuring that both prime and subcontractors utilize local residents in every phase of the project of the city, community outreach, mentoring, training, apprenticeships, or any other types of identifiable ancillary benefits for the community.

We reviewed Hallandale Beach city commission and CRA meeting minutes and determined that Commissioner Sanders actively participated in discussions and voted as a city commissioner or a CRA director on at least seven separate occasions between 2013 and 2015 to facilitate or approve developer contracts or change orders on contracts that designated PCAC as the developer's community benefit plan partner, as follows:

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**OIG Table 6: Commissioner Sanders Votes That Benefited
PCAC as a Community Benefit Partner, 2013-2015**

DATE	CONTRACTOR(S)	CITY OR CRA	CONTRACT AMOUNT	PROJECT
2/06/13	Burkhardt ¹⁹ / NuJak ²⁰	City	\$190,000	BF James, Joseph Scavo, and South Beach Parks
6/19/13	Burkhardt/ NuJak	CRA	N/A (doc prep only)	OB Johnson Park
6/19/13	Burkhardt/ NuJak	City	\$7,692,418	Scavo Park and BF James Park phase II
11/6/13	Burkhardt/ NuJak	City	N/A (amendment)	BF James and Scavo Park
11/18/13	Lanzo Construction ²¹ Calvin Giordano ²²	CRA ²³	\$768,515 \$163,855	NE Drainage Project
5/21/14	Currie Sowards Aguila Architects ²⁴	City ²⁵	\$900,000	Main Fire Station
8/5/15	M.D. Stewart and Associates, Inc. ²⁶	City & CRA (3-2 vote)	\$154,480	Hallandale Opportunity Project
		TOTAL	\$9,869,268	

Not all of these votes would be considered “voting conflicts” requiring abstention under Florida law. Preliminary votes, such as those directing staff to compile information, do not amount to a special private gain or loss as a direct outcome of the vote, which is necessary to render a conflict prohibiting a vote under F.S. § 112.3143(1)(d), (3)(a). In addition, a CRA commissioner is not prohibited from voting even where he, his immediate family, or his employer has a special private gain or loss in the matter. F.S. § 112.3143(3)(b). Nonetheless, together with the votes listed in OIG Table 5, we found

¹⁹ The Burkhardt Construction Project Manager told us that the NuJak CEO referred him to PCAC.

²⁰ The NuJak CEO told the OIG that this project was the first and only one that his company worked on for Hallandale Beach and that he located PCAC through an internet search. But Mr. Burton said that his relationship with the NuJak CEO brought PCAC in as a community benefit plan partner. The NuJak CEO said he was unaware of any business relationship between any Hallandale Beach city commissioner and PCAC or between PCAC and Higher Vision Ministries.

²¹ Lanzo’s project manager told the OIG he knew that a now deceased Lanzo employee first located PCAC but that he did not know how the contact was initiated.

²² A senior vice president for this inspection firm told the OIG that, as Lanzo was the prime contractor on this project, it was Lanzo that had arranged for PCAC to be the community benefit plan partner and that the inspection firm did not have any communications with PCAC.

²³ Commissioner Sanders spoke concerning the community benefit plan for the NE drainage project and requested a staff report outlining the expenditures and activities completed under the community benefit plan with PCAC as partner.

²⁴ One of the principals of Currie Sowards Aguila Architects said he received a call during the bidding process from the Burkhardt Construction Project Manager, who told him that PCAC could help his firm fulfill the community benefit partnership program requirement and implied that the organization was connected to city commissioners.

²⁵ Mr. Wright spoke on behalf of PCAC as a community benefit partner on the project.

²⁶ A principal of M.D. Stewart and Associates told us that she may have met PCAC through the recommendation of a woman who worked at the iCenter in Hallandale Beach, a short-lived community foundation. We did not come across that woman’s name elsewhere in this matter.

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these votes evidenced that the commissioner's relationship with Higher Vision Ministries created a continuing or frequently recurring conflict between his role in running the church and the performance of his commissioner duties or that impeded the commissioner's ability to fully and faithfully discharge his commissioner duties. F.S. § 112.313(7)(a).

Commissioner Sanders Solicited Church Donations from Hallandale Beach Developers He Voted to Benefit

On November 6, 2013, the Hallandale Beach City Commission approved the commencement of a portion of a parks renewal project that it had previously awarded to two primary construction companies, Burkhardt Construction, Inc. and NuJak Companies, Inc., as listed in OIG Table 6, above. This vote resulted in the release of funding for the third of the three parks involved in the project.

According to NuJak's CEO, Commissioner Sanders approached him and handed him a church fundraising flyer and solicited a contribution to his church. He knew that the commissioner was a minister and generally recalled that the commissioner said that Higher Vision Ministries was "his church" but said he did not know that he was the pastor. He acknowledged that NuJak Companies wrote a check to Higher Vision Ministries for \$600 the same day as the November 6, 2013, vote (Exhibit 11) and that he asked his co-developer, Burkhardt Construction, to do the same. Burkhardt Construction's president told the OIG that Mr. Wright may have requested a contribution from him. In either case, on November 8, 2016, Burkhardt Construction wrote a \$500 check to Higher Vision Ministries. (Exhibit 12)

Commissioner Sanders does not remember asking the developer to give to his church and, when asked what the check from Burkhardt to Higher Vision Ministries represented, he replied that the check "represents what the others represent. It represents community."

The OIG found, and Commissioner Sanders admitted, that city developers made at least \$1,100 in contributions to the commissioner's employer. We also found that the commissioner directly and indirectly solicited and accepted these payments in conjunction with a city vote involving those developers.

The OIG reviewed PCAC bank records and determined that the development votes listed in OIG Table 6 enabled PCAC to receive approximately \$695,870 in community benefit partner payments from prime contractors and subcontractors, as follows:

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OIG Table 7: Contractor and Subcontractor Payments to PCAC, 2013-2015

DATES	AMOUNT	PAYER
04/01/13-11/23/15	\$573,316	Burkhardt Construction, Inc.
05/01/13	\$25,000	Lanzo Construction Co.
11/06/13-04/16/14	\$73,134	NuJak Construction of So. Fla, LLC
12/07/13-12/20/13	\$16,105	Build Tech Construction Consulting
12/10/13-05/02/14	\$2,425	Paul A. Jackson Plumbing, Inc.
03/06/15	\$1,000	Acai Associates, Inc.
09/25/15	\$3,000	West Construction, Inc.
12/14/15	\$1,890	MD Stewart and Associates, Inc.
TOTAL	\$695,870	

After PCAC Terminated its Agreement with Higher Vision Ministries, the Organization Lost All City-Facilitated Funding

In late 2015 PCAC hired a consultant recommended by Commissioner and his wife. The Consultant told the OIG that she was an organizational and management consultant for government organizations and non-profits and that PCAC hired her to examine its structure and processes. She said she told PCAC that the transportation agreement with Higher Vision Ministries was not advisable because of liability and insurance issues, because the \$1,000 per month expense was for rides that were infrequently provided, and because it appeared improper to pay Commissioner Sanders's church.

The Consultant told the OIG that she telephoned Commissioner Sanders and asked for Higher Vision Ministries' transportation logs and invoices. At first he told her that the church had already provided them to PCAC. When she called him back to tell him that she believed there were no logs or invoices there, he responded that she had no right to ask for the documents and that the monies that PCAC gave to Higher Vision Ministries were a tithe to the church, not payments for transportation services.

According to the PCAC Executive Director, in January or early February of 2016, her organization notified Higher Vision Ministries that it was ending all payments to the commissioner's church and was ending his son's employment. Mr. Wright told the OIG that, after receiving the letter, Commissioner Sanders called him and expressed anger, and Mr. Wright invited him to address the board.

Board minutes reflect that Commissioner Sanders appeared at the next meeting, which was held on February 4, 2016. The OIG interviewed at least five witnesses who variously told the OIG that Commissioner Sanders's demeanor there was "very angry," "boastful," and "left people stunned at

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how angry he was” about the termination of the transportation agreement and that he directed his ire toward the Consultant. The commissioner spoke for about 20 uninterrupted minutes, and “it was crazy.” He defended Higher Vision Ministries being paid even when no rides were needed and said there was nothing that his church needed to do to earn its fee in a given month. When confronted about his receiving funds from the organization for which he was voting, he told the board that he had a consulting contract with PCAC that did not have to be disclosed to the city of Hallandale Beach and said that he could take his pastor and commissioner hats on and off when needed. The commissioner told the board that, if they dismissed the Consultant, PCAC would remain in good standing with the city. One witness said that he kept repeating that he created PCAC and was beating on his chest while doing so, and that when he left the room, people were shocked and silent.

Commissioner Sanders and Mr. Burton told us that the commissioner’s concerns at the board meeting were about PCAC’s direction, philosophy, strategy, and failure to help the community—but not about the transportation agreement. The commissioner said that he was passionate at the board meeting when discussing PCAC’s dedication to helping the community but that he was not angry. He also said there was no discussion about whether he, as the pastor of Higher Vision Ministries, had a conflict of interest when PCAC paid the church while the city was funding it. He went as far as claiming to “not really have discussions” with anyone at PCAC about the termination of the agreement.

The commissioner told us that the main reason the transportation agreement was terminated was because PCAC was moving its training classes from Sheridan Technical College’s location in Hollywood to one in Pembroke Pines and that this was too far for the church to drive. Mr. Wright denied that his organization ever considered or discussed moving all of its Sheridan Technical College classes to the Pembroke Pines campus.²⁷

For the first time in months, Mr. Burton also showed up at the February 4, 2016, board meeting. After the PCAC Executive Director accused him of making “side deals” that worked against PCAC, he was dismissed. The executive director explained to the OIG that Mr. Burton had been steering business away from PCAC and taking documents from its offices without permission, including by falsely representing himself as the “finance director” of PCAC as early as July 2015. The PCAC Executive Director also told us that, although Mr. Burton was approved to forge a community benefit partnership relationship with the developer of the Hallandale Beach fire station project, PCAC did not give him such a title, and she disagreed with him about how much contact he should have with contractors.

Before the termination of the agreement with Higher Vision Ministries, the board chair estimated that PCAC was included in about 90 percent of Hallandale Beach development contracts.

²⁷ Mr. Wright explained that, during the time the transportation agreement was in effect, PCAC had four trainees who were taking their Sheridan Technical College classes for commercial driver’s license training in Pembroke Pines and that Higher Vision Ministries started to drive three of them to their classes, but one of the trainees had his own car and did not need a ride. Thereafter, one of the remaining trainees dropped out of the training program. The remaining two trainees who needed a ride started taking classes at night, and were told to find their own transportation to the classes. One of the two had his own car, and they rode together.

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Two months prior to the February 4, 2016, board meeting, PCAC stopped making payments to Higher Vision Ministries. Since then, no new development projects have included PCAC as a community benefit partner. The PCAC Executive Director stated that she believed Commissioner Sanders was responsible.

Within three months of the February 4, 2016, board meeting, several developers on Hallandale Beach projects, including the one involving the fire station, changed their community benefit partners from PCAC to South Florida Educational Development Center, a charitable organization that Mr. Burton began working with after his dismissal from the PCAC board. These projects were worth about \$125,000 annually to PCAC. Commissioner Sanders told the OIG that he was not surprised that Mr. Burton's PCAC projects moved with him when he left.²⁸

As of February 2017, Mr. Wright said that PCAC was all but finished as a viable organization.

INTERVIEW SUMMARIES

As a part of the investigation, OIG Special Agents conducted numerous interviews. Significant interviews are summarized below:

1. Interview of Commissioner Sanders

Commissioner Sanders was born in Hallandale Beach, has lived there all his life, and has been a Hallandale Beach City Commissioner since he was appointed to an empty seat in August 2008. Over the past five years, he has worked for the City of Hallandale Beach, the Higher Vision Ministries church, and Benchmark Community Solutions.

He held and managed personal bank accounts jointly with his wife; neither of them had an individual account.

Higher Vision Ministries was founded in 1999 and reached out to places and people that traditional churches generally did not. It had about 150 active members, and average attendance at services was 90 to 100 people. Its revenue was from tithes, money from special services, rents, and church anniversary gifts. Between 2013 and 2015 PCAC paid the church \$1,000 per month under a transportation agreement.

Over the past five years, Higher Vision Ministries had consistently paid Commissioner Sanders \$20,800 in annual gross salary. The church also paid him compensation in the form of \$400 to \$800 per month parsonage payments, which were \$800 per month at the time of the interview. The amount the church paid Commissioner Sanders for parsonage had a lot to do with how much money was in its bank account.

²⁸ We attempted to learn but did not substantiate whether Commissioner Sanders or Higher Vision Ministries subsequently received anything of value from South Florida Educational Development Center or any of the developers to which Mr. Burton moved his projects.

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The church regularly compensated only three employees, Commissioner Sanders and two musicians. It paid one of the musicians approximately \$100 per week and the other approximately \$150 per week. In addition to employment expenses, Higher Vision Ministries had expenses for equipment and maintenance, and expenses related to a church van that it had owned since 2004. The church also routinely paid other guest ministers for their services. How much they were compensated was unstructured, but the church may have paid a guest minister as much as \$1,000, though it has not done so in the past few years.

PCAC evolved from Palms of Hallandale Beach Weed and Seed, which was federally funded for five years. Commissioner Sanders and his wife were involved with Palms of Hallandale Beach Weed and Seed from its inception, and she was its executive director for its final year. After its federal funding ended in late 2012, Mrs. Sanders was unemployed for eight months, which hurt the Sanders family financially. During that time, she helped PCAC set up its infrastructure. After that, she began working for Broward County.

At one point the City of Hallandale Beach inquired about the need for Commissioner Sanders to abstain from voting on certain issues because of Mrs. Sanders's position at Palms of Hallandale Beach Weed and Seed. As a result, he then abstained from voting on matters involving that organization. Once Mrs. Sanders departed Palms of Hallandale Beach Weed and Seed, Commissioner Sanders was again able to vote on matters involving it.

He said he came to an agreement with the former city attorney, an assistant city attorney, and the Burkhardt Construction Project Manager that another of his sons could participate in a training and mentorship program that was sponsored by Burkhardt Construction, one of the Hallandale Beach contractors for whom he voted to approve contracts. He said that this approval was memorialized in city emails with the former city manager's office.²⁹

He also said he sought legal advice from the former city attorney regarding PCAC compensating his family members and his employer, and she advised him he did not have to publicly disclose the payments. There was nothing in writing regarding this advice, and the commissioner refused to waive the attorney-client communication privilege to enable the OIG to interview the lawyer to corroborate this account.

Higher Vision Ministries transported PCAC trainees as far back as 2012, and until March of 2013 did so without compensation. The organization offered to compensate the church's deacon, the Van Driver, to drive the church van, but he declined, saying he preferred any payments be made to the church as his tithing. It was the Van Driver who "pretty much" negotiated the agreement; he probably did that with Mr. Wright, the PCAC board chair.

The Van Driver began by giving weekly rides to trainees to Sheridan Technical College, which later expanded to taking them four or five days per week to job interviews, training and job sites, and nursing visits. It was the Van Driver who told Commissioner Sanders about the expansion of

²⁹ Upon the OIG's request, the city conducted a search for such emails but did not locate any.

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the transportation. When the rides expanded, the Van Driver got a team together to assist him, including Commissioner Sanders and one of his sons. These rides may have been by car instead of the church van. If the drivers had to stay on site for an extended time, they may have received some minor compensation. Commissioner Sanders assumed that Mr. Wright and other PCAC representatives arranged some of these rides.

Commissioner Sanders was aware of the two transportation memoranda of understanding from August 1, 2013 (Exhibit 3), and January 16, 2014 (Exhibit 4). He did not help draft them. The bookkeeper who signed for Higher Vision Ministries was also a PCAC employee, but the commissioner did not believe that she helped draft the agreements. The commissioner had not seen them until the OIG sent a records request in 2016. He did not know why the January 16, 2014, document was re-done with similar language or why the agreements only detailed the Sheridan Technical College transportation responsibilities.

The Van Driver had the February 2014 letter on Higher Vision Ministries' letterhead, which detailed the Van Driver's responsibilities under the agreement, written. He did so to document his tithe to the church. (Exhibit 5)

Higher Vision Ministries did not keep any records of who was transported, where or when. It might have been possible to determine how many people were transported from the Sheridan Technical College class size but not all of the Sheridan Technical College class attendees used the Higher Vision Ministries van for their transportation. Commissioner Sanders learned how the class rides took place through conversations and through fliers in the community describing the Higher Vision Ministries' transportation option. The Sheridan Technical College classes were on Saturdays from seven or eight in the morning until noon. The church van picked up Sheridan Technical College trainees at Ebenezer Baptist Church in the city and transported them to and from the college, but only when classes were in session.

PCAC employed one of the commissioner's sons under a summer job program for college students. Commissioner Sanders does not believe he disclosed this to city staff or the commission.

PCAC compensated Mrs. Sanders after the commissioner started voting on matters affecting them in 2013, as it owed her approximately \$3,000 after she left Palms of Hallandale Beach Weed and Seed and PCAC. He did not disclose any of the three checks that PCAC paid to Mrs. Sanders, either verbally or in writing. And, other than emails concerning one of his son's participation in a Burkhardt Construction training program, he is not aware of any documentation of any compensation from PCAC to any other members of his immediate family or his employer.

Commissioner Sanders was shown minutes of a Hallandale Beach city commission resolution from November 6, 2013, for the Hallandale Beach Parks Project Phase II project and a \$2,000 check from PCAC to Higher Vision Ministries dated November 6, 2013, and directed to the memo line on that check, which read "Donation/Pastor's Appreciation." (Exhibit 6) The commissioner stated that the \$2,000 check was related to the church's anniversary and unrelated to the transportation agreement. When asked, he said that Higher Vision Ministries was formed in the month of

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January, but that its anniversary sometimes celebrated in June, sometimes in October, and sometimes in November, depending on when the church is set up to celebrate.

The \$2,000 was not disclosed because it was a donation to the church. The phrase “Donation/Pastor’s Appreciation” had no significance. People come through the week-long anniversary period to give donations to the church. Commissioner Sanders has a vague memory of this \$2,000 check but has no memory of any conversations surrounding it. During the time period when this check was issued, Higher Vision Ministries had gross monthly revenues of about \$7,000, but it was a “token” compared to the help and volunteerism that Higher Vision Ministries gave to PCAC.

The commissioner was shown a \$600 check from NuJak Construction to Higher Vision Ministries, also dated November 6, 2013. (Exhibit 11) Commissioner Sanders does not remember that check, but remembers that a NuJak representative, perhaps its project manager, was once at a Higher Vision Ministries service. The NuJak project manager and the CEO were NuJak’s representatives in Hallandale Beach. For Commissioner Sanders, there was no correlation or relation between this \$600 check and the vote he entered for the parks project which included NuJak on the same day. “That project would have been accepted long before that,” even if the vote was that day. Commissioner Sanders does not remember discussing this donation with the NuJak CEO.

Commissioner Sanders does not remember a conversation with any representative of Burkhardt Construction about it giving a check to Higher Vision Ministries. No representative from Burkhardt Construction attended any church service at Higher Vision Ministries. The commissioner was shown a \$500 check from Burkhardt Construction to Higher Vision Ministries dated November 8, 2013. (Exhibit 12) Commissioner Sanders did not remember this check coming in. To him, this \$500 check “represents what the others represent. It represents community.”

Commissioner Sanders was shown an October 23, 2014, PCAC check to Higher Vision Ministries for \$1,600, which reflected “Transportation” in the memo line. (Exhibit 8). He had no idea why this check was for \$1,600 when the normal monthly transportation agreement checks were for \$1,000. He was also shown a November 20, 2014, check from PCAC to Higher Vision Ministries for \$1,500 (Exhibit 9) and a separate check for \$1,000 with the same date. (Exhibit 10) The commissioner did not know what the \$1,500 check was for, although November was normally the month when the church does its anniversary fund-raising. None of these checks were publicly disclosed.

Mr. Burton is a close friend of Commissioner Sanders but they have no shared business endeavors. Commissioner Sanders was shown a \$500 check from Higher Vision Ministries to Mr. Burton dated November 13, 2013, with the memo line that read, “Love Offering.” (Exhibit 7) That check represented some type of ministerial effort or service by Mr. Burton for Higher Vision Ministries. The commissioner did not know of any involvement or interaction between Mr. Burton and NuJak or Burkhardt.

As of January 2017, Commissioner Sanders did not think that Mr. Burton was still associated with PCAC. He would not be surprised to learn that whatever relationships Mr. Burton developed for the Hallandale Beach fire station project on behalf of PCAC would have left with Mr. Burton.

In late 2015 and early 2016 the transportation agreement between PCAC and Higher Vision Ministries ended. The main reason was because PCAC moved its training classes from Sheridan Technical College in Hollywood, Florida, to a five day per week class schedule at the Sheridan Technical College campus on I-75. Commissioner Sanders learned that the classes were moving through widely-held knowledge of people in the community. He did not really have discussions with PCAC representatives about terminating the agreement, but he let them know his opinion that they were not going to find people from Higher Vision Ministries who would drive out to the west Sheridan Technical College campus. Commissioner Sanders did not remember interactions with PCAC's board of directors about the termination of the transportation agreement, although he remembered discussions with the board about the organization's vision, what it was doing, its community focus and involvement, its holiday events, and its grass roots efforts.

During the PCAC board meeting in early February 2016, he mainly queried the board members about whether their focus was still on community. He was passionate during this meeting but was not angry. He never got upset about who was or was not giving to Higher Vision Ministries because he believes that the Lord will always provide for the church. During the board meeting there was no discussion about whether Sanders, as the pastor of Higher Vision Ministries, had a conflict when PCAC paid the church while the city was funding PCAC. The transportation agreement had already ended by the time this meeting happened and it was vaguely discussed. Some board members, at least Mr. Wright and the PCAC Treasurer, were aware of the agreement, and some were not.

By then, PCAC was probably getting the same or fewer Hallandale Beach projects compared to 2013, 2014, and 2015.

2. Interviews of Murvin Wright

At the request of Commissioner Sanders, Mr. Wright began attending meetings of Palms of Hallandale Beach Weed and Seed in 2011. He became the chair of PCAC's board of directors in 2012, a position that he still held. The board positions were voluntary.

PCAC's mission was job training, community outreach, job placement, and job symposiums. Its staff at the time of the interview included the PCAC Executive Director, who was Mr. Wright's daughter, and the PCAC Office Manager, who was the former executive director. The PCAC Executive Director had recently dismissed one of Commissioner Sanders's sons from his data entry job at PCAC for not showing up to work on time, leaving early, and generally being a bad employee.

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Related Group, a Hallandale Beach area developer, initially funded PCAC. Since then, the city of Hallandale Beach and its developers have provided extensive funding, but no other city has contributed funding to it.

It was Commissioner Sanders who initially promoted the idea that local workers should be included in Hallandale Beach development projects. Mr. Wright and Commissioner Sanders took a tour of the St. Petersburg, Florida, model of this effort. In PCAC's first two years, they directly found employment for 20 to 25 workers, and it placed between 300 and 400 workers in the past two years through "employer links."

Mrs. Sanders wrote grant applications for PCAC, which is why the memo lines on checks dated in April, May, and October of 2013 read, "Grant Writer" and "Grant Writing." One of those grants was through Broward County, and one was through Temple University. At the time, PCAC did not have anyone else qualified to write grants. The organization made these payments to Mrs. Sanders for her grant writing work for PCAC and definitely not for any efforts for Palms of Hallandale Beach Weed and Seed.

Higher Vision Ministries is a small church, with Commissioner Sanders as its only pastor and perhaps the only staff member, and it is basically Commissioner Sanders's ministry. In early 2013 or 2014, PCAC developed a need to transport trainees to Sheridan Technical College's Hollywood campus on Saturday mornings. It executed a memorandum of understanding with Higher Vision Ministries whereby the church provided van transportation in exchange for monthly, flat payments of \$1,000. Mr. Wright did not participate in putting this agreement together. The \$1,000 monthly payments were the only payments from PCAC to Higher Vision Ministries of which Mr. Wright was aware.

The Van Driver drove the van on Saturday mornings to the Hollywood campus. After some time, he left Higher Vision Ministries, or something happened that affected his ability to drive. After that, there were several other drivers, including Commissioner Sanders and two of his sons. They never intended to move the PCAC's Sheridan Technical College classes out to its I-75 campus, and to Mr. Wright's knowledge, the church only transported three of the trainees to that location for a short time.

Mr. Wright recalled three occasions when the PCAC Office Manager set up non-Saturday van rides—twice when trainees were driven to Doral Country Club and once when trainees were polygraphed and drug tested for jobs at Gulfstream Park.

He did not recall the check from PCAC to Higher Vision Ministries dated November 6, 2013, for \$2,000 with the notation "Donation/Pastor's Appreciation," which followed Hallandale Beach CRA grant funding. This was "a lot of money" for PCAC at the time. He would not have tried to coerce Commissioner Sanders into favoring PCAC in city matters by issuing this check; its work on Hallandale Beach projects needed to be won on merit. Mr. Wright stated that, to him, a pastor's appreciation check signifies a "thank you; that's what you do." He believed that this donation had to have been for Commissioner Sanders's preaching. Other than the pastor at Ebenezer Baptist

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Church who allowed PCAC to house its offices in Ebenezer Baptist's church building without paying rent, and Commissioner Sanders, Mr. Wright could not recall any other pastor who received an "appreciation donation" from PCAC.

Mr. Wright had no idea that, at the same time that this \$2,000 "Donation/Pastor's Appreciation" check was issued from PCAC to Higher Vision Ministries, Higher Vision Ministries issued a \$500 check to Mr. Burton with the memo, "Love Offering." If he had known about it, he would not have approved of it. Regarding whether the checks seemed connected, Mr. Wright responded, "It don't sound good. It don't sound good...It don't look good."

He had no explanation for the PCAC checks to Higher Vision Ministries that were more than the \$1,000 monthly payments and "understands the concern" about them, agreeing that the extra monies to Higher Vision Ministries from PCAC in the fall of 2013 and the fall of 2014 "don't look good" because they occurred shortly after the city's annual grant funding.

Mr. Wright was frequently present during city commission meetings at which PCAC stood to benefit from city action, and Commissioner Sanders never mentioned the transportation agreement that PCAC had with his church.

In late 2015 PCAC hired the Consultant, after a recommendation from Commissioner Sanders's wife, who worked with the Consultant as a Broward County employee. The Consultant told PCAC that the memorandum of understanding with Higher Vision Ministries was not advisable until and unless the church provided documentation detailing liability protection and proof of insurance for these rides, which Mr. Wright has never seen.

The Consultant also said that PCAC could not afford to continue depleting its budget for Higher Vision Ministries ride payments, and she did not like the overtones of impropriety associated with paying money to a sitting Hallandale Beach commissioner. The PCAC board decided to take her advice and end the agreement.

The organization sent a termination letter, with board approval, to Commissioner Sanders. When he received it, the commissioner was angry and called Mr. Wright to find out why PCAC terminated the agreement. Mr. Wright invited him to address the board. The commissioner came to the next board meeting, and he was very upset. The conflict of interest regarding paying him while he voted as a commissioner on projects was mentioned. Mr. Wright was concerned that a non-profit such as PCAC was not allowed to receive funds approved by a public official while making payments to that public official. Although the funds were going to Higher Vision Ministries, Mr. Wright knew that Higher Vision Ministries was Commissioner Sanders's church. Commissioner Sanders and the Consultant did most of the talking while the PCAC Executive Director steered the meeting. The commissioner talked about how PCAC started with him and how passionate he was about PCAC. He was upset that the Consultant did not want him to be further involved in PCAC's operations. Mr. Wright responded that the board's decision to terminate the agreement would stand but that the topic could be revisited. When Commissioner Sanders left the room, the people left in the room were stunned at how angry he was.

Since that day, “it’s been an uphill battle” with the city. After the breakup, Mr. Wright knew that PCAC needed to come up with alternate funding that did not include city projects. Before the elimination of the agreement with Higher Vision Ministries, Mr. Wright estimated that PCAC was included in about 90 percent of Hallandale Beach development contracts. Since that meeting, they have been included in none.

Mr. Burton, a very close friend of Commissioner Sanders, was on the board and was a business developer for PCAC in 2015. He was Mr. Wright’s “understudy” at PCAC. Along with the PCAC Executive Director, he was its business developer for a proposed partnership with West Construction for the building of the new Hallandale Beach fire station. Mr. Burton neither expected nor received any pay for his work on behalf of PCAC. Leading up to the falling out with Commissioner Sanders in February of 2016, the head of West Construction was speaking with Mr. Burton as PCAC’s point of contact. When the divide occurred and Mr. Burton left PCAC, Mr. Burton took the fire station project with him and partnered with South Florida Educational Development Center, an organization that had never done work training. PCAC was pretty much the only community benefit partner in Hallandale Beach until a few months ago. Now South Florida Educational Development Center is getting all of the project assignments.

After the payments to Higher Vision Ministries ended in late 2015 and early 2016, PCAC scaled back all of its operations. The organization has no new business opportunities in the city and, as of February 2017, it was barely surviving. Mr. Wright had a sour taste in his mouth regarding the way PCAC has been recently treated in their efforts to get funding, and therefore he has not been as involved with it.

3. Interview of Timothy Burton

Mr. Burton has known Commissioner Sanders for approximately 25 years. Commissioner Sanders was the godfather to Mr. Burton’s son, and Mr. Burton was the godfather to one of his sons. Commissioner Sanders and Mr. Burton are very close friends.

Mr. Burton had no formal role at Higher Vision Ministries but had performed minister duties there on infrequent occasions when Commissioner Sanders was unavailable to attend a service.

Mrs. Sanders stepped down from Palms of Hallandale Beach Weed and Seed when its federal funding expired. Mr. Burton is “pretty sure” that she and Commissioner Sanders thought that her staying at PCAC would have limited its ability to get money for projects voted on by Commissioner Sanders.

Mr. Burton was on the board of directors of PCAC but was neither a voting member, paid employee, nor on its executive board. He had business development roles at PCAC and may have had a few titles along with those roles. PCAC board minutes should reflect that the board gave him the title of finance director.³⁰

³⁰ The OIG did not find any such approval in the board minutes.

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The city's community benefit program was the brainchild of Commissioner Sanders. The commissioner believed that favoritism should not have appeared in that program in any way. CRA funding and city approved private developer funding only flowed to PCAC after Mrs. Sanders stepped down from there. It would have been difficult for the commissioner to vote on those projects if Mrs. Sanders had kept her association with PCAC. Mr. Burton does not think that Commissioner Sanders thought he had a potential conflict between getting paid by Higher Vision Ministries, which was paid by PCAC, and voting on Hallandale Beach projects that helped to fund PCAC.

Mr. Burton had a relationship with a Lakeland, Florida, consultant, which resulted in the initial Hallandale Beach community benefit plan contract between PCAC and Burkhardt Construction. Mr. Burton brought that consultant to meet with PCAC and Burkhardt Construction.

Higher Vision Ministries had a business arrangement with PCAC to provide van transportation, including for Sheridan Technical College handyman classes. Mr. Burton did not know how much PCAC paid Higher Vision Ministries or whether or how the payments were structured.

The PCAC board asked Mr. Burton to provide a contract for his business development role on PCAC's behalf with West Construction for the Hallandale Beach Fire Station project. He expected to be paid for advancing the community benefit plan partnership on the Hallandale Beach fire station development project, but he never was paid. The board asked Mr. Burton to leave after the Consultant informed Mr. Burton that all of Mr. Burton's contacts with West Construction were done without PCAC's authority. Mr. Burton disagreed, as he was the only person in contact with West Construction on behalf of PCAC. Mr. Burton wrote the community benefit plan for the West Construction relationship, sent out the promotional flyers, and informed West Construction.

Mr. Burton then developed a business relationship with South Florida Educational Development Center, which had paid him approximately \$3,000 for his work with West Construction. The community benefit portion of this contract from West Construction to South Florida Educational Development Center was \$125,000.

In 2016, after Mr. Burton's association with PCAC ended and his association with South Florida Educational Development Center began, South Florida Educational Development Center hired a van service for a Sheridan Technical College handyman class for \$150 per day. Sheridan Technical College held the classes once each week during a three-month session. South Florida Educational Development Center only paid when they needed this service. Mr. Burton remarked, "If I don't need the service, why am I gonna pay for it?"

Over the past three years, Mr. Burton has ministered five to ten times at Higher Vision Ministries. He did not have an explanation for the Higher Vision Ministries check to him dated November 13, 2013, for \$500, with "Love Offering" written in the memo section, but it was not for speaking, as Higher Vision Ministries gave him \$50 checks for that. Mr. Burton then amended his recollection and stated that the \$500 check could have been for speaking at the church.

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In early 2016 there was a PCAC board meeting to which Commissioner Sanders was invited. The meeting started with a “very hostile” atmosphere. Commissioner Sanders was frustrated and asked about PCAC’s direction and whether they had changed their philosophy and strategy plan now that it had new executive leadership. When the Consultant came into the meeting the tone became more contentious, in part because Commissioner Sanders wanted the PCAC board to know that he was not behind the PCAC Office Manager having been demoted as PCAC’s executive director. Mr. Burton does not believe that any of the contention during this meeting was related to the Higher Vision Ministries transportation agreement. The transportation agreement may have been brought up at that meeting, but it was not why the meeting was called.

Mr. Burton believes that Commissioner Sanders is above reproach. Commissioner Sanders and Mr. Burton collectively “thought it was hilarious” that anyone would think that Commissioner Sanders tried to personally benefit from the Hallandale Beach community benefit plan.

4. *Interview of Mrs. Sanders*

Between about 2010 and 2012, Mrs. Sanders was the program coordinator and only paid employee for Palms of Hallandale Beach Weed and Seed. Its mission was to weed out crime and seed the community with development. The organization paid her \$40,000 per year. It had a five year federal grant, for which the city was the fiscal agent, which expired at the end of 2011. The city’s grant to Palms of Hallandale Beach Weed and Seed was \$40,000 per year. Palms of Hallandale Beach Weed and Seed continued as a self-sufficient organization for one year after the federal grants expired, and Mrs. Sanders continued on through calendar year 2012.

In 2012 Palms of Hallandale Beach Weed and Seed transitioned into PCAC, which brought on Mr. Wright, the PCAC Office Manager (then as executive director), and a staff member after the end of September 2012. Mrs. Sanders left because the organization did not have any money to pay her salary.

She had a break in formal employment from September 2012 until May of 2013. During that time, Mrs. Sanders took care of her home, took care of some volunteer church duties, and did some work at PCAC to help Mr. Wright. She worked on reports, training the executive director, planning community events, editing new grant applications, and managing two private-public partnership grants with the city. This started as volunteer work, but when PCAC started to get funding, it paid her. Most of PCAC’s income was through the Hallandale Beach community benefit plan program.

Mrs. Sanders had no idea if her husband or anyone else disclosed in any way to anyone in Hallandale Beach City government that PCAC paid her during calendar year 2013. Higher Vision Ministries’s income sources included tithes, offerings, donations, rent from sub-tenants, and the agreement with PCAC. Since 1999 her husband has been the pastor and only regularly paid employee of Higher Vision Ministries at an annual salary of \$20,000 to \$21,000. The church also pays him a housing allowance of about \$800 during some but not all months. Whether Commissioner Sanders receives this allowance is determined by the church’s expenses and income. She does not have a comprehensive understanding of the financial workings of Higher

Vision Ministries. She and Commissioner Sanders have only joint bank accounts, and her husband has much more knowledge of their accounts.

Mrs. Sanders was aware of the \$1,000 per month transportation agreement between PCAC and Higher Vision Ministries at the time and knew that PCAC was using the church to “take people all over the place.”

The Van Driver, two of the commissioner and her sons, and perhaps the commissioner himself drove the Higher Vision Ministries van under the PCAC agreement. One of their sons worked briefly at PCAC for compensation. Another son also worked as a summer hire at PCAC. His work there in some way involved construction projects.

Mrs. Sanders heard that PCAC was having problems with simple business communications and referred the Consultant to them to help the organization restructure.

5. Interviews of the PCAC Office Manager

The PCAC Office Manager began working at PCAC in December of 2012 as a grant administration assistant. In early 2013 she was named executive director. Mrs. Sanders was the prior executive director of PCAC’s predecessor, Palms of Hallandale Beach Weed and Seed, until she resigned due to potential conflicts with her husband’s role as a Hallandale Beach city commissioner. Commissioner Sanders regularly voted on matters that affected PCAC. Two paid staffers were hired at PCAC once the grant funding picked up. The PCAC Executive Director came in as an employee in 2014, and replaced the PCAC Office Manager as the executive director in 2015. One of Commissioner Sanders’s sons worked there for about a year.

PCAC held training classes for its trainees at Sheridan Technical College for twelve Saturdays per session from 8:00 a.m. until noon. There were about 30 attendees each session. Starting in 2013, PCAC used Higher Vision Ministries to transport its trainees to Sheridan Technical College for the Saturday classes. There was no contract. The PCAC Office Manager told Mr. Wright that the Sheridan Technical College program trainees needed transportation, and Mr. Wright recommended that they use the Higher Vision Ministries van. There was another twelve-week Sheridan Technical College class in 2014, possibly a session in 2015, and a class in 2016. Commissioner Sanders’s son often drove on these trips. The distance was about five miles. Mr. Wright was responsible for meeting the class attendees at Ebenezer Baptist Church in Hallandale Beach to make sure they got on the van, and the PCAC Office Manager sometimes met the attendees at Sheridan Technical College.

PCAC paid Higher Vision Ministries \$1,000 per month under this agreement, including months when there were no class sessions. The PCAC Office Manager does not know why it paid during the months when there were no classes. She entered the payments to Higher Vision Ministries as “donation/transportation” in PCAC’s books.

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Higher Vision Ministries was also available to drive PCAC trainees to job fairs, for pre-employment drug testing, and for other PCAC events. She believes that she actually called Higher Vision Ministries for a ride of this nature on more than one occasion but cannot be sure that it was as many as ten times. She set up these rides by calling the Higher Vision Ministries main phone number, usually about one week ahead of time and by either talking to someone who answered or leaving a message. If no one answered and she needed a ride for someone that day, she “had to figure it out.” If she got a call back, it was usually by one of the commissioner’s sons. She recalled two occasions when she requested a ride for other than Saturday morning classes. The first was when one of Commissioner Sanders’s sons drove. The second was when she obtained a ride from a man with the same first name as the Van Driver. The van driving had stopped over a year earlier because no one had needed a ride.

When the PCAC Executive Director began in October of 2015, she examined the PCAC budget and expenditures with the Consultant. The board of directors thereafter approved their decision to stop the monthly payments to Higher Vision Ministries.

Soon after the payments stopped, in early February 2016, Commissioner Sanders came to a board meeting. About 15 people were there. Mr. Wright opened the meeting by stating that Commissioner Sanders wanted to speak. Commissioner Sanders spoke for about 20 uninterrupted minutes, and “it was crazy.” The commissioner kept repeating that he created PCAC and was beating on his chest while doing so. When he left the room, people were shocked and silent. Since the day of that board meeting, the city has not approved any new development projects with PCAC as the proposed community benefit partner. Developers still come to PCAC, but the developers with other community benefit partners are winning the bids.

South Florida Educational Development Center has started to replace PCAC as a Hallandale Beach community benefit partner. PCAC had signed a contract with West Construction, which designated PCAC to be its community benefit partner for work to be done at the city fire station. But after the transportation agreement between PCAC and Higher Vision Ministries ended, the contract shifted to South Florida Educational Development Center, even though South Florida Educational Development Center had never previously acted as a job training community benefit partner.

Mr. Wright had given Mr. Burton, a friend of Commissioner Sanders’s, permission to negotiate with West Construction on behalf of PCAC. Mr. Burton was supposed to report back to the PCAC Executive Director and the board, but he slacked in this effort, and the PCAC Executive Director had to take over the project. After the transportation agreement ended, Mr. Burton stopped coming to PCAC, he got back involved with West, and the partnership went from PCAC to the South Florida Educational Development Center.

For the Hallandale Beach Bluesten Park project, Mr. Wright and the PCAC Executive Director negotiated and executed a contract for PCAC’s role with ACAI Associates, an architecture firm. After the February 2016 board meeting with Commissioner Sanders, ACAI dropped PCAC as its community benefit partner and gave it to another organization.

The PCAC Office Manager issued PCAC check number 1540 dated November 6, 2013, in the amount of \$2,000 to Higher Vision Ministries with the memo, "Donation/Pastor's Appreciation" at the direction of Mr. Wright, but she did not know why he had her write the check. (Exhibit 6)

6. Interviews of the PCAC Executive Director

In October of 2015, the PCAC executive board appointed her to replace the PCAC Office Manager, because Commissioner Sanders and others in the community perceived that the PCAC Office Manager did not have strong enough credentials.

The main school that provides PCAC's training is Sheridan Technical College, which trains people in construction, construction cleaning, blueprint reading, electrical, HVAC, and other vocations. PCAC receives grants both through the federal government and the Hallandale Beach government.

PCAC had a business agreement with Higher Vision Ministries for at least two years when it ended in February of 2016. The agreement was for the church to transport PCAC trainees to and from Sheridan Technical College for \$1,000 per month. When she took over as PCAC's executive director, she found that Higher Vision Ministries was not actually transporting anybody.

When she took over, she saw "some things that were not right." She and the Consultant looked at the budget and expenditures and saw expenses that needed explanation. She saw the need for Higher Vision Ministries' drivers to have insurance so that PCAC would not have legal liability. She found that everyone who needed to get to the school was getting there on their own and that Higher Vision Ministries was not doing anything for the \$1,000 per month.

In the eyes of Commissioner Sanders, Mr. Wright, and the PCAC board, the Consultant became the "bad person" when she called foul on this \$1,000 per month payment, but the PCAC Executive Director did not care because she saw the arrangement with Higher Vision Ministries as putting others at risk.

The PCAC Executive Director wrote a letter notifying Higher Vision Ministries that for the business agreement to continue, the church needed to provide documentation about the rides, including who was transported, mileage, proof of vehicle insurance, and other details. When she sent this letter, everything started to become contentious. The PCAC board knew that Commissioner Sanders and Higher Vision Ministries had a transportation agreement but had no idea that the church was doing nothing. PCAC never received a response to her letter.

In February 2016 PCAC held a board meeting that Commissioner Sanders, who was very upset, attended. He spoke at the start of the meeting for about 15 to 20 minutes. Commissioner Sanders tried to justify the agreement by saying that if no one came to Higher Vision Ministries for transportation during a given time period, then there was nothing more that Higher Vision Ministries needed to do to earn its monthly fee. He said the agreement was not about the money, and that he was allowed to be a consultant to PCAC and still be a Hallandale Beach commissioner. At one point the Consultant interrupted him to opine that he could not get funds and still be a

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Hallandale Beach Commissioner who voted on PCAC issues and grants. The commissioner responded that he could take his pastor hat and commissioner hat on and off when needed. He was boastful and told the people in the room what he had done for them and the community. Commissioner Sanders said he introduced PCAC to politicians and other people in the community, and championed their job mission. He got so loud that an Ebenezer Baptist pastor walked in to see what was wrong. When he was done, the commissioner grabbed his coat and walked out without answering any questions. When he left, everyone was very quiet at first.

When the PCAC board members learned that no transportation was taking place, they voted to end the business agreement with Higher Vision Ministries and Commissioner Sanders. The board and treasurer were very angry when they found out that the agreement was a sham. The PCAC Executive Director understood that the real reason PCAC was paying \$1,000 per month to Higher Vision Ministries was for the commissioner's support in acquiring municipal grants and contracts in Hallandale Beach. Commissioner Sanders was voting for PCAC grants and developer community benefit partnerships.

Since the payments to Higher Vision Ministries have stopped, Commissioner Sanders has stopped "opening doors" for PCAC. The PCAC Executive Director believes that Commissioner Sanders is now impeding PCAC's ability to get funding, as evidenced by a different charitable organization being advanced for the funding roles that PCAC used to get. The director of this newly advanced organization used to only work with youth but now it has taken over the role of providing adult technical recruitment and training at Sheridan Technical College.

One of Commissioner Sanders's sons worked at PCAC for about one year, performing data entry. He was an hourly employee who showed up late and left work when he felt like it. The PCAC Executive Director dismissed him soon after terminating the payments to Higher Vision Ministries.

7. Interviews of the Consultant

The Consultant met representatives of PCAC through Mrs. Sanders. Mrs. Sanders was not an officer or employee of PCAC but was previously associated with the organization during its prior incarnation as Palms of Hallandale Beach Weed and Seed. PCAC hired the Consultant because it was a five year old, growing organization that had never been audited and merited a review of its organizational structure and processes.

The PCAC Executive Director was extremely troubled by arrangements between PCAC and Commissioner Sanders. When PCAC executives hired the Consultant, they seemed nervous about PCAC's relationship with the commissioner. The Consultant learned from the PCAC Executive Director that over the preceding year or so, Commissioner Sanders had been receiving \$1,000 per month from PCAC purportedly for transporting its trainees. The Consultant was not sure if PCAC paid the \$1,000 per month directly to Commissioner Sanders or to his church. Before that, Commissioner Sanders's son was on the payroll, but the board and executive staff considered that a no-show job and terminated him. Commissioner Sanders was very angry when his son was terminated from PCAC employment.

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The PCAC Office Manager was the PCAC Executive Director when a \$1,000 per month payment from PCAC to Commissioner Sanders, his ministry, or both was put in place. The Consultant brought the agreement to the board's attention in February 2016. She did so after a series of conversations with the PCAC Executive Director during which the Consultant learned that Commissioner Sanders was supposed to be transporting PCAC trainees to Sheridan Technical College, but was actually given the monthly \$1,000 for doing nothing. There were neither transportation logs nor invoices. Per the PCAC Executive Director, nothing was being done by Commissioner Sanders in exchange for the money except for his continuing to strongly support that Hallandale Beach developers include a percentage of their contracts for PCAC services. After speaking with the PCAC Executive Director and other PCAC employees, the Consultant was convinced that PCAC was afraid that if they did not continue the monthly payments to Commissioner Sanders, he would have killed their funding.

The Consultant telephoned Commissioner Sanders and asked him to provide transportation logs for the services he provided. At first, he said that he did not need to provide them to the Consultant and said that he had already provided them to PCAC. The Consultant checked with the PCAC staff and found that Commissioner Sanders had never provided transportation logs or invoices. When the Consultant confronted Commissioner Sanders with this, he then stated that the Consultant had no right to ask him for these documents and that the money PCAC gave to Commissioner Sanders was not for transportation services but was rather a tithing to Commissioner Sanders's church.

Commissioner Sanders then came to a PCAC board meeting and stated that he had a consulting contract with them. The board apparently had no knowledge of the arrangement and was stunned. The commissioner told the board not to worry and that he did not have to disclose this arrangement to the city. He added that, if PCAC got rid of the Consultant, he could guarantee that the agency would be in good standing in Hallandale Beach.

8. Interview of the Grant Monitor

In her position since October 1, 2014, the Grant Monitor's work for the city of Hallandale Beach has consisted of meeting with each grantee organization during the first quarter of the fiscal year, verifying its facility exists, and confirming its reports are submitted. At the midway point of the year and the end of the grant fiscal year, the Grant Monitor issues a report on each grantee.

The Grant Monitor and the Hallandale Beach contract administrator tried to establish common, basic standards for Hallandale Beach grant recipients. The annual amount granted to recipient organizations ranged from a low of about \$12,000 to a high of about \$106,000 annually, which was the amount she believed PCAC received. The Hallandale Beach city commission gave the final approval vote for all grant awards. The Grant Monitor was not aware of any Hallandale Beach city commissioner abstaining from a vote regarding PCAC. That organization's grant contract was for three years and was subject to yearly renewal.

For the first fiscal year the Grant Monitor examined, October 2014 to September 2015, the city expected PCAC to send ten women to Sheridan Technical College to become certified nurse's

aides and allocated \$17,000 of its \$106,000 in grant funds for this effort. Six of those women dropped out of the program. The PCAC grant administrator told the Grant Monitor that each of these participating women got free city bus passes to get to their training, and some of these women got to the classes on their own. During the other ten and one half months during fiscal year 2015, there were no PCAC classes at Sheridan Technical College.

PCAC was a part-time organization that operated four days a week for a total of about twenty hours per week, with administrative costs that were far too high. It largely placed people in minimum wage jobs. It ran two classes that had no relation to job placement, and it was below standard for placing people in jobs and having those placements last more than 90 days. The Grant Monitor noted these concerns in her monitoring reports.

The Grant Monitor was not aware of any arrangement for Higher Vision Ministries to transport PCAC trainees to Sheridan Technical College. It would definitely have been relevant to her to know that PCAC had a \$1,000 per month transportation agreement for trainees. It also would have been relevant to know whether some of its grant money was being used to pay a church whose pastor was a commissioner who voted to approve PCAC's grants. Using grant money to buy bus passes for trainees while at the same time making flat fee monthly payments to Higher Vision Ministries for transportation services would have been duplicative and wasteful.

Additionally, "there would be a conflict of interest and raise some concern" if an organization from which a commissioner derived his primary source of income was voting for PCAC's grants, all while PCAC was getting grant money as a result of his votes. The Grant Monitor was familiar with Florida law related to conflicts of interest and believed that contract participants needed to keep "at an arm's length" at all times to avoid conflicts. PCAC's application for city grants required PCAC to name all of its partners, and it never listed Higher Vision Ministries.

9. Interview of the Former PCAC Board Vice Chair

The former vice chair of the board of directors of PCAC first became involved with PCAC in about 2012. During her first year or so there, PCAC seemed to be a success; however, after a year or two, nothing substantive toward her affordable housing interests materialized.

Commissioner Sanders attended two PCAC board meetings. The first of these was in December of 2015, a closed meeting of the executive board. When Commissioner Sanders arrived, the atmosphere became tense. The Consultant or Mr. Wright questioned why Commissioner Sanders was at the meeting and stated that he needed an appointment to present a proposal to PCAC. Commissioner Sanders left within ten minutes. The Consultant stated that Commissioner Sanders was out of order by telling PCAC what to do. The Former PCAC Board Vice Chair kept notes on her iPad from this meeting as follows:

Finances are out of compliance. 990 has not been filed in two years. Organization is not eligible for any grants until financials are in place. Transportation company does not pick up individuals. They are paid \$1,000 per month. Transportation

log needs to be designed with client number each time they pick up a person. 90 day notice need to be in PCAC's hand. PCAC has spent over \$40,000 of service not rendered. Executive Director salary.

The Consultant educated the PCAC board about many things that it should have known, including the contents of financial statements that had never been given to it. The Consultant cited two areas where PCAC was out of compliance. First, an accounting audit showed that PCAC was paying employees without proper documentation for tax purposes. Second, without documentation to show whether Commissioner Sanders's church was actually providing services, PCAC was improperly paying the church \$1,000 per month.

The next time that Commissioner Sanders attended a PCAC meeting was a few months later. That meeting was very hostile. Commissioner Sanders came to the meeting and spoke without letting anyone interrupt him for about 15 to 20 minutes. Commissioner Sanders's ire was primarily directed at the Consultant, which the Former PCAC Board Vice Chair thought was odd because Commissioner Sanders was the one who had brought the Consultant to PCAC. The commissioner treated the Consultant like an enemy. Commissioner Sanders's demeanor was very forceful, saying things like "I did this" and "Who are you to tell me this?" The Consultant kept trying to interject, but Commissioner Sanders would not let her. The Consultant remained calm throughout.

The discussion topic was the propriety of the transportation agreement and the commissioner's involvement. During the meeting Commissioner Sanders said, "I don't need this" and that he started PCAC under its previous name. Commissioner Sanders was angry because of the insinuation that he was taking money from the transportation agreement.

After the commissioner left the room, people were wide-eyed. The Consultant said that his comments were out of order. They then turned the discussion to Mr. Burton, who was sitting next to the Former PCAC Board Vice Chair during this meeting. Mr. Burton had not been at a meeting for a while. Some of those present accused Mr. Burton of being in charge of getting funding for something but not checking in with PCAC or coming to its meetings and alleged that he was cutting side deals apart from PCAC. At the meeting, the PCAC Executive Director fired Mr. Burton.

10. Interview of the NuJak CEO

NuJak Companies is headquartered in Lakeland, Florida. The first and only municipal project it undertook in Hallandale Beach was the combined Scavo, BF James, and South Beach parks project, which the NuJak CEO described as "the Commissioner's [Sanders's] baby."

Burkhardt Construction was already pursuing the parks project when its head reached out to him. NuJak and Burkhardt partnered with PCAC for the Hallandale Beach parks project to fulfill the city's requirement for a community benefit component. He found PCAC through an internet search, and read online that they were a regular participant as a Hallandale Beach community

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benefit partner. He first spoke with either the PCAC Office Manager, Mr. Wright, or Mr. Burton at PCAC.

All NuJak requests for proposals that were submitted to Hallandale Beach included PCAC. On February 6, 2013, PCAC was also present before the city commission, co-proposing with NuJak and Burkhardt for the commission's vote. By the time this vote was taken, the NuJak/Burkhardt/PCAC proposal had already made the short list and had received the highest ranking among the other submitted proposals.

Independent of publicly discussed municipal projects, the NuJak CEO was not aware of any business relationship between any city commissioner and PCAC or its representatives.

He has not spoken with Commissioner Sanders outside of the context of city commission meetings.

On June 19, 2013, there were two more commission votes for the ratification of budget documents and the project's guaranteed maximum price. The commission voted in favor of these items. Again, Burkhardt and PCAC representatives joined NuJak; all three partners stood together to present before the city commission, and all three partners were present for the commission vote.

On November 6, 2013, there was a city commission vote to release funding for the third of the three parks in the project. The commission voted to award the project to the team of NuJak, Burkhardt, and PCAC. Again, the three partners presented together and stood together before the commission.

Commissioner Sanders never abstained from discussing or voting on Hallandale Beach issues involving PCAC in his presence.

Commissioner Sanders approached the NuJak CEO with a flyer and "solicited" him for what he believed may have been a charitable fundraiser for a children's program at the commissioner's church. NuJak donated \$600 to Higher Vision Ministries on November 6, 2013, the same day the commission voted to release funding on the third park. He has never been to that church and has no idea how big of a church or how many congregants it has. He has a general memory that Commissioner Sanders said it was "his church," and, knowing that Commissioner Sanders was a minister, he had a general belief that the commissioner may have performed some ministerial duties there. He does not know who the pastor is for Higher Vision Ministries, nor does he know the identities of any of the employees of that church. It is common for NuJak to make small charitable contributions to churches when asked to do so.

The NuJak CEO spoke to a Burkhardt representative, probably the Burkhardt Construction Project Manager, and relayed that Higher Vision Ministries was raising money. He believes that Burkhardt Construction also made a contribution to Higher Vision Ministries.

11. Interview of the Van Driver

The Van Driver had been attending the Higher Vision Ministries church in Hallandale Beach for 17 or 18 years and was one of six ordained deacons for the church. Higher Vision Ministries has one pastor, Anthony Sanders, who is the only paid employee. Commissioner Sanders's salary as pastor depends on how well the church is doing financially.

Mr. Wright first asked the Van Driver to drive the Higher Vision Ministries van for PCAC. After a few months, Mr. Wright suggested that PCAC should pay the Van Driver for his time. At the time, the Van Driver could not receive any income because he had left employment with the City of Hallandale Beach on disability, so he agreed to tithe his time to the church. The Van Driver originally took job trainees to Sheridan Technical College for their classes on Saturday mornings, but soon those Saturday morning trips expanded to other days. He believes that it was Mr. Wright who made the decision to make the transportation fee \$1,000 per month.

The van driving started out strong; the van held 15 passengers and was full at times for trips to Sheridan Technical College. He also transported PCAC trainees to job interviews, to jobs, and waited on PCAC workers at job sites. He went to locations in Hallandale Beach, Miami, Pompano Beach, and Fort Lauderdale. The Van Driver's son and three of the commissioner's sons also drove the van, without being paid.

In 2016 Mr. Wright told the Van Driver that the Sheridan Technical College transports were moving to the I-75 location. The Van Driver thought this new location would be too time consuming and never transported PCAC trainees there.

He signed the February 1, 2014, letter on Higher Vision Ministries letterhead about the van transportation, but he did not help create it. He did not know why this letter was needed. The Higher Vision Ministries Bookkeeper telephoned him and told him to come by Higher Vision Ministries. When he did, he read the letter and signed it.

The Van Driver is sure that the commissioner did not vote on matters affecting PCAC. He grew up with government and with Commissioner Sanders, knows that a person should not mix church and city government, and believes that Commissioner Sanders is not the type of person who would do that.

RESPONSES TO THE PRELIMINARY REPORT AND OIG COMMENT

In accordance with Section 12.01(D)(2)(a) of the Charter of Broward County, a preliminary version of this report was provided to the individuals implicated in the report and the City of Hallandale Beach for their discretionary written responses. The OIG received responses from the city (through the city manager), Vice Mayor Keith London, and Commissioner Sanders which are attached and incorporated herein as Appendix A through C, respectively. We appreciate receiving the responses.

1. Response of the City Of Hallandale Beach

The city, through City Manager Roger M. Carlton, stated that the community benefit program and the Hallandale Opportunity Project (HOP) have “lost their way” during the past six years for a variety of reasons, including (1) a lack of qualified workers to feed into the programs, (2) the lack of a competitive process or any criteria that would demonstrate the ability of firms and individuals to contribute to the goals of the programs, (3) the lack of standards or criteria for city program monitoring staff to follow, and (4) the city commission’s failure to timely implement program reforms. He also acknowledged that “without equivocation, there has been waste” as a result of poor program management. Mr. Carlton observed that “it is extremely disappointing that there is no outrage in the community about the failure of these programs.”

In his response, Mr. Carlton stated that he would not be recommending terminating either the community benefit program or the HOP. Instead, he stated, he has taken immediate remedial action, including freezing all program payments pending a thorough review and recommendations to the city commission. That review will include possible identification of fraud and abuse that may be referred to the appropriate authorities for their determination.

2. Response of Keith London

Vice Mayor London stated that he wanted to clarify that many of the funding approvals made by the city commission and the CRA passed by a majority vote, rather than unanimously. He attached documents reflecting the voting history for the funding approvals as “I felt that this was important to include because the vast majority of the time, my vote was NO.”

3. Response of Anthony Sanders

Commissioner Sanders, through his attorney, submitted a response³¹ which challenges both the integrity of the OIG investigation and our evidentiary findings. He also impugns the veracity of numerous witnesses, despite the fact that they voluntarily participated in sworn, taped interviews. However, Commissioner Sanders failed to produce any documents or evidence which controvert our findings. In addition, to the extent that he makes new factual assertions, they are contradicted by both the weight of the evidence and the contents of his own previous sworn, taped interview. Accordingly, his response does not alter our determination that there is probable cause to believe that Commissioner Sanders engaged in ethical misconduct.

Commissioner Sanders’s response begins by claiming that the preliminary version of this report was prepared “with a bias” against him that is demonstrated by our failure to properly note that he abstained from certain votes. He ignores the fact that we highlighted those abstentions as a feature of the report, including (1) explaining on page 9 that “[w]e found that the commissioner abstained from voting on eight out of the nine occasions when he was called to vote on items involving

³¹ After the attorney for Mr. Sanders submitted the response, Mr. Sanders re-submitted it. There appear to be no material differences in content, but in an abundance of caution, the OIG has also included it in Appendix C.

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Eagle's Wings, Higher Vision Ministries, Palms of Hallandale Beach Weed and Seed, and PCAC until the time his wife appeared to disconnect from PCAC at the end of 2012," (2) depicting those abstentions on page 10 in OIG Table One, and (3) observing in the conclusions section on page 44 that "[w]hen the city was aware of his and his wife's relationships with community-based organizations Eagle's Wings, Palms of Hallandale Beach Weed and Seed, and PCAC, Commissioner Sanders refrained from voting on matters that could benefit those organizations."

In his response, Commissioner Sanders again claims that a former city attorney advised him that he had no voting conflict. His claim is meritless. As we noted above, in order to be binding at the time, under the State ethics code or the Broward ethics code, a legal opinion must have been in writing from the state Commission on Ethics or the official's municipal attorney, respectively. Other requirements also apply in order for any legal opinion to be binding. In any event, the commissioner refused to waive the attorney-client communication privilege to enable the OIG to interview the city attorney and corroborate this account.

He also stated that "it is clear that Commissioner Sanders abstained from voting on PCAC matters while his wife worked for PCAC. She stopped working for PCAC in 2012." In contrast, Mrs. Sanders told the OIG that she worked with PCAC's new executive director (the PCAC Office Manager) to train her during the first six months of 2013. That training included guidance on PCAC's grant writing procedures. Mrs. Sanders received three checks from PCAC during 2013 for her services.

He asserts that "the OIG interviewed every African-American contractor ... and all of them denied ever being solicited by Commissioner Sanders for funds for himself, Higher Ministries, or his family." This assertion is false. To the contrary—as reported above—the NuJak CEO informed the OIG that Commissioner Sanders approached him with a flyer and solicited him for what he believed may have been a charitable fundraiser for a children's program at the commissioner's church. Specifically, the NuJak CEO stated that "Commissioner Sanders had a flyer for it and someone said hey, you know, you oughta make a, you wanna donate to help pay for. It was something benefitting the children I don't know exactly what it was, and I said sure." The NuJak CEO then reiterated that "and he's soliciting, you know, for some assistance for that church." After the solicitation by Commissioner Sanders, on the same day of their conversation, the NuJak CEO donated \$600 to Higher Vision Ministries.

Similarly, Commissioner Sanders's claims that to the extent the report suggests that the Sanders family was "hurting financially," that suggestion "is not supported by any evidence and, again, is pure innuendo that [he] was acting inappropriately or unethically." The falsity of this claim is again revealed by the state of the evidence, including Commissioner Sanders's own admissions. He informed the OIG that after his wife left PCAC, she was unemployed for around eight months, and "it hurt us financially." In addition, Commissioner and Mrs. Sanders jointly filed for personal bankruptcy in May 2013. Significantly, during his interview with the OIG, Commissioner Sanders not only admitted to filing the bankruptcy, but also admitted to failing to disclose the April 2013 check from PCAC to Mrs. Sanders and his parsonage income from Higher Vision Ministries. Specifically, when asked why he did not disclose the check, Commissioner Sanders replied "No, I

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don't know why. Maybe, ah, just totally forgot. I don't know." With regard to the failure to disclose the parsonage income, he stated "I guess it was just omitted. Human error." He added that "well, if I'm listing what I received, then yes, I guess it should have been."

Much of the remainder of Commissioner Sanders's response consists of theories regarding the scope of the investigation, the motivations of witnesses, and his musings on the strength of the evidence and the application of the law. In light of Commissioner Sanders's contradictory statements and absent the existence of a binding, written legal opinion, the OIG cannot alter its probable cause finding.

CONCLUSIONS

When the city was aware of his and his wife's relationships with community-based organizations Eagle's Wings, Palms of Hallandale Beach Weed and Seed, and PCAC, Commissioner Sanders refrained from voting on matters that could benefit those organizations. But when their connections appeared to end in late 2012, Commissioner Sanders resumed voting on items that directly and indirectly benefited PCAC. What the public did not know was that, from January 2013 through December 2015, PCAC paid the commissioner's wife and two sons approximately \$7,588 for consulting and employment and paid his employer Higher Vision Ministries approximately \$31,100, purportedly for transporting PCAC trainees to classes. During this same time period, Commissioner Sanders voted to approve direct city funding to PCAC in the amount of approximately \$202,450. He also voted to approve \$9,869,268 in development contracts that benefited PCAC by approximately \$695,870. On the same day he voted to benefit two developers and PCAC, PCAC wrote a \$2,000 "Donation/Pastor's Appreciation" check to Higher Vision Ministries, and he solicited one of the developers to give a \$600 contribution to the church. The other developer gave a \$500 contribution to the church two days later. When PCAC terminated its agreement with Higher Vision Ministries against Commissioner Sanders's will, PCAC lost all city-facilitated funding.

We found that PCAC paid Commissioner Sanders's employer and his immediate family members approximately \$38,688 during the same three-year time period during which the commissioner's official action benefited PCAC approximately \$898,320. Commissioner Sanders concurrently continued taking a salary from his employer, continued accepting significant payments from PCAC on behalf of his employer, failed to disclose his voting conflicts to the city commission verbally or in writing, failed to abstain from voting, directly and indirectly solicited developers to give contributions to his employer, and accepted those contributions on behalf of his employer.

Commissioner Sanders violated state ethics laws that (1) prohibit an elected official from voting on measures that he knows would inure to the special private gain or loss of his employer or relative; (2) prohibit a municipal officer from having an employment or contractual relationship that impedes the full and faithful discharge of his public duties; (3) prohibit a public officer from corruptly using or attempting to use his official position or perform his official duties to secure a special privilege, benefit, or exemption for another; (4) prohibit a public officer from soliciting or accepting anything of value to him based upon any understanding that thereby his vote, official action, or judgment would be influenced; and (5) prohibit a public officer or his spouse from accepting anything of value when he

BROWARD OFFICE OF THE INSPECTOR GENERAL

**FINAL REPORT RE: *ETHICAL MISCONDUCT BY*
CITY OF HALLANDALE BEACH COMMISSIONER ANTHONY SANDERS**

knows or should know that it was given to influence his vote or other action in which he was expected to participate. He also violated the Hallandale Beach city code provisions that (1) prohibit a city official from voting where he has a personal, financial, or organizational interest; (2) require a city official who may receive some benefit not shared by the general public due to a personal, financial, or organizational interest, to disclose the interest in writing; and (3) require a city official to disclose all personal, organizational, and financial interests in a business receiving city funds, directly or indirectly, through an agreement with the city or a city contractor. Finally, the commissioner also violated the Broward code of ethics for elected officials, which prohibits an elected official from engaging in activity that goes against his duty to provide loyal service and honest governance for the residents of his city.

Thus, in accordance with our charter mandate, we are referring this matter to the Florida Commission on Ethics and the Hallandale Beach city commission for whatever action those entities deem appropriate, and we are filing against Commissioner Sanders a Broward County ethics complaint to be tried by an administrative hearing officer.

OIG 16-011

EXHIBIT 1

Cheryl Forehill
Chair
Roy Rogers
Vice Chair
J. Martin Ford
Michael D. Joblove
Frank Kruppenbacher
Jean M. Larsen
Albert P. Massey, III
Susan Horovitz Maurer
Robert J. Sniffen



State of Florida
COMMISSION ON ETHICS
P.O. Drawer 15709
Tallahassee, FL 32317-5709

3600 Macley Blvd., South, Suite 201
Tallahassee, FL 32312

Philip Claypool
Executive Director

Virildia Don
Deputy Executive Director

(850) 488-7864 Phone
(850) 488-3077 (FAX)
www.ethics.state.fl.us

March 2, 2010

Andre McKenney, Esquire
City Attorney's Office
City of Hallandale Beach
amckenney@hallandalebeachfl.gov

Re: Your inquiry regarding Commissioner Anthony Sanders

Dear Ms. McKenney:

Under the situation presented in our several emails, one to another, it does not appear that a prohibited conflict of interest under Section 112.313(3) or Section 112.313(7), Florida Statutes, would be created for Hallandale Beach City Commissioner Anthony Sanders, due to his spouse's becoming the Weed and Seed site coordinator. Section 112.313(7) only addresses employment or contractual relationships of a public officer, not those of his spouse. Under the first part of Section 112.313(3), the situation presented does not show that the City would be purchasing services from a business entity of which the Commissioner's spouse is an officer. Rather, the situation indicates that the "purchase" would be from Weed and Seed (a Federal Department of Justice program merely hiring the spouse as a contract employee), and that Weed and Seed, not the City, might enter into an agreement with a nonprofit organization of which the Commissioner's spouse is an officer (secretary). Under the second part of Section 112.313(3), the situation does not show that the Commissioner himself holds any status with Weed and Seed or with the nonprofit organization.

Andre McKenney, Esquire
March 2, 2010
Page 2

However, the Commissioner should declare his wife's relationship to Weed and Seed, abstain from voting, and timely file CE Form 8B (memorandum of voting conflict), regarding any measures/votes of the City Commission concerning Weed and Seed, its funding, or related matters.

Please telephone me if you have any questions.

Sincerely,

C. Christopher Anderson III

C. Christopher Anderson, III
Chief Assistant General Counsel

OIG 16-011

COMPOSITE EXHIBIT 2

1924

PALMS COMMUNITY ACTION COALITION

750 N.W. 8th AVENUE
HALLANDALE BEACH, FL 33009
954-457-2993



2309 E. Hallandale Bch Blvd.
Hallandale, FL 33009

638376/2670

4/5/2013

PAY TO THE
ORDER OF

Jessica Sanders

\$ **1,000.00

One Thousand and 00/100

DOLLARS

Jessica Sanders
615 NW 4th Court
Hallandale Beach, Fl 33009

MEMO

Consulting Services (Grant Writing)


AUTHORIZED SIGNATURE



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Sanders

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1969

PALMS COMMUNITY ACTION COALITION

750 N.W. 8th AVENUE
HALLANDALE BEACH, FL 33009
954-457-2993

Blank Atlantic
Florida's Most Convenient Bank

2309 E. Hallandale Bch Blvd.
Hallandale, FL 33009

63-8376/2670

5/22/2013

**PAY TO THE
ORDER OF**

Jessica Sanders

\$ 1,500.00

One Thousand Five Hundred and 00/100

DOLLARS

Jessica Sanders
615 NW 4th Court
Hallandale Beach, FL 33009

MEMO

Grant Writer


 AUTHORIZED SIGNATURE
 Clara Brown

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2

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FORWARD TO: L. M. WOOD, JR., 1000 E. 10TH ST., ST. LOUIS, MO. 63104

There is a very real difference as to how those in the field are doing financially.

2005.05.15
2005.05.15

1515

PALMS COMMUNITY ACTION COALITION

816 N.W. 1st AVENUE
HALLANDALE BEACH, FL 33009
954-605-3873



1448 E. Hallandale Bch. Blvd.
- Hallandale Bch., FL 33009 -

63-9138/2631

10/17/2013

**PAY TO THE
ORDER OF**

Jessica Sanders

\$ **1,000.00

One Thousand and 00/100

DOLLARS

Jessica Sanders
615 NW 4th Court
Hallandale Beach, FL 33009

MEMO

Consulting Services

AUTHORIZED SIGNATURE

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

10-20-68
WASH DC
STANDARD
RECEIVED
COTTON LINE

Senders

OIG 16-011

EXHIBIT 3



REVITALIZING OUR NEIGHBORHOOD
SOCIALY, ECONOMICALLY, AND PHYSICALLY

PCAC TRANSPORTATION AGREEMENT

The agreement is entered into between Palms Community Action Coalition (PCAC) and Higher Vision Ministries.

PCAC agrees to retain Higher Vision Van Ministry for a driver and transportation for participants in the Job Linkage Program to and from Sheridan Technical Center.

Higher Vision Ministries agrees to transport PCAC Job Linkage participants to Sheridan Technical Center weekly.

PCAC agrees to pay Higher Vision Ministries \$1000.00 for transportation.

JBROWN

Signature PCAC

8/1/2013

Date

Supriya Jackson

Signature Higher Vision

8/1/2013

Date

EXECUTIVE DIRECTOR

Title

Francis

Title

For more information please contact Palms Community Action Coalition Office at:

Administrative Office:
816 NW 1st Avenue
Hallandale Beach, FL 33009

Telephone (954) 505-3873
FAX: (954) 505-4061
Email: palmsaction@gmail.com

OIG 16-011

EXHIBIT 4



*REVITALIZING OUR NEIGHBORHOOD
SOCIALY, ECONOMICALLY, AND PHYSICALLY*

PCAC TRANSPORTATION AGREEMENT

The agreement is entered into between Palms Community Action Coalition (PCAC) and Higher Vision Ministries.

PCAC agrees to retain Higher Vision Van Ministry for a driver and transportation for students to and from Sheridan Technical Center.

Higher Vision Ministries agrees to transport PCAC participants to Sheridan Technical Center weekly.

PCAC agrees to pay Higher Vision Ministries \$1000.00 for transportation.

J Brown

Signature PCAC

1/16/14

Date

[Signature]

Signature Higher Vision

1/16/14

Date

Executive Director

Title

Finance

Title

For more information please contact Palms Community Action Coalition Office at:

Administrative Office:
816 NW 1st Avenue
Hallandale Beach, FL 33009

Telephone (954) 505-3873
FAX: (954) 505-4061
Email: palmsaction@gmail.com

OIG 16-011

EXHIBIT 5

Higher Vision Ministries

"Living by what we saw; not by what we see"

954-454-9696 (O)

632 W. Hallandale Beach Blvd
Hallandale Beach, FL 33009

February 1, 2014

Palms Community Action Coalition
816 NW 1st Avenue
Hallandale Beach, FL 33009

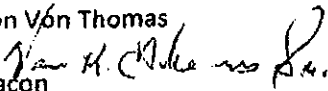
Re: Higher Vision Ministries' Church Van

This is verification that the HVM church van will be used by Deacon Von Thomas for transportation of students for trainings with PCAC on a monthly basis as needed. The van shall be kept on the premises of Deacon Thomas and he shall be responsible for scheduling of drivers to assist with the program. Deacon Thomas has requested that all compensation be given back to the Church on his behalf.

Sincerely,

Deacon Von Thomas

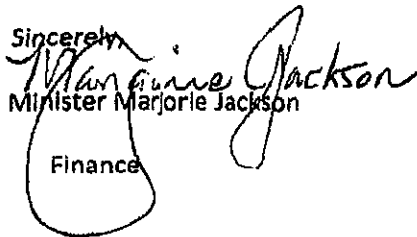
Sr. Deacon



Sincerely,

Minister Marjorie Jackson

Finance



OIG 16-011

EXHIBIT 6

PALMS COMMUNITY ACTION COALITION

816 N.W. 1st AVENUE
HALLANDALE BEACH, FL 33009
954-605-3873



BB&T

Branch Banking and Trust Company
1448 E. Hallandale Bch. Blvd.
Hallandale Bch., FL 33009

63-9138/2631

1540

11/6/2013

PAY TO THE
ORDER OF

Higher Vision Ministries

\$ **2,000.00

Two Thousand and 00/100

DOLLARS

Higher Vision Ministries

Hallandale Beach, FL 33009

MEMO

Donation/Pastor's Appreciation

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

Slit

AUTHORIZED SIGNATURE

HEAT SENSITIVE RED (IMAGE DISAPPEARS WITH HEAT)

00-000-2

TRANSLD

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PAY TO THE ORDER OF
BB&T (BRANCH BANKING & TRUST)
FOR DEPOSIT ONLY
HIGHER VISION MINISTRIES INC.

OIG 16-011

EXHIBIT 7

CASH ONLY IF ALL CheckLock™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

HIGHER VISION MINISTRIES, INC.
632 W HALLANDALE BEACH BOULEVARD
HALLANDALE BEACH, FL 33009
(954) 454-9896

BRANCH BNKG AND TRUST COMPANY
63-9138/2831

5220

11/13/13

PAY TO THE
ORDER OF

Timothy Burton

\$ 500.00

Five Hundred and 00/100

DOLLARS

A TAMPER RESISTANT TONER AREA A

MEMO

Love Offering

Wayne Jackson Sanders

Timothy Burton

OIG 16-011

EXHIBIT 8

PALMS COMMUNITY ACTION COALITION

816 N.W. 1st AVENUE
HALLANDALE BEACH, FL 33009
954-505-3873



BB&T

1448 E. Hallandale Bch. Blvd.
Hallandale Bch., FL 33009

63-9138/2631

1808

10/23/2014

PAY TO THE
ORDER OF

Higher Vision Ministries

\$ **1,600.00

One Thousand Six Hundred and 00/100*****

DOLLARS

Higher Vision Ministries

Hallandale Beach, FL 33009

AUTHORIZED SIGNATURE

MEMO

Transportation

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

PAPER CONTAINS TONER ADHESION PROPERTIES

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Deposit Only

OIG 16-011

EXHIBIT 9

OIG 16-011

EXHIBIT 10

PALMS COMMUNITY ACTION COALITION

816 N.W. 1st AVENUE
HALLANDALE BEACH, FL 33009
954-505-3873



BB&T

Branch Banking and Trust Company
1448 E. Hallendale Bch. Blvd.
Hallendale Bch., FL 33009

63-9138/2631

1825

11/26/2014

PAY TO THE
ORDER OF

Higher Vision Ministries

\$ **1,000.00

One Thousand and 00/100*****

DOLLARS

Higher Vision Ministries

Hallandale Beach, FL 33009

AUTHORIZED SIGNATURE

MEMO

Transportation

Quick

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

PAPER CONTAINS TONER ADHESION PROPERTIES

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

PAY TO THE ORDER OF
BB&T (BRANCH BANKING & TRUST)
FOR DEPOSIT ONLY
HIGHER VISION MINISTRIES INC

OIG 16-011

EXHIBIT 11

NUJAK CONSTRUCTION OF SO. FLA LLC

777 S FLAGLER DR
WEST TOWER SUITE 400
WEST PALM BEACH, FL 33401-6181

2063

65751751 10987
6558560897

DATE Nov. 6, 2013

IN TO THE
ORDER OF

Higher Vision Ministry

\$ 600.00

Six Hundred & no/100

DOLLARS



Wells Fargo Bank, N.A.
Member FDIC

OR Charity Donation

Betty Kendrick

PAY TO THE ORDER OF
BBAT (BRANCH BANKING & TRUST)
FOR DEPOSIT ONLY
HIGHER VISION MINISTRIES INC

OIG 16-011

EXHIBIT 12

66782

BURKHARDT CONSTRUCTION, INC.

1400 ALABAMA AVENUE #20
WEST PALM BEACH, FL 33401-7048
PH: (561) 659-1400

Wells Fargo, N.A.

63-643-670

66782

DATE

11/08/13

AMOUNT

\$600.00

Five Hundred and No/100 Dollars

HE
ER

HIGHER VISION MINISTRIES, INC.
632 W. HALLANDALE BEACH BLVD
HALLANDALE BEACH, FL 33009



AUTHORIZED SIGNATURE

Security Features: Office of the



CRUISE HERE

PAY TO THE ORDER OF
BBAT (BRANCH BANKING & TRUST)
FOR DEPOSIT ONLY
HIGHER VISION MINISTRIES INC

DO NOT WRITE STAMP OR SIGNATURES

OIG 16-011

APPENDIX A

From: [Rafols, Nydia M](#)
To: [InspectorGeneral](#)
Cc: [Carlton, Roger M.](#)
Subject: RE: OIG 16-011 Preliminary Report
Date: Friday, July 07, 2017 2:41:49 PM
Attachments: [CM17-081 Community Benefit Program.pdf](#)

Good afternoon Ladies/Gentlemen,

The attached is being sent on behalf of City Manager Carlton. City Manager Carlton is on vacation and will be available to discuss upon his return to the office, July 17.

Regards,

Nydia

Nydia M. Rafols | City of Hallandale Beach | 400 S. Federal Highway | Hallandale Beach, FL 33009
Deputy City Manager | Tel: 954-457-1338 | Fax: 954-457-1454

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CITY OF HALLANDALE BEACH, FLORIDA
MEMORANDUM
CM17-081

DATE: June 5, 2017

TO: Honorable Mayor and City Commissioners/HBCRA Board Chair and Directors

FROM: Roger M. Carlton, City Manager/CRA Executive Director 

SUBJECT: Community Benefit Program and Hallandale Opportunity Program

Background:

In 2011 during the height of the Great Recession, the Hallandale Beach City Commission enacted the Community Benefit Program (CBP) along with what was then known as the Neighborhood Employability Enhancement Directive (NEED) Program, but is currently known as the Hallandale Opportunity Project (HOP).

The City created the HOP as a way of coordinating and monitoring the various elements of the CBP. In May 2013, the City codified the CBP under section 23-3 of the City's Code of Ordinances. This was done with two readings and the support of all five members of the City Commission. The addition of the CBP to the City's Code of Ordinances (Att.1), began a process that was intended to help Hallandale Beach small contractors gain the experience and capability necessary to operate on their own for the long term.

The CBP was enhanced by the HOP program, which was designed to help Hallandale Beach's unemployed and underemployed residents gain the necessary job related skills through training and employment opportunities that would enable them to become fully self-sufficient. This process of investing in our local contractors and residents is known as "capacity building," and when implemented properly is a beneficial utilization of public dollars.

During the past six years, the CBP and HOP programs have lost their way for a complex variety of reasons:

- 1) The City's Capital Improvement Program (CIP) in conjunction with private sector developments, have contributed to the CBP and HOP at a rate which has grown so rapidly since the recovery from the Great Recession, that there are not enough small contractors or unemployed/underemployed workers in the City of Hallandale Beach to feed into the programs.

- 2) A complex mix of firms and individuals were retained by various companies and the City, often without a competitive process or any criteria that would demonstrate their ability or capacity to contribute to the goals of the CBP or HOP. Their functions were ill-defined at best, and their progress payments were made without adequate documentation. As of today, I have directed the Finance Department and the Capital Improvement Division to cease making any payments to consultants, contractors design/engineering firms and /or individuals under the CBP/HOP program until a complete review of the vendors can be completed. The only exception to this payment freeze will be those individuals or firms who are doing actual physical work, or are in a verifiable training program at a job site, and who are qualified participants due to their employment and residency status.
- 3) The City employees responsible for monitoring the CBP and HOP were given an impossible task. There were no uniform standards or criteria for the staff to follow, the monitoring staff did not participate in the negotiations of the individual requirements for each project, and the sanctions for failure to meet the various requirements were not proportional to the costs of implementing the requirements. Additionally, the necessary base-line research regarding examples of other community benefit programs that were enacted by local governments across the country (best practices), from which we could model our own CBP or HOP programs was not done. City administrators did not demand the excellence and fair-dealing required for the effective use of public funds. That is our fault, and the City Administration will resolve these issues going forward.
- 4) The City Commission also needs to shoulder some of the responsibility for the difficulties in this program. The rumors, confrontations, accusations and innuendos regarding abuses in the CBP/HOP are not new. When my predecessor brought a series of reforms on October 19, 2016, these reforms were approved by the City Commission in a 3/2 vote (Att. 2), but were not made a priority. The turmoil that swirled around City Hall at the time, in part, allowed the need to implement the reforms as a priority of the organization to go unmet.
- 5) It is extremely disappointing that there is no outrage in the community about the failure of these programs. No demands for reform have been publicly made to date. No complaints regarding the fact that public funds, which should have been utilized effectively to build the capacity of local contractors, or help individuals find work can be found.

Going Forward:

My training and experience as a professional City Manager tells me to remain dispassionate and make recommendations that are based on analysis and best practices. With apologies to my mentors, I am angry about this situation...very angry. With the complete failure of the Federal and State governments to grapple with and lessen the burden on our disadvantaged residents, that burden falls on local government. Even with the limited resources we have in the City of Hallandale Beach, common-sense effective solutions to provide assistance to

our needy elderly and youth must be found. We must also help our business people and individual workers become self-sufficient. We cannot shoulder that burden alone. We must establish relationships with many existing programs that have local capabilities. We must also eliminate providers that are not contributing to program goals.

To that end, the following actions will be taken effective immediately:

- 1) All payments made under the CBP and HOP program will be frozen until a thorough review of the programs is made and recommendations brought to the City Commission. The only exception will be payments made to small contractors doing real construction work and qualified individuals doing real work at job sites. Individuals who are in verifiable training programs will also be paid. We will update the City Commission on these procedures as soon as they are developed, which will be the highest priority.
- 2) Assistant City Manager, Dr. Jeremy Earle, will be responsible for approving all payments and will oversee the development of a new program based on best practices from across the country that will result in capacity building and employability skills within our community in addition to other beneficial programs for our economically disadvantaged citizens. He has been charged to complete this task for City Commission review by September 30, 2017.
- 3) To be very clear and to allay any rumors, I will **not** be recommending that we get out of the business of CBP and HOP. The programs will be completely restructured, personnel may be changed and accountability will be meshed with compassion for the disadvantaged throughout our entire community.
- 4) City staff will be directed to refer all questions regarding the CBP and HOP programs to the City Manager. I can only request that the City Commission comply with this, however, to those employees who report to me, this will be a firm directive.
- 5) Dr. Earle's review of the program and recommendations for reform will include an analysis of waste, fraud and abuse. Without equivocation, there has been waste. Fraud and abuse will be determined with help from City Attorney, Jennifer Merino, who has experience in such matters as former legal counsel to the Broward County Office of the Inspector General. If necessary, the results of our review will be brought to the appropriate authorities for their determination. The City Commission should rest assured that the City Administration will make maximum effort to recover any misused funds.

Conclusion:

The failure of a well-meaning program to deliver expected results has the strong potential to be used for purposes that are not related to resolving the issues. In some cases, personal animosity has been given the opportunity to fester. In other cases, the desire to "kill" programs for ideological purposes is used as justification. The decision to reform a program

in order to keep it in existence is often used to support the belief that there is a pattern of behavior to the detriment of one group over another. It should be of concern to all of us that the above examples may lead to the expansion of community tensions.

I only ask everyone to work with the City Administration to improve the CBP and HOP programs, and to channel our collective anger toward a new day of effective, fair-dealing and capacity building for local contractors and self-sufficiency for individuals.

Your patience and support during this time are very much appreciated.

Attachments: as noted

Cc. Jennifer Merino, City Attorney
Steven Zelkowitz, HBCRA Attorney
Deputy/Assistant City Managers
Senior Staff
George Rich, HOP Administrator
HBCRA Staff
Office of Capital Improvements Staff

OIG 16-011

APPENDIX B

From: [Keith London](#)
To: [InspectorGeneral](#)
Cc: [Breece, Carol](#); [Winfield, Robert](#); klondon@hallandalebeachfl.gov
Subject: Keith London - OIG 16-011 Preliminary Report - Ethical Misconduct by City of Hallandale Beach Commissioner Anthony Sanders
Date: Wednesday, August 02, 2017 1:38:47 PM
Attachments: [OIG - Votes Record.pdf](#)
Importance: High

Inspector General Scott:

First, I would like to thank you and the OIG's office and staff for all the research and completion of the most recent comprehensive report (OIG 16-011 Preliminary Report - Ethical Misconduct by City of Hallandale Beach Commissioner Anthony Sanders) regarding the City of Hallandale Beach CRA and Community Benefits Plan.

In the detail of the report, there are many general statements regarding the vote by the City Commission/CRA Board of Directors to approve items involved in the report. Although these items did pass by a majority vote, I would like to make a few clarifications to the report as it pertains to my **"NO"** votes in particular.

Attached, I have provided detailed information as to the voting record of the Hallandale Beach City Commission for the time period discussed in the OIG report. You will see my voting record and I felt this was important to include because the vast majority of time, my vote was **NO**.

I would appreciate if you could include this information as part of your report moving forward. I request you note **within the report** that not all members of the City Commission\CRA Board of Directors voted for the mentioned projects.

If you have any questions regarding my request please do not hesitate contacting me directly, in addition please acknowledge receipt of this email.

Sincerely,

Keith S. London, Vice Mayor | City of Hallandale Beach | [400 S. Federal Highway | Hallandale Beach, FL 33009](#)
| C: [954.494.3182](tel:954.494.3182) | O: [954.457.1315](tel:954.457.1315)

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Vice Mayor London Request on votes for items mention in the Broward OIG report dated 07-07-2017 (OIG #16-011)

OIG Table 1: Commissioner Sanders Abstentions
Eagle's Wings, Higher Vision Ministries, Palms of Hallandale Beach Weed & Seed, and PCAC
September 3, 2008, to May 3, 2017

DATE	ENTITY	ITEM	FORM 8B ON FILE
09/17/08	Unknown ⁷	Annual budget (grant)	No
09/24/08	Unknown ⁸	Annual budget (grant)	No
02/12/09	Higher Vision Ministries	CRA purchase of real property	No
07/28/10	Eagle's Wings ⁹	CRA donation (\$50,000)	No
05/18/11	Eagle's Wings ¹⁰	Foster Park development	Yes
07/14/11	Eagle's Wings	Funding (\$35,000)	Yes
07/14/11	Weed & Seed	Funding (\$40,000)	Yes
02/15/12	PCAC	CRA participation in Art in Community challenge	Yes
09/19/12	PCAC	Approving CBP grants (\$315,213)	Yes

Votes:

09/17/2008 – Unknown

MOTION BY VICE MAYOR JULIAN, SECONDED BY COMMISSIONER ROSS TO APPROVE THE ORDINANCE ADOPTING THE TENTATIVE ANNUAL BUDGET FOR FISCAL YEAR 2008-2009, AS AMENDED, ON FIRST READING AND TO SET SECOND READING FOR SEPTEMBER 24, 2008 AT 5:05 PM. The motion carried by a roll call vote as follows:

AYES: Commissioner Ross; Vice Mayor Julian; Mayor Cooper

NAYS: Commissioner London

(Commissioner Sanders abstained from voting)

9/24/2008 – Unknown

MOTION BY VICE MAYOR JULIAN, SECONDED BY COMMISSIONER ROSS TO ADOPT THE ORDINANCE ON SECOND READING ADOPTING THE ANNUAL BUDGET FOR 2008-2009 FISCAL YEAR, INCLUDING THE GOLDEN ISLES AND THREE ISLANDS SAFE NEIGHBORHOOD DISTRICT BUDGETS AND THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY BUDGET. The motion carried by a roll call vote as follows:

AYES: Commissioners Ross and Sanders; Vice Mayor Julian: Mayor Cooper

NAYS: Commissioner London

(Commissioner Sanders abstained from voting)

2/12/2009 – Higher Vision Ministries

MOTION BY VICE MAYOR JULIAN, SECONDED BY COMMISSIONER ROSS TO PURCHASE 501 N.W. FIRST AVENUE FROM HIGHER VISION MINISTRIES, INC. FOR AN AMOUNT NOT TO EXCEED \$235,000 AND AUTHORIZE THE CITY MANAGER TO EXECUTE ALL ASSOCIATED DOCUMENTS. The motion carried on a 3/1 voice vote. (Commissioner London voted no; Commissioner Sanders was recused)

7/28/2010 – Eagle's Wing

MOTION BY DIRECTOR ROSS, SECONDED BY VICE CHAIR JULIAN, TO INCLUDE \$50,000 IN THE MISCELLANEOUS DONATIONS ACCOUNT WITHIN THE CRA BUDGET. The Motion carried on a 3/1 Voice vote (Director Sanders abstained and Director London voted No)

MOTION BY VICE CHAIR JULIAN, SECONDED BY DIRECTOR ROSS, TO APPROVE THE CRA CHARITABLE CONTRIBUTIONS AS DISCUSSED BY THE CITY OF HALLANDALE BEACH CRA BOARD OF DIRECTORS. The Motion carried on a 3/1 Voice vote (Director Sanders abstained and Director London voted No).

5/18/2011 – Eagle's Wing

MOTION BY DIRECTOR LEWY, SECONDED BY CHAIR COOPER, TO PURSUANT TO CHAPTER 23, SECTION 105, AWARD OF CONTRACTS, OF THE CITY OF HALLANDALE BEACH CODE OF ORDINANCES, AWARD RFP # FY 2010-2011-001 FOSTER PARK COMMUNITY CENTER CONSTRUCTION PROJECT CONTRACT TO RECREATIONAL DESIGN & CONSTRUCTION INC. IN AN AMOUNT NOT-TO-EXCEED \$1,589,600 AND TO AUTHORIZE THE CITY MANAGER TO NEGOTIATE AND FINALIZE THE AGREEMENT; SHOULD NEGOTIATIONS FAIL, AUTHORIZE THE CITY MANAGER TO NEGOTIATE AN AGREEMENT WITH THE 3RD RANKED FIRM, D. STEVENSON CONSTRUCTION, INC., SINCE THE 2ND RANKED PROPOSER WAS NON-RESPONSIVE FOR FAILURE TO APPEAR AND MAKE A PRESENTATION; TO AUTHORIZE A 10% CONTINGENCY FOR UNFORESEEN CIRCUMSTANCES; AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE ALL RELATED DOCUMENTS AND TO ESTABLISH ACCOUNTS AS NECESSARY TO IMPLEMENT THE PROJECT. The Motion carried on a 2/1 Voice vote (Director London voted No and Vice Chair Sanders was absent from the dais during the hearing of this Item).

7/14/2011 – Eagle's Wing

Vice Mayor Sanders excused himself from the dais during the presentation and recused himself from voting on the request from Eagle's Wings Development Center based on the potential Conflict of Interest. (See attached Form 8B which is hereby incorporated and made a part of the official minutes of this Meeting).

Consensus:

- To approve funding in the amount of \$35,000.

7/14/2011 – Weed and Seed

Vice Mayor Sanders excused himself from the dais during the presentation and recused himself from voting on the request from Palms of Hallandale Beach Weed and Seed based on the potential Conflict of Interest. (See attached Form 8B which is hereby incorporated and made a part of the official minutes of this Meeting).

Consensus:

- To approve total funding in the amount of \$45,000 to be allocated as follows: \$20,000 from the Law Enforcement Trust (LET) and the remaining \$25,000 from General Fund and/or Community Redevelopment Agency (CRA). Funding will be utilized both for program and operation costs.

Commissioner London left the dais at 9:30 P.M.

2/15/2012 - PCAC

MOTION BY COMMISSIONER LEWY, SECONDED BY COMMISSIONER ROSS, TO APPROVE WITHOUT DEBATE, A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO PARTICIPATE IN THE PROPOSAL SUBMISSION WITH THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY AND PALMS COMMUNITY ACTION COALITION FOR THE COMMUNITY FOUNDATION OF BROWARD ART IN COMMUNITY CHALLENGE REQUEST FOR PROPOSAL; AND TO EXECUTE AN AGREEMENT BETWEEN THE HBCRA, CITY, AND PCAC UPON AWARD OF THE PROPOSAL; AND PROVIDING AN EFFECTIVE DATE. The Motion carried on a 4/0 Roll Call vote as follows:

AYES: Commissioners Lewy, London and Ross and Mayor Cooper

NAYS: None

ABSTENTIONS: Vice Mayor Sanders

9/19/2012 - PCAC

MOTION BY COMMISSIONER LEWY, SECONDED BY COMMISSIONER LONDON, TO AMEND THE RESOLUTION TO REFLECT TOTAL FUNDING IN THE AMOUNT OF \$315,235.00; AND TO APPROVE A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, APPROVING THE COMMUNITY PARTNERSHIP GRANTS FOR FISCAL YEAR 2013; AUTHORIZING THE CITY MANAGER TO EXECUTE COMMUNITY PARTNERSHIP GRANT AGREEMENTS; AND PROVIDING AN EFFECTIVE DATE. The Motion carried on a -3/0 Roll call Vote as follows:

AYES: Commissioners Lewy and London, and Mayor Cooper

NAYS: None

ABSTENTIONS: Vice Mayor Sanders

**OIG Table 5: Commissioner Sanders Votes That Benefited
PCAC with Direct Grants, 2013-2015**

DATE OF PAYMENT APPROVAL	AMOUNT	PURPOSE
02/19/13	\$50,000	Community partnership grant
08/19/13	\$50,000	One year community partnership grant
09/22/14	\$102,450	Three year community partnership grant, re-confirmed annually
TOTAL	\$202,450	

2-19-2013 – Community Partnership Grant

MOTION BY VICE CHAIR LEWY, SECONDED BY DIRECTOR SANDERS, TO APPROVE A RESOLUTION OF THE CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE COMMUNITY PARTNERSHIP GRANT AGREEMENT WITH PALMS COMMUNITY ACTION COALITION, INC. FOR A GRANT IN THE AMOUNT OF \$50,000; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE GRANT AGREEMENT; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL STEPS NECESSARY AND APPROPRIATE TO IMPLEMENT THE TERMS AND CONDITIONS OF THE GRANT AGREEMENT AND DISBURSE THE GRANT; AND PROVIDING AN EFFECTIVE DATE. The Motion carried on a 3/2 Voice vote (Director Julian and Director Lazarow voted No).

8-19-2013 – One year Community Partnership Grant

MOTION BY DIRECTOR JULIAN, SECONDED BY DIRECTOR SANDERS, TO APPROVE A RESOLUTION OF THE CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE COMMUNITY PARTNERSHIP GRANT AGREEMENT WITH PALMS COMMUNITY ACTION COALITION, INC. FOR A GRANT IN THE AMOUNT OF \$50,000; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE GRANT AGREEMENT; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL STEPS NECESSARY AND APPROPRIATE TO IMPLEMENT THE TERMS AND CONDITIONS OF THE GRANT AGREEMENT AND DISBURSE THE GRANT; AND PROVIDING AN EFFECTIVE DATE. The Motion carried on a 4/1 Roll Call vote as follows:

AYES: Directors Julian, Sanders, Vice Chair Lewy and Chair Cooper

NAYS: Director Lazarow

9-22-2014 – Three-year Community Partnership Grant, re-confirmed annually

MOTION BY DIRECTOR GRACHOW, SECONDED BY VICE CHAIR JULIAN, TO APPROVE A RESOLUTION OF CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY AWARDING A COMMUNITY PARTNERSHIP GRANT AND APPROVING THE COMMUNITY PARTNERSHIP GRANT AGREEMENT WITH PALMS COMMUNITY ACTION COALITION, INC. FOR A GRANT IN THE AMOUNT OF \$102,450; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE GRANT AGREEMENT; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL STEPS NECESSARY AND APPROPRIATE TO IMPLEMENT THE TERMS AND CONDITIONS OF THE GRANT AGREEMENT AND DISBURSE THE GRANT; AND PROVIDING AN EFFECTIVE DATE. The Motion carried on a 5/0 Roll Call vote as follows:

AYES: Directors Grachow, Lazarow and Sanders, Vice Chair Julian and Chair Cooper

NAYS: None

**OIG Table 6: Commissioner Sanders Votes That Benefited
PCAC as a Community Benefit Partner, 2013-2015**

DATE	CONTRACTOR(S)	CITY OR CRA	CONTRACT AMOUNT	PROJECT
2/06/13	Burkhardt ¹⁹ / NuJak ²⁰	City	\$190,000	BF James, Joseph Scavo, and South Beach Parks
6/19/13	Burkhardt/ NuJak	CRA	N/A (doc prep only)	OB Johnson Park
6/19/13	Burkhardt/ NuJak	City	\$7,692,418	Scavo Park and BF James Park phase II
11/6/13	Burkhardt/ NuJak	City	N/A (amendment)	BF James and Scavo Park
11/18/13	Lanzo Construction ²¹ Calvin Giordano ²²	CRA ²³	\$768,515 \$163,855	NE Drainage Project
5/21/14	Currie Sowards Aguila Architects ²⁴	City ²⁵	\$900,000	Main Fire Station
8/5/15	M.D. Stewart and Associates, Inc. ²⁶	City & CRA (3-2 vote)	\$154,480	Hallandale Opportunity Project
		TOTAL	\$9,869,268	

2/06/2013 – Burkhardt/Nujak

MOTION BY VICE MAYOR LEWY, SECONDED BY COMMISSIONER JULIAN, TO APPROVE A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AWARDDING THE CONSTRUCTION MANAGER AT RISK (CMAR) RFP FY 2011-2012-13 TO THE HIGHEST RANKED FIRM, BURKHARDT CONSTRUCTION, INC., FOR BOTH PRE-CONSTRUCTION AND CONSTRUCTION PHASE FOR B.F. JAMES, JOSEPH SCAVO, AND SOUTH BEACH PARKS IN AN AMOUNT NOT TO EXCEED \$ 190,000.00 FOR PRECONSTRUCTION SERVICES, AND AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY TO ENTER INTO NEGOTIATIONS WITH BURKHARDT CONSTRUCTION, INC., AND AFTER SUCCESSFUL NEGOTIATIONS, TO EXECUTE AN AGREEMENT, IN SUBSTANTIALLY THE SAME FORM AS SET FORTH IN EXHIBIT 1.A.; AND PROVIDING AN EFFECTIVE DATE. The Motion carried on a 5/0 Voice vote.

6/19/2013 – Burkhardt/NuJak

CRA:

MOTION BY COMMISSIONER SANDERS, SECONDED BY MAYOR COOPER, TO DIRECT STAFF TO PREPARE THE BUDGET DOCUMENTS AND FUNDING REQUEST TO THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY FOR THE DESIGN PHASE OF OB JOHNSON PARK. The Motion carried on a 5/0 Voice vote.

City:

MOTION BY COMMISSIONER JULIAN, SECONDED BY COMMISSIONER LAZAROW, TO APPROVE A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, APPROVING THE GUARANTEED MAXIMUM PRICE SUBMITTED BY THE CONSTRUCTION MANAGER AT RISK FOR THE SCAVO PARK AND BF JAMES PARK CONSTRUCTION PROJECTS OF SEVEN MILLION SIX HUNDRED NINETY-TWO THOUSAND FOUR HUNDRED AND SEVENTEEN DOLLARS AND SEVENTY-EIGHT CENTS (\$7,692,417.78) AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE PHASE II CONSTRUCTION SERVICES AGREEMENT, IN SUBSTANTIALLY THE SAME FORM AS ATTACHED AS EXHIBIT A.1, BETWEEN THE CITY OF HALLANDALE BEACH AND BURKHARDT CONSTRUCTION INC., AND; PROVIDING FOR AN EFFECTIVE DATE. The Motion carried on a 5/0 Roll Call vote as follows:

AYES: Commissioners Julian, Lazarow and Sanders, Vice Mayor Lewy and Mayor Cooper

NAYS: None

11/6/2013 – Burkhardt/NuJak

MOTION BY COMMISSIONER JULIAN, SECONDED BY COMMISSIONER LAZAROW, TO APPROVE A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING AMENDMENT TO THE CONSTRUCTION MANAGEMENT AT RISK AGREEMENT SERVICE AGREEMENT, PHASE II CONSTRUCTION SERVICES FOR BF JAMES AND JOSEPH SCAVO PARK; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT IN SUBSTANTIALLY THE SAME FORM AS ATTACHED AS IN EXHIBIT "A"; AND PROVIDING AN EFFECTIVE DATE. The Motion carried on a 5/0 Roll call vote as follows:

AYES: Commissioners Julian, Lazarow and Sanders, Vice Mayor Lewy and Mayor Cooper

NAYS: None

11/18/2013 – Lanzo Construction & Calvin Giordano

MOTION BY VICE CHAIR LEWY, SECONDED BY DIRECTOR LAZAROW, TO APPROVE A RESOLUTION OF THE CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE FUNDING OF CHANGE ORDERS SUBMITTED BY LANZO CONSTRUCTION IN THE AMOUNT OF \$768,515, AND CALVIN GIORDANO AND ASSOCIATES, INC. IN THE AMOUNT OF \$163,855 USING CRA FUNDS PREVIOUSLY ALLOCATED TO THE NE QUADRANT DRAINAGE IMPROVEMENT PROJECT; AND PROVIDING AN EFFECTIVE DATE. The Motion carried on a 5/0 Voice vote.

5/21/2014 – Currie Sowards Aguila Architects

MOTION BY COMMISSIONER LAZAROW, SECONDED BY COMMISSIONER GRACHOW, TO APPROVE A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AWARDED RFP #FY2013-2014-003, ARCHITECTURAL AND ENGINEERING SERVICES FOR THE MAIN FIRE STATION TO THE HIGHEST RANKED FIRM, CURRIE SOWARDS AGUILA ARCHITECTS; AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH CURRIE SOWARDS AGUILA ARCHITECTS IN SUBSTANTIALLY THE SAME FORM AS ATTACHED AS EXHIBIT 2, IN AN AMOUNT NOT TO EXCEED NINE HUNDRED THOUSAND (\$900,000.00) DOLLARS; AND AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH THE SUCCEEDING RANKED FIRM SHOULD NEGOTIATIONS WITH CURRIE SOWARDS AGUILA ARCHITECTS NOT BE SUCCESSFUL; AND PROVIDING AN EFFECTIVE DATE. The Motion carried on a 5/0 Voice vote.

8/5/2015 – M.D. Stewart and Associates Inc.

MOTION BY VICE MAYOR/VICE CHAIR JULIAN, SECONDED BY COMMISSIONER/DIRECTOR SANDERS, TO APPROVE A JOINT RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA AND THE BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE INTERLOCAL AGREEMENT FOR THE HALLANDALE BEACH OPPORTUNITY PROJECT (HOP) TO INCLUDE FUNDING BY THE CITY AND HBCRA FOR THE HALLANDALE BEACH OPPORTUNITY PROJECT; AUTHORIZING THE CITY MANAGER AND THE HBCRA EXECUTIVE DIRECTOR TO EXECUTE THE INTERLOCAL AGREEMENT IN SUBSTANTIALLY THE SAME FORM AS ATTACHED AS EXHIBIT "2"; AND PROVIDING FOR AN EFFECTIVE DATE. The Motion passed by 3/2 Roll Call Vote of the City Commission and HBCRA Board of Directors.

AYES: Commissioner/Director Sanders, Vice Mayor/Vice Chair Julian, and Mayor/Chair Cooper.

NAYES: Commissioners/Directors Lazarow and London

OIG 16-011

APPENDIX C

JAMES M. STARK, P.A.
Attorney At Law
600 South Andrews Avenue, Suite 501
Fort Lauderdale, Florida 33301
Tel: 954-522-3307/Fax: 954-768-0738

FACSIMILE COVER SHEET

DATE: 8/7/17
TO: John W. Scott, Inspector General
FAX NO.: (954) 357-7857
FROM: James M. Stark
SUBJECT: Anthony Sanders
Total Pages (including cover): 9

IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL (954) 522-3307.

JAMES M. STARK, P.A.

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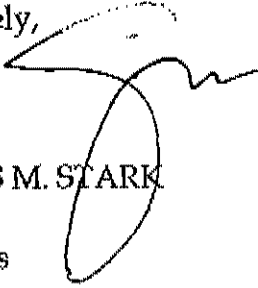
August 7, 2017

John W. Scott, Inspector General
One North University Drive, Suite 111
Plantation, Florida 33324

Dear Mr. Scott,

I represent the Honorable Anthony Sanders with respect to those issues referenced in your letter to him dated July 7, 2017. I am attaching a Written Response to Preliminary Report of the Office of the Inspector General that was provided to my client on that date. As per your letter, we request that a copy of the response be attached to the Final report as an Appendix.

Sincerely,

A handwritten signature in black ink, appearing to be 'JMS', with a large, stylized loop at the bottom.

JAMES M. STARK

JMS/ks
Enclosures

cc: City Of Hallandale Beach Clerk

**CITY OF HALLANDALE BEACH COMMISSIONER ANTHONY SANDERS
RESPONSES TO PRELIMINARY REPORT RE: ETHICAL MISCONDUCT**

SUMMARY

The citizens of Broward County in general and the elected officials specifically, have a right to expect that any investigation into ethical misconduct by the Broward Office of the Inspector General, be conducted fairly and impartially.

Anyone with a complete knowledge of this investigation is able to plainly see, this Report was prepared with a bias against Commissioner Sanders. The findings that Commissioner Sanders engaged "in a pattern of misconduct" that violated Florida's ethics laws ignores the fact that when there was a conflict of interest for the Commissioner on a matter that came before the Commission, there was a pattern of abstaining. (OIG Table I, page 10 of Preliminary Report). This pattern of non-voting is buried in footnotes as is other evidence that is favorable to Commissioner Sanders. He had every right to rely on the advice of the City Attorney.

The Report ignores the fact that PCAC's contract with Higher Vision Ministries was entered into through a Deacon/Board Member of the church and not with Pastor Sanders. The allegations regarding Jessica Sanders consulting work for PCAC fails to indicate that the "consulting work:" was concluded by January 2013. Again, the City Attorney (at the time) advised Commissioner Sanders that there was no conflict. Mrs. Sanders was not working in any capacity with PCAC at the time of the voting. One son only worked during college breaks through a college intern program that was non-City funds, and no voting at the time.

Commissioner Sanders has denied soliciting any monies from any developer seeking to have a project approved by the Commission, either at City Hall or at any location, for Higher Vision Ministries. The OIG interviewed every African-American contractor for the City of Hallandale Beach, and all of them denied ever being solicited by Commissioner Sanders for funds for himself, Higher Ministries, or his family. This fact should have been made perfectly clear in the Report.

The Report is not accurate. The Investigator didn't even know the correct history of PCAC. It was originally named Palm Community Development Corporation however the Board decided they wanted to add the word "action" in order to remind them of their purpose. PCAC is still active at this time. It is instructive that, although generally identified, all the people who were interviewed by the OIG are not specifically identified. It is known that the following people were interviewed: (1) Ms. S. Atkins-SFEC (also a Board Member of Weed & Seed and PCAC), (2) Mr. H. Graham-LES, (3) Ms. N. Bacon-PCAC (Part-Time), (4) Mr. A. Lewis-Former PCAC Staff Member, (5) Ms. T. Moore-Former PCAC Staff, and (6) Ms. K. Bacon-PCAC Board Secretary.

It is believed that these witnesses gave testimony which negated or tended to negate the allegations in the Report. This begs the questions as to why their testimony was omitted from the Report. On page 7 of this Report, the statement (in bold lettering) states that "since 1998 Commissioner Sanders was employed by the church." "He depended on its' revenues." Commissioner Sanders in fact worked for the City of Ft. Lauderdale from 1993 until 2007. He and his wife would give in to the church the amount he was paid by the church. From the years under review in the Report, the OIG did not find any additional funds given to Commissioner Sanders or his family members. In fact, Mrs. Jessica Sanders and the Sanders children worked for the church in a volunteer capacity from its inception.

On page 11 of the Report, it states that from 2013 through 2015, PCAC paid the family of Commissioner Sanders approximately \$7,588.00 for consulting and employment. From their own investigation, it is clear that Commissioner Sanders abstained from voting on PCAC matters while his wife worked for PCAC. She stopped working for PCAC in 2012. Additionally, Jared Sanders was paid \$2,400.00 for a College Intern Program, over a three year period. The monies were paid from non-city funds and there was no voting during that time period and thus nothing for Commissioner Sanders to abstain from. (See table 2 OIG) A.J. Sanders received \$1,687.50 for work that was part of a continuation of a program. The employer had verified with the City Attorney that there was no conflict.

The PCAC Executive Director in 2015 seemed to have indicated to the OIG, that she and a consultant were concerned as to whether drivers of the van that provided transportation services to PCAC were insured. The contract did not provide for proof of insurance. The drivers were indeed insured and this fact could have easily been ascertained. The real issue may have been whether PCAC was an additional insured. This is not in the Report because the writer of the Report is attempting to put Higher Vision Ministries and Commissioner Sanders in as bad a light as possible. If a full and fair investigation of the issues were done it would have discovered that there were additional vehicles used for the services. The transportation for an underserved community has always been an issue. Higher Vision Ministries was only providing a needed service which no other organization, including PCAC had the capacity to do to ensure that residents were trained and given opportunities for employment.

The allegations made by the "Consultant" regarding requests for transportation logs and invoices seem to be taken at face value as true. In fact the request was made via text message to Jessica Sanders. The Consultant was informed that the records that were being requested should be attained from PCAC due to the fact that HVM did not keep these records. They were not required to do so in order to receive payment. PCAC was required to maintain these records.

The Report states that AJ Sanders' employment with PCAC was terminated. AJ Sanders (Son#1 OIG Report) left his employment due to the fact that the Executive Director was never there in order to provide instruction/assignments for the proper performance of his duties. His parents were encouraging AJ to seek gainful employment that would allow him to be self-sufficient or obtain post-secondary education. This fact was easily discoverable, yet the Report wants to use the issue to support the innuendo that PCAC did not get funding after the Commissioner's family stopped receiving monies from them. The Consultant has her own agenda that the OIG has ignored or discounted in accepting her version of the facts. It is believed that the Consultant instructed the PCAC Board Members not to talk with anyone in the community about the organization, its' structure, vision, and goals. In short there are a

variety of reasons as to why the Consultant is not a credible source of information on these matters. It is specifically disputed that Commissioner Sanders went to the Board Meeting, as described on page 22 of the Report, "very angry". He is a part of the community and was a Board Member of Weed and Seed at its inception. He was concerned as to the direction, the new Weed & Seed/PCAC Board Members, Director, and now Consultant, were trying to take the organization. This could have been easily confirmed by looking at the minutes from that meeting that they are referring to.

The Commissioner came to the meeting and explained he only had a limited time because of a prior commitment. The Consultant arrived half an hour late and tried to interrupt a conversation that had already begun. She became antagonistic and combative. Again, there are multiple reasons that she displayed this behavior. Commissioner Sanders never told the Board to dismiss the Consultant, he was the one who recommended her in the first place.

The termination of the HVM transportation agreement with PCAC on page 23 of the Report is confusing, at best. The buried footnote seems to contradict the main body of the Report with respect to Mr. Wright's statements.

The portion of the Report dealing with Commissioner Sanders and Mr. Tim Burton "steering away" business from PCAC is also misleading. Mr. Burton was assigned by the PCAC Board Chair to work with a Contractor for the Fire Station Program. After the bid of the Contractor was successful, the Executive Director of PCAC wanted to take over. The general contractor was not comfortable with that. The City told the Contractor that it was perfectly fine to change Community Benefit Partners. It was at that time the Contractor transitioned to South Florida Educational Development Center.

Mr. Burton had forged a relationship with various contractors; it is not surprising that they followed him to SFEDC as their CBP. Again, the Report buries a footnote that after investigation nothing of value was received by Commissioner Sanders or HVM from SFEDC or any contractor/developer to which Mr. Burton moved his project. Yet, the innuendos are left in the Report. The Report neglects to reference that although Mr.

Burton moved the CBP from the PCAC, PCAC still received \$25,000.00 from the contractor for the previous work done by Mr. Burton.

Another example of erroneous facts contained in the Report is found on page 25. The Report states that Palms of Hallandale Beach Weed & Seed federal funding ended in 2012, not 2011. The statement that the Sanders family was hurting financially is not supported by any evidence and, again, is pure innuendo that Commissioner Sanders was acting inappropriately or unethically.

The Report wants to give the impression that there was a quid pro quo for a vote on November 6, 2013 because a check for \$2,000.00 from PCAC to HVM is dated the same date. The check was a donation from PCAC to HVM. The Report wants to denigrate that fact due to the date of the check not being written in the anniversary month of the church. The fact of the matter is, churches are in the fund-raising business all the time. The discussion on page 26 of the Report relating to the check is still another example of the bias with which the Report is written. There is zero evidence that Commissioner Sanders got any of the monies from that donation.

No developer was ever solicited for money to HVM. It is believed by Commissioner Sanders that multiple developers/contractors were interviewed by OIG. It is further believed that of all the developers/contractors interviewed by OIG, not one of them said that Commissioner Sanders ever solicited them for funds for the church. This does not appear anywhere in the Report.

It is interesting to note the questioning of this person (J. Brown), the Office Manager of PCAC. She reportedly said she did not know why PCAC paid HVM during months when no transportation was needed. Joy would not be privy to this information because A. Lewis was coordinating this effort. A. Lewis was also authorized to order transportation and report this information to Mr. Wright not to the Office Manager. Why didn't they ask Mr. Wright, who was the Chair of the Board that entered into the agreement with the Deacon/ Board Member and HVM. Why is the propriety of that Contract an ethics issue for Commissioner Sanders, and why aren't the actions of PCAC regarding that transportation agreement being questioned. The answer is obvious. It is

also interesting to note that the PCAC Office Manager was told that Commissioner Sanders was responsible for her demotion at PCAC in order to promote C. Wright as CEO. That is absolutely not true. Was this a factor in coloring her statement?

There seems to be a number of inconsistencies regarding the meeting of the Board in February 2016, when Commissioner Sanders spoke and was allegedly "angry." It's surprising that these inconsistencies are not referenced in the Report.

Commissioner Sanders never indicated that Joy Brown (Office Manager) did not have the credentials and that she should be replaced. Why was she told this? It is clear that Ms. Wright (CEO) and Ms. Parker Cobb (Consultant) are behind this report.

In the section of the Report which deals with the interview of the Grant Monitor, it states that the Grant Monitor was not "aware of any Commissioner abstaining from a vote regarding PCAC" (See page 38 of the Report). From OIG's own Response, it is clear that Commissioner Sanders abstained from a grant approval vote for PCAC on 9/9/12, which appears to be the three year grant of \$105,000.00 per year. How could the Monitor be unaware of PCAC's transportation agreement with HVM? It seems a stretch of credibility to believe that if the Monitor was doing their job, they would not know of the execution of this agreement.

The Monitor's unsolicited (or not) opinion of what is a "conflict of interest" is without support for the credentials to make such a judgment. The transportation agreement seems to be a feature of this Report, yet, there are never any questions directed to anyone from PCAC as to how the agreement came into existence, why the agreement came into existence, why the agreement was made, who from PCAC was involved in the formation of the agreement, why, if services were not provided, were funds given to HVM for periods that no services were provided? Who from HVM was involved with the transportation agreement? What was Commissioner Sanders' involvement, other than being the Pastor at the church.

The Report seems to be a bias and some unspoken agenda. There seems to be questions that were never asked by the OIG, or since the response did not validate the

innuendo it was not included in the report. The whole Report appears to be a script rather than an Investigatory Report.

From: [Pastor Anthony Sanders/Jessica Sanders](#)
To: [InspectorGeneral](#)
Subject: Commissioner Anthony Sanders" Response to OIG Preliminary Report
Date: Monday, August 07, 2017 3:54:21 PM
Attachments: [Response_Final.pdf](#)

Good Afternoon Mr. John Scott,

Here is Commissioner Sanders' response to OIG's Preliminary Report.

CITY OF HALLANDALE BEACH COMMISSIONER ANTHONY SANDERS
RESPONSES TO PRELIMINARY REPORT RE: ETHICAL MISCONDUCT

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Commissioner Sanders has denied soliciting any monies from any developer seeking to have a project approved by the Commission, either at City Hall or at any location, for Higher Vision Ministries. The OIG interviewed every African-American contractor for the City of Hallandale Beach, and all of them denied ever being solicited by Commissioner Sanders for funds for himself, Higher Ministries, or his family. This fact should have been made perfectly clear in the Report.

The Report is not accurate. The Investigator didn't even know the correct history of PCAC. It was originally named Palm Community Development Corporation however the Board decided they wanted to add the word "action" in order to remind them of their purpose. PCAC is still active at this time. It is instructive that, although generally identified, all the people who were interviewed by the OIG are not specifically identified. It is known that the following people were interviewed: (1) Ms. S. Atkins-SFEDC (also a Board Member of Weed & Seed and PCAC), (2) Mr. H. Graham-LES, (3) Ms. N. Bacon-PCAC (Part-Time), (4) Mr. A. Lewis-(Former PCAC Staff Member), (5) Ms. T. Moore-Former PCAC Staff, and (6) Ms. K. Bacon-PCAC Board Secretary.

It is believed that these witnesses gave testimony which negated or tended to negate the allegations in the Report. This begs the questions as to why their testimony was omitted from the Report. On page 7 of this Report, the statement (in bold lettering) states that "since 1998 Commissioner Sanders was employed by the church." "He depended on its' revenues." Commissioner Sanders in fact worked for the City of Ft. Lauderdale from 1993 until 2007. He and his wife would give in to the church the amount he was paid by the church. **From the years under review in the Report, after searching all if HVM's bank accounts, the OIG did not find any additional funds given to Commissioner Sanders or his family members.** In fact, Mrs. Jessica Sanders and the Sanders children worked for the church in a volunteer capacity from its inception. This information is again omitted from the report.

On page 11 of the Report, it states that from 2013 through 2015, PCAC paid the family of Commissioner Sanders approximately \$7,588.00 for consulting and employment. From their own investigation, it is clear that Commissioner Sanders abstained from voting on PCAC matters while his wife worked for PCAC. She stopped working for PCAC in 2012. Additionally, Jared Sanders was paid \$2,400.00 for a College Intern Program, over a three year period. The monies were paid from non-city funds and there was no voting during that time period and thus nothing for Commissioner Sanders to abstain from. (See table 2 OIG) A.J. Sanders received \$1,687.50 for work that

was part of a continuation of a program. The employer had verified with the City Attorney that there was no conflict.

The PCAC Executive Director in 2015 seemed to have indicated to the OIG, that she and a consultant were concerned as to whether drivers of the van that provided transportation services to PCAC were insured. The contract did not provide for proof of insurance. The drivers were indeed insured and this fact could have easily been ascertained. The real issue may have been whether PCAC was an additional insured. This is not in the Report because the writer of the Report is attempting to put Higher Vision Ministries and Commissioner Sanders in as bad a light as possible. If a full and fair investigation of the issues were done it would have discovered that there were additional vehicles used for the services. The transportation for an underserved community has always been an issue. Higher Vision Ministries was only providing a needed service which no other organization, including PCAC had the capacity to do to ensure that residents were trained and given opportunities for employment.

The allegations made by the "Consultant" regarding requests for transportation logs and invoices seem to be taken at face value as true. In fact the request was made via text message to Jessica Sanders. The Consultant was informed that the records that were being requested should be attained from PCAC due to the fact that HVM did not keep these records. They were not required to do so in order to receive payment. PCAC was required to maintain these records.

The Report states that AJ Sanders' employment with PCAC was terminated. AJ Sanders (Son#1 OIG Report) left his employment due to the fact that the Executive Director was never there in order to provide instruction/assignments for the proper performance of his duties. His parents were encouraging AJ to seek gainful employment that would allow him to be self-sufficient or obtain post-secondary education. This fact was easily discoverable, yet the Report wants to use the issue to support the innuendo that PCAC did not get funding after the Commissioner's family stopped receiving monies from them. The Consultant has her own agenda that the OIG has ignored or discounted in accepting her version of the facts. It is believed that the

Consultant instructed the PCAC Board Members not to talk with anyone in the community about the organization, structure, vision, and goals. In short there are a variety of reasons as to why the Consultant is not a credible source of information on these matters. It is specifically disputed that Commissioner Sanders went to the Board Meeting, as described on page 22 of the Report, “very angry”. He is a part of the community and was a Board Member of Weed and Seed at its inception. He was concerned as to the direction, the new Weed & Seed/PCAC Board Members, Director, and now Consultant, were trying to take the organization. This could have been easily confirmed by looking at the minutes from that meeting that they are referring to.

The Commissioner came to the meeting and explained he only had a limited time because of a prior commitment. The Consultant arrived half an hour late and tried to interrupt a conversation that had already begun. She became antagonistic and combative. Again, there are multiple reasons that she displayed this behavior. Commissioner Sanders never told the Board to dismiss the Consultant, he was the one who recommended her in the first place.

The termination of the HVM transportation agreement with PCAC on page 23 of the Report is confusing, at best. The buried footnote seems to contradict the main body of the Report with respect to Mr. Wright’s statements.

The portion of the Report dealing with Commissioner Sanders and Mr. Tim Burton “steering away” business from PCAC is also misleading. Mr. Burton was assigned by the PCAC Board Chair to work with a Contractor for the Fire Station Program. After the bid of the Contractor was successful, the Executive Director of PCAC wanted to take over. The general contractor was not comfortable with that. The City told the Contractor that it was perfectly fine to change Community Benefit Partners. It was at that time the Contractor transitioned to South Florida Educational Development Center.

Mr. Burton had forged a relationship with various contractors; it is not surprising that they followed him to SFEDC as their CBP. **Again, the Report buries a footnote that after investigation nothing of value was received by Commissioner Sanders or HVM**

from SFEDC or any contractor/developer to which Mr. Burton moved his project. Yet, the innuendos are left in the Report. The Report neglects to reference that although Mr. Burton moved the CBP from the PCAC, PCAC still received \$25,000.00 from the contractor for the previous work done by Mr. Burton.

Another example of erroneous facts contained in the Report is found on page 25. The Report states that Palms of Hallandale Beach Weed & Seed federal funding ended in 2012, it actually ended in 2011. The statement that the Sanders family was hurting financially is not supported by any evidence and, again, is pure innuendo that Commissioner Sanders was acting inappropriately or unethically.

The Report wants to give the impression that there was a quid pro quo for a vote on November 6, 2013 because a check for \$2,000.00 from PCAC to HVM is dated the same date. The check was a donation from PCAC to HVM. The Report wants to denigrate that fact due to the date of the check not being written in the anniversary month of the church. The fact of the matter is, churches are in the fund-raising business all the time. The discussion on page 26 of the Report relating to the check is still another example of the bias with which the Report is written. There is zero evidence that Commissioner Sanders got any of the monies from that donation.

No developer was ever solicited for money to HVM. It is believed by Commissioner Sanders that multiple developers/contractors were interviewed by OIG. **It is further believed that of all the developers/contractors interviewed by OIG, not one of them said that Commissioner Sanders ever solicited them for funds for the church. This does not appear anywhere in the Report.**

It is interesting to note the questioning of this person (J. Brown), the Office Manager of PCAC. She reportedly said she did not know why PCAC paid HVM during months when no transportation was needed. J. Brown would not be privy to this information because A. Lewis was also coordinating transportation. He was also authorized to order transportation and report this information to Mr. Wright not to the Office Manager. Why didn't they ask Mr. Wright, who was the Chair of the Board that entered into the agreement with the Deacon/Board Member and HVM? Why is the

propriety of that Contract an ethics issue for Commissioner Sanders, and why the actions of PCAC regarding that transportation agreement aren't being questioned? The answer is obvious. It is also interesting to note that the PCAC Office Manager was told that Commissioner Sanders was responsible for her demotion at PCAC in order to promote C. Wright as CEO. That is absolutely not true. Was this a factor in coloring her statement?

There seems to be a number of inconsistencies regarding the meeting of the Board in February 2016, when Commissioner Sanders spoke and was allegedly "angry." It's surprising that these inconsistencies are not referenced in the Report.

Commissioner Sanders never indicated that J. Brown (Office Manager) did not have the credentials and that she should be replaced. Why was she told this? It is clear that Ms. Wright (CEO) and Ms. Parker Cobb (Consultant) are behind this report.

In the section of the Report which deals with the interview of the Grant Monitor, it states that the Grant Monitor was not "aware of any Commissioner abstaining from a vote regarding PCAC" (See page 38 of the Report). From OIG's own Response, it is clear that Commissioner Sanders abstained from a grant approval vote for PCAC on 9/9/12, which appears to be the three year grant of \$105,000.00 per year. How could the Monitor be unaware of PCAC's transportation agreement with HVM? It seems a stretch of credibility to believe that if the Monitor was doing their job, they would not know of the execution of this agreement.

The Monitor's unsolicited (or not) opinion of what is a "conflict of interest" is without support for the credentials to make such a judgment. The transportation agreement seems to be a feature of this Report, yet, there are never any questions directed to anyone from PCAC as to how the agreement came into existence, why the agreement came into existence, why the agreement was made, who from PCAC was involved in the formation of the agreement, why, if services were not provided, were funds given to HVM for periods that no services were provided? Who from HVM was involved with the transportation agreement? What was Commissioner Sanders' involvement, other than being the Pastor at the church?

This Report seems to be bias with some unspoken agenda. There seems to be questions that were never asked by the OIG, or since the response did not validate the innuendo it was not included in the report. It is clear that the investigators of this report was not trying to attain the truth. The entire Report appears to be a script rather than an Investigatory Report.



United States v. Ferber, 966 F. Supp. 90 (D. Mass. 1997)

Full Name: United States v. Ferber

Citation: 966 F. Supp. 90

Docket Number: 95-10338-WGY

Date: March 14, 1997

U.S. District Court for the District of Massachusetts - 966 F. Supp. 90 (D. Mass. 1997)
March 14, 1997

966 F. Supp. 90 (1997)

UNITED STATES of America,
v.
Mark S. FERBER, Defendant.

Crim. No. 95-10338-WGY.

United States District Court, D. Massachusetts.

March 14, 1997.

***91** Kathy B. Weinman, Dwyer, Collora & Gertner, Thomas E. Dwyer, Jr., Maria R. Durant, Dwyer & Collora, Boston, MA, for Defendant.

Janice W. Howe, Bingham, Dana & Gould, Boston, MA, for Massachusetts Water Resources Authority.

John E. Wall, Wall & Shaughnessy, Boston, MA, for Merrill Lynch Pierce Fenner & Smith, Inc.

***92** John G. Fabiano, Hale & Dorr, Boston, MA, for Lazard Freres & Co.

David J. Apfel, Brien T. O'Connor, U.S. Attorney's Office, Boston, MA, for U.S.

MEMORANDUM OF OPINION

YOUNG, District Judge.

I. FACTS

On May 2, 1996, a federal grand jury sitting in this district returned a Second Superseding Indictment (the "Superseding Indictment"), charging Mark S. Ferber ("Ferber") with 39 counts of mail and wire fraud in violation of 18 U.S.C. §§ 1341, 1343, and 1346 (Counts 1-39), 13 counts of accepting bribes and unlawful gratuities as an agent of an organization receiving federal funds in violation of 18 U.S.C. § 666(a) (1) (B) (Counts 40-52, "the Bribery Counts"), one count of conspiracy in violation of 18 U.S.C. § 371 (Count 53), 25 counts of using interstate travel to commit bribery, commercial bribery, and extortion in violation of 18 U.S.C. § 1952 (Counts 54-78, "the Travel Act Counts"), and one count of attempted extortion in violation of 18 U.S.C. § 1951 (Count 79).

The government dismissed the conspiracy and attempted extortion counts on the eve of trial but went on to prove the facts summarized below:

Ferber was employed as a financial advisor and investment banker working principally in the area of public finance. During the period covered by the Superseding Indictment, he was employed by four investment banking firms: Kidder, Peabody ("Kidder"), from January 1982 to June 1986; First Boston Corporation, from June 1986 to April 1988; Lazard Freres & Co. ("Lazard"), from April 1988 to February 1993; and First Albany Corporation, from February 1993 to July 1993. At various times from March 1985 to July 1993, Ferber and the firms for which he worked were retained to serve as financial advisors to several government and public agencies, including the Massachusetts Water Resources

Authority ("MWRA"), the District of Columbia, the Michigan Department of Transportation ("MDOT"), and the United States Postal Service ("USPS") (collectively the "Public Entity Clients"). In each case, the Public Entity Clients relied primarily on Ferber for financial advice. This role created a fiduciary relationship between Ferber and his Public Entity Clients in that they placed a special trust and confidence in him based upon his knowledge and expertise and expected him to act in their best interests.

Ferber, however, strayed from this obligation of utmost loyalty and fidelity. Ferber was charged, and ultimately convicted, of taking advantage of his special position with the Public Entity Clients for his own personal gain, thereby breaching his fiduciary duty and defrauding those clients.

A. The Scheme to Defraud the MWRA

The MWRA is an authority of the Commonwealth of Massachusetts responsible for providing water and sewer services for approximately 45 Massachusetts cities and towns and, as a result of that responsibility, is also principally responsible for the cleanup of the Boston Harbor. To accomplish these objectives, the MWRA found it necessary to raise billions of dollars, principally by issuing bonds.

In March, 1985, the MWRA retained Kidder as its first financial advisor to assist in executing the financial transactions necessary for its activities. Throughout the MWRA's relationship with Kidder, Ferber was the individual responsible for performing and supervising the advisory services which the MWRA received from Kidder. From March, 1985 to January, 1993, as Ferber moved from one investment banking firm to another, the MWRA formally contracted with those firms and continued to rely on Ferber for financial advisory services. Evidence presented at trial tended to prove that this continuing relationship imposed a fiduciary duty upon Ferber. At trial, the government proved that Ferber secretly violated his duty to the MWRA by putting his own interests above the MWRA's interests, thereby defrauding the MWRA.

The scheme to defraud the MWRA was executed as follows. The MWRA would, from time to time, need to raise capital and would often do so by issuing debt in the form of bonds to the public. To execute these bond issues efficiently and effectively, the MWRA looked to investment banking firms to act as underwriters and would conduct a selection process by means of an open bid process.

The selection process involved the issuance of a request for qualifications ("RFQ") that consisted of a series of questions bearing on the investment bank's qualifications to serve as an underwriter. The RFQs also contained a provision called the "blackout rule" prohibiting participating investment banks from contacting any employee, member, or agent of the MWRA other than its Chief Financial Officer concerning the subject matter of the RFQ. *See, e.g.*, MWRA Request for Qualifications To Participate in Underwriting for the Massachusetts Water Resources Authority, Jan. 5, 1991, Trial Ex. 693, at 14. The investment banks would prepare written responses to the RFQs, hoping to tout their experience and skills in underwriting, thereby retaining a prominent role in the underwriting process.^[1] After receiving the written responses to the RFQ, the MWRA selected those investment banks with the best written responses for participation in an oral presentation as part of the final selection process.

Ferber, as financial advisor, played a key role in both drafting the RFQs and preparing the MWRA's selection committee for the oral presentations. The jury found that Ferber exploited his central role in this process on more than one occasion by giving unfair advantage to the investment banking firm of Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") in the selection process. Ferber did this, the government argued and the jury so found, in exchange for certain financial and business advantage he gained or hoped to gain from Merrill Lynch.

Specifically, the government showed that soon after Ferber became financial advisor to the MWRA, he told employees of Wall Street firms that if they wanted to get business with the MWRA, they would have to do favors for him. This conduct escalated when the MWRA decided to issue bonds to pay for various public works projects in 1989. At that time, Ferber met with representatives of Merrill Lynch. Merrill Lynch was very interested in serving as an underwriter for the MWRA bond issue. During the initial meeting, Ferber "requested that Merrill Lynch do him a `favor' by giving ... Lazard, bonds with defendant Ferber's `name on them.'" Superseding Indictment ("Sup.Ind.") ¶ 21. In addition, Ferber told Merrill Lynch's representatives that they should have Merrill Lynch clients run debt issues through a finance agency which paid Ferber's firm, Lazard, half of all its underwriting compensation.

The government alleged, and the jury ultimately agreed, that Ferber aided Merrill Lynch during the 1989 underwriter selection process for the MWRA debt issue by providing information to Merrill Lynch in violation of the so called "blackout rule."^[2] In March, 1989, the MWRA selected Merrill Lynch as a senior managing underwriter for the bond issue.

In September, 1989, Ferber contacted Merrill Lynch and complained about the lack of business they had sent him after he had put such a "positive spin" on their performance before the MWRA. Two weeks later, a Merrill Lynch representative came to Ferber and explained interest rate swaps in an attempt to persuade Ferber to get the MWRA to conduct swap transactions.^[3] Ferber expressed an immediate interest in interest rate swaps and suggested that he could assist *94 Merrill Lynch in explaining the transaction to others.

In November, 1989, Merrill Lynch completed an interest rate swap with a development district in Florida. In February, 1990, Merrill Lynch sent Ferber a check for \$90,000. Ferber informed Lazard that the money was for work performed on the interest rate swap in Florida. In reality, however, neither Ferber nor any one else at Lazard had done any work whatsoever on that transaction.

In 1990, Ferber recommended that the MWRA participate in interest rate swaps with Merrill Lynch. The MWRA engaged in two interest rate swap transactions which resulted in a fee of over \$1.6 million to Merrill Lynch.

On June 26, 1990, Merrill Lynch and Lazard, acting through Ferber, entered into a written contract (the "interest rate swap contract") which called for Lazard's participation in interest rate swaps in return for Merrill Lynch paying Lazard a flat rate of \$800,000 for the period of June 26, 1990 to December 31, 1990, in addition to a portion of the compensation earned from the execution of the swaps. The interest rate swap contract was extended for one calendar year on December 1, 1990 and provided for \$1,000,000 in periodic payments.^[4] While the extended December 1, 1990 contract was in place, Merrill Lynch attempted to terminate the periodic payment under the contract. Ferber, however, told a Merrill Lynch representative that he would "hurt" Merrill Lynch unless the periodic payment was not only renewed, but also increased by \$500,000.

In 1992, the MWRA undertook another major bond issue. Once again, Ferber violated the "blackout rule" and provided Merrill Lynch with critical information to aid it in its oral presentation. The MWRA ultimately picked Merrill Lynch as the major underwriter on the issue.

While Ferber was dealing with both the MWRA and Merrill Lynch, he never disclosed his conflict of interest to the MWRA. Indeed, during the negotiation of the interest rate swap contract, one of Ferber's partners at Lazard expressed reservation and inquired whether the MWRA knew of Ferber's involvement with Merrill Lynch. Ferber responded as follows: "[The] MWRA knew about this deal from the time it was a mere glimmer in Merrill's eye.

We have fully disclosed. They had no problem with us on the issue." Tamagni Memorandum, May 27, 1990, Trial Ex. 46.

The problem, however, was that Ferber never fully disclosed his relationship with Merrill Lynch to the MWRA. Indeed, in April, 1992, in a response to an RFQ for financial advisory services from the MWRA, Ferber stated that he had reviewed all current and pending obligations of Lazard and affirmed that there was no potential for conflict of interest or unfair advantage. As a result, Lazard, and specifically Ferber, were again unanimously selected for their financial advisory services in June, 1992. Those services ended, however, when a newspaper article in 1993 exposed Ferber's relationship with Merrill Lynch.

B. The Other Public Entity Clients

The government also charged Ferber with violating his position of public trust by recommending Merrill Lynch interest rate swaps to the District of Columbia. Under Ferber's counsel as a financial advisor from 1991 to 1993, the District of Columbia engaged in several interest rate swap transactions with Merrill Lynch. Merrill Lynch received over \$4,000,000 for these transactions. At no time prior to recommending the interest rate swap transactions to the District of Columbia did Ferber ever disclose the interest rate swap contract under which Lazard was compensated by Merrill Lynch.

Ferber also violated his duty as a financial advisor to the State of Michigan. Specifically, in 1992, Ferber guided the MDOT in selecting Merrill Lynch as an underwriter for its bond issue without disclosing his financial relationship to Merrill Lynch under the interest rate swap contract. Indeed, Ferber *95 certified to the MDOT that there was no conflict of interest in the performance of his financial advisory services.

The final scheme for which Ferber was convicted involved the USPS. In 1990, as a financial advisor, Ferber recommended that the USPS use Merrill Lynch to refinance \$250,000,000 in bonds. This recommendation came after the USPS had decided preliminarily to use Goldman Sachs, another underwriting firm. After Ferber's recommendation, however, the USPS used Merrill Lynch. During the time of this bond buy back and refinance, Ferber, through Lazard, was paid over \$1.6 million by Merrill Lynch under the interest rate swap contract. Ferber never disclosed his relationship with Merrill Lynch to the USPS.

As may be gleaned from this barebones recital, the trial of this Superseding Indictment was lengthy, involved, and exhaustingly paper intensive. At the close of the government's case,

the Court dismissed the Bribery Counts on the ground that the evidence was insufficient to prove that Ferber was an "agent" of an organization receiving federal funds.

On August 9, 1996, the jury convicted Ferber of 57 counts, *i.e.*, the bulk of the mail and wire fraud counts and all of the Travel Act Counts. The jury thus found, by its verdict, that Ferber took advantage of his role as a financial advisor with respect to the Public Entity Clients discussed above. Essentially, Ferber lined his pockets by taking kickbacks from Merrill Lynch in return for recommending their services to his Public Entity Clients. In addition, Ferber failed fully to disclose his relationship with Merrill Lynch to the Public Entity Clients and thus deprived those clients of the ability to make objective and fully informed decisions on issues of public finance.

Following his conviction and while awaiting sentence, Ferber, through his attorneys, engaged in extensive negotiations with the government. The parties reached an agreement whereby the government would waive certain arguments and take certain positions at sentencing, and if the sentence of imprisonment were 37 months or less, Ferber would waive his appellate rights and the government would waive any cross appeal. The government duly performed.

On December 19, 1996, this Court independently sentenced Ferber to thirty three months of imprisonment, two years of supervised released, and a \$1,000,000 fine. In reaching this result, the Court rejected certain positions advanced by the government, pursued a sentencing departure analysis to which the government objected, and *sua sponte* dismissed Counts 54-78 of the Superseding Indictment, the Travel Act Counts. Although the parties have agreed not to appeal any aspect of this case, that agreement does not relieve this Court of its professional obligation to explain the reasoning behind its most controversial rulings.

II. DISCUSSION

A. Admissibility of Certain Handwritten Notes

At trial, the government offered certain handwritten notes of Jeffrey Carey ("Carey"), a Merrill Lynch banker who had overall responsibility for preparing Merrill Lynch's written response to the 1991 MWRA RFQ and who also participated in the oral presentation. The notes were written on the back of a typewritten list of questions concerning the MWRA's underwriter selection process that Carey had prepared for his superior, Marsha Eisenberg

("Eisenberg"). Carey testified that he had been instructed to prepare these questions because Eisenberg and Sam Corliss, another Merrill Lynch banker, were meeting with Ferber. He then testified that the handwritten portions of the document were notes of information that Eisenberg had conveyed to him after she had spoken with Ferber. The handwritten comments corresponded with the typewritten questions in such a way as to create an inference that they were answers supplied by Ferber to the questions Carey had prepared for Eisenberg.

After eliciting this testimony, the government moved to admit the handwritten notes ***96** as substantive evidence. Ferber's counsel objected. The government argued that evidence tending to show that Ferber provided Merrill Lynch with substantive information to assist it in the oral examination was relevant to proving the allegations that Ferber had violated the blackout provisions of the 1991 MWRA RFQ. Even so, based upon the foundation that existed when the government first offered this evidence, this Court sustained Ferber's objection and excluded the handwritten notes as hearsay under Fed. R.Evid. 801 and 802.

Later in the trial, the government called Eisenberg as a witness. Eisenberg testified that she did speak with Ferber between the submission of Merrill Lynch's written response to the 1991 MWRA RFQ and the oral presentation about the substance of the oral examination. Eisenberg's memory was "spotty" as to what Ferber had told her concerning Merrill Lynch's oral examination and, while she testified that it would have been her customary practice to talk with Carey after she had spoken with Ferber and prior to the oral examination, she had no specific memory of having done so. Having established this further foundation, the government again offered the handwritten notes as evidence.

The Court received briefs and heard oral argument from both parties outside the hearing of the jury. The government originally argued that Carey's handwritten notes were admissible because they were offered not for the truth of those things asserted in the notes themselves, but rather to prove the existence of the notes. Essentially, the government argued that the notes were offered to show that Ferber had conveyed the information contained therein to Merrill Lynch during the blackout period. This Court reasoned that the government's argument refuted itself. Carey's notes were, in fact, offered for the truth of the matter asserted; namely, that Eisenberg received information concerning the then upcoming oral portion of the MWRA selection process from Ferber. The relevance of the notes turned entirely on their source, *i.e.*, that the information from Eisenberg came initially from Ferber. Absent that link, the notes were irrelevant. The notes were thus offered for the "truths" that Eisenberg accurately recounted and Carey accurately wrote down Ferber's statements. *See Fed.R.Evid. 801(c).*

The government then retreated to a fallback position and argued that Carey's notes were admissible under Fed.R.Evid. 803(1) as Eisenberg's present sense impression of Ferber's conversation with her and, in turn, Carey's present sense impression of Eisenberg's conversation with him. This Court, persuaded by that argument, admitted the document in evidence.^[5] The Court now explains its rationale.

Hearsay is defined by Fed.R.Evid. 801(c) as "a statement, other than one made by the declarant while testifying at the trial or hearing, offered in evidence to prove the truth of the matter asserted." When a hearsay statement has been conveyed through multiple out of court declarants, so called multiple or "totem pole" hearsay, each of the out of court statements must fall within one of the exceptions to the prohibition against the introduction of hearsay. *See* Fed.R.Evid. 805. Therefore, in order to admit the handwritten notes to prove that Ferber provided Merrill Lynch with information concerning the oral examination, this Court had to find an applicable exception to the rule against hearsay allowing Eisenberg to "report" Ferber's out of court statement and an independent exception allowing Carey's notes to "report" Eisenberg's out of court statements.^[6]

The first link in the hearsay chain, Ferber's statements to Eisenberg, were admissible when offered against Ferber as admissions by a party-opponent under Fed. *97 R.Evid. 801(d) (2) (A).^[7] With Ferber's statements to Eisenberg being admissible in their own right, the analysis shifted to Eisenberg's statements to Carey and to Carey's notes of his conversation with her, the second and third links in the hearsay chain.

Rule 803(1) allows the admission of "[a] statement describing or explaining an event or condition made while the declarant was perceiving the event or condition, or immediately thereafter," even if the statement is hearsay and the declarant is available as a witness. Fed.R.Evid. 803(1); *Makuc v. American Honda Motor Co.*, 835 F.2d 389, 391-92 (1st Cir. 1987). The rationale for this exception is that the substantial contemporaneity of the statement and the event described or explained offsets the likelihood of deliberate or conscious misrepresentation. Fed.R.Evid. 803(1) advisory committee's note. Also, when the hearsay declarant is available to testify, the possibility of cross-examination provides further reliability. *Id.*

A party seeking to invoke the present sense impression exception in a specific case must first satisfy three requirements. First, the declaration must be limited to describing or explaining the event in question. *United States v. Portsmouth Paving Corp.*, 694 F.2d 312, 323 (4th Cir.1982). Second, the statement must be made contemporaneously or immediately after the event described. *Id.*; *see also* McCormick on Evidence § 271, at 214 (John W. Strong ed., 4th ed.1992). Finally, the declarant must have been describing

something that she actually perceived herself, though her participation in the event is not required. Fed.R.Evid. 803 advisory committee's note; *see also Portsmouth Paving Corp.*, 694 F.2d at 323. Here, all three requirements were met as to both Eisenberg's statements to Carey and Carey's notes of those statements.

The Court inferred, *see* Fed.R.Evid. 104(a), that Eisenberg was sent to Ferber with certain questions to which Carey wanted answers, that she spoke with Ferber to carry out this mission, and that she returned to report to Carey. Carey's handwritten notes were nothing more than a recital of those things Eisenberg said to him. The *98 level of detail in the answers supported the inference that Eisenberg made the report to Carey with virtual immediacy and that Eisenberg had no conceivable reason to falsify at that time. After all, at the time of this report, Merrill Lynch and Ferber were as thick as thieves. *See* Fed.R.Evid. 801(d) (2) (E). Furthermore, Carey's testimony concerning the nature of his meeting with Eisenberg and the notes themselves demonstrated that they were made either as Eisenberg was telling Carey what transpired in her conversation with Ferber or immediately thereafter. Finally, Eisenberg actually perceived the communication from Ferber, just as Carey actually perceived those things that Eisenberg told him.

It was at this point in the analysis that Ferber challenged the admissibility of the notes. Ferber argued that the present sense impression exception to the hearsay rule cannot apply here because Carey did not participate in, and therefore did not perceive, the conversation between Ferber and Eisenberg. This argument fundamentally misunderstands the analysis. Carey's notes were admissible as a present sense impression, not of what Ferber said to Eisenberg, but rather of what Eisenberg said to Carey.^[8] Because there was a separate and independent basis for admitting each of the links in the hearsay chain that produced Carey's notes, they were admissible. Fed.R.Evid. 805.

B. The E-Mail Message

For much the same reasons, *i.e.*, pursuant to Fed.R.Evid. 803(1), the Court admitted an internal Merrill Lynch E-mail message from Carey to Benjamin Moore ("Moore"), Carey's immediate superior, recounting a conversation with Ferber wherein Ferber inculpated himself. Print out of E-mail message, Sept. 13, 1989, Trial Ex. 417. Carey's E-mail message was printed out as a multi-paragraph document describing a Ferber-Carey telephone conversation. The E-mail message reported that Carey had consulted a co-worker concerning the conversation with Ferber and suggested how Merrill Lynch might deal with Ferber's importunities. The E-mail ended with the observation, "my mind is mush!"

The government first sought admission of the E-mail message as a business record pursuant to Fed.R.Evid. 803(6). To this end, they laid a proper foundation that the print out of the E-mail message was authentic and accurate, and that it was Carey's routine practice to send such E-mail messages to co-workers ii the relevant "loop" immediately following an important telephone conversation with a client. *See* Fed.R.Evid. 406. This Court nevertheless concluded that this foundation was insufficient enough to warrant admission of the E-mail message as a business record.

Courts admit hearsay statements which are grouped under Fed.R.Evid. 803 because of the supposed reliability of the out of court statements themselves. *See United States v. Trenkler*, 61 F.3d 45, 58 (1st Cir. 1995). One guarantee of that reliability is that the record was made in the course of a routine business practice. *Kassel v. Gannett Co.*, 875 F.2d 935, 945 (1st Cir.1989). Here, while it may have been Carey's routine business practice to make such records, there was no sufficient evidence that Merrill Lynch required such records to be maintained. This was fatal to the government's proffer on this ground because, in order for a document to be admitted as a business record, there must be some evidence of a business duty to make and regularly maintain records of this type. *See Willco Kuwait (Trading) S.A.K. v. deSavary*, 843 F.2d 618, 628 (1st Cir.1988).

Ironically, had it been Carey's practice to make E-mail messages concerning important telephone conversations in the running of his household, for example, admission of this particular E-mail message might have been permissible on a preliminary finding that Carey was the responsible individual for making and maintaining such records. A business record, of course, need not be generated in a "business"; the records of eleemosynary *99 institutions, government agencies, private clubs, and indeed individual households all may properly qualify as business records. *See. e.g., Haskell v. United States Dep't of Agric.*, 930 F.2d 816, 819 (10th Cir. 1991) (records of government agency admissible under 803[6]); *Keogh v. Commissioner of Internal Revenue*, 713 F.2d 496, 500 (9th Cir.1983) (personal financial diary admissible under 803[6]). Here, however, Carey was under no business duty to make and maintain these E-mail messages, and the evidence failed to show that Merrill Lynch itself followed such a routine. This particular E-mail message thus did not qualify as a business record pursuant to Fed.R.Evid. 803(6). Were it otherwise, virtually any document found in the files of a business which pertained in any way to the functioning of that business would be admitted willy-nilly as a business record. This is not the law.

The government next pinned their hopes on the immediacy with which Carey composed the E-mail message following his conversation with Ferber and the "my mind is mush!" comment at the end of the message, arguing that the entire message was an excited

utterance and thus admissible pursuant to Fed.R.Evid. 803(2). In laying the foundation, the government inquired of Carey concerning the timing of the message (Carey: "I believe I wrote that E-mail shortly, very shortly, after the conversation [with Ferber]"), and Carey's emotional state as a result of that conversation (Carey: "I was very upset, panicked, and very much wanted to get Mr. Moore's attention"). Trial Transcript ("Tr."), May 22, 1996 at 53.

After hearing argument by both sides, the Court ruled:

I am not going to admit it under [Fed. R.Evid.] 803(2), an excited utterance. Because the detail, the length, the possibility [Carey] spoke to this Kevin before he wrote it, all of it signals to me that whatever he may say about his mind being mush, there's ample time for him to reflect, fabricate.

Tr., May 22, 1996 at 149.

By the time this ruling was made, however, the government had come up with yet a third ground for admission. The government now argued that the E-mail message was a present sense impression, admissible pursuant to Fed.R.Evid. 803(1). The government ultimately prevailed on this argument and the Court admitted the E-mail message in evidence.

Upon written reflection, the Court recognizes the possible inconsistency between the finding that "there's ample time for him to reflect, fabricate," which prompted exclusion under Fed.R.Evid. 803(2), and the admissibility ruling under Fed.R.Evid. 803(1), an exception which is likewise grounded on the virtual contemporaneity of the perception with the declaration. *See Portsmouth Paving*, 694 F.2d at 323. Nevertheless, this Court believes that its ruling was consistent with the two rules. An excited utterance must be made under the "stress of excitement," and any amount of time that passes between the exciting event and the statement will remove the declarant from the stress of the situation. Thus, the contemporaneity requirement of Fed.R.Evid. 803(2) "refers to temporal proximity to the 'startling event.'" *Bemis v. Edwards*, 45 F.3d 1369, 1373 n. 1 (9th Cir.1995). A present sense impression, in contrast, is admissible so long as it explains an event immediately after it happens. Courts have recognized that the passage of a short amount of time will not preclude evidence otherwise admissible under Fed.R.Evid. 803(1). *See United States v. Blakey*, 607 F.2d 779, 785 (7th Cir.1979) (statements made within 23 minutes of event admissible under Rule 803[1]); *Miller v. Crown Amusements, Inc.*, 821 F. Supp. 703, 706-07 (S.D.Ga.1993) (statements made within 10 minutes of event admissible under Rule

803[1]); *see also* Fed. R.Evid. 803(1) advisory committee's note (under Rule 803(1) "in many, if not most, instances precise contemporaneity is not possible and hence a slight lapse [of time] is allowable."). Thus, although Carey's E-mail was removed from the "stress" of the Ferber phone call, it was prepared shortly afterward and therefore qualified as a present sense impression. *See* Fed.R.Evid. 803(1).^[9]

***100 C. Dismissal of the 18 U.S.C. § 666 Counts**

At the completion of the government's case, Ferber moved for judgment of acquittal under Fed.R.Crim.P. 29 on each of the counts of the Superseding Indictment. While this Court found Ferber's arguments as to the majority of the counts against him unpersuasive, this Court did dismiss those counts alleging a violation of 18 U.S.C. § 666(a), the Bribery Counts.

Counts 40-52 of the Superseding Indictment alleged that Ferber violated 18 U.S.C. § 666(a) by soliciting and accepting payments from Merrill Lynch in return for his influence in connection with Merrill Lynch's business with the MWRA, the District of Columbia, and the MDOT. Section 666(a) prohibits any person who serves as an agent of an organization or local, state, or tribal government that receives benefits in excess of \$10,000 under a federal program from corruptly soliciting, accepting, or agreeing to accept anything of value in exchange for influence or reward in connection with any business of that organization. 18 U.S.C. § 666(a). For the jury to convict Ferber of a violation of section 666, therefore, the government had to prove was that Ferber was an "agent" of the MWRA, the District of Columbia, and the MDOT.

Section 666 defines an agent as "a person authorized to act on behalf of another person or a government and, in the case of an organization or government, includes a servant or employee, and a partner director, officer, manager, and representative." 18 U.S.C. § 666(d) (1). In this case, because Ferber was neither a servant, employee, partner, director, officer, manager nor representative of any of the Public Entity Clients, the government had to prove that he was "a person authorized to act on [their] behalf." To determine whether the government had presented sufficient evidence of such a relationship, this Court looked to general principles of agency law. *See United States v. Toro*, No. 89 CR 0268(RWS), 1989 WL 63118, at *1-2 (S.D.N.Y. June 8, 1989); *United States v. Wyncoop*, 789 F. Supp. 345, 347 (D.Or.1992), *rev'd on other grounds*, 11 F.3d 119 (9th Cir.1993). Generally, an agency relationship is characterized by three essential characteristics: 1) the power of the agent to alter the legal relationships between the principal and third parties and the

principal and the agent herself; 2) the right of the principal to control the agent concerning matters within the scope of the agency; and 3) the existence of a fiduciary obligation owed by the agent to the principal with respect to matters within the scope of the agency. *Sabel v. Mead Johnson & Co.*, 737 F. Supp. 135, 138 (D.Mass.1990) (citing Restatement [Second] of Agency §§ 12-14 [1958]).

The government's evidence demonstrated the existence of only one of these three factors. There was evidence sufficient for a jury to conclude that Ferber owed a fiduciary obligation to the Public Entity Clients. The government's evidence, however, consistently showed that Ferber's role was solely advisory in nature. Ferber provided his clients with debt financing and financial planning advice. There was no evidence presented in the government's case that tended to show that Ferber was ever given the authority to alter the legal relationship between the Public Entity Clients and third parties. While Ferber often made suggestions or recommendations concerning various courses of action, the power to actually act on those decisions was retained by the Public Entity Clients themselves.^[10] Nor was there any evidence presented during the case-in-chief that Ferber's Public Entity Clients controlled the means by which he provided his financial advisory services. *Cf. *101 United States v. Tianello*, 860 F. Supp. 1521, 1524 (M.D.Fla.1994) (holding that defendant was not an agent because alleged principal did not control means by which the defendants accomplished their duties). For these reasons, this Court concluded that Ferber was not the agent of his Public Entity Clients for purposes of section 666 and accordingly dismissed the Bribery Counts. *See United States v. Olbres*, 61 F.3d 967, 970 (1st Cir. 1995) (citing *Jackson v. Virginia*, 443 U.S. 307, 319, 99 S. Ct. 2781, 2789, 61 L. Ed. 2d 560 [1979]), *cert. denied*, ___ U.S. ___, 116 S. Ct. 522, 133 L. Ed. 2d 430 (1995).

D. The Travel Act Counts

The Superseding Indictment charged Ferber with violating the Travel Act by soliciting and receiving illegal gratuities under Mass. Gen.L. ch. 268A, § 3(b) and committing acts of commercial bribery in violation of Mass. Gen.L. ch. 271, § 39(a) (2).^[11] The jury convicted Ferber of all the charged Travel Act Counts predicated on violations of the Massachusetts gratuity statute, Mass.Gen.L. ch. 268A, § 3. Prior to sentencing, however, this Court, *sua sponte*, dismissed those counts for the reasons discussed herein.

The Travel Act provides as follows:

(a) Whoever travels in interstate or foreign commerce or uses the mail or any facility in interstate or foreign commerce, with intent to

(1) distribute the proceeds of any unlawful activity; or ...

(3) otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity,

... shall be fined under this title, imprisoned not more than 5 years, or both ...

(b) As used in this section (i) 'unlawful activity' means ...

(2) *extortion, bribery, or arson in violation of the laws of the State* in which committed or of the United States....

18 U.S.C. § 1952 (emphasis added). Congress enacted the Travel Act in 1961 as part of Attorney General Robert Kennedy's campaign against organized crime. The original purpose of the Travel Act was to aid states in the enforcement of their laws by cracking down on those avoiding state prosecution by operating their criminal enterprises from outside a state's boundaries. *See Rewis v. United States*, 401 U.S. 808, 811, 91 S. Ct. 1056, 1059, 28 L. Ed. 2d 493 (1971) (citing S.Rep. No. 644, 87th Cong., 1st Sess., 2-3 [1961]). As a Senate Report endorsing the adoption of the Travel Act stated:

Over the years an ever-increasing portion of our national resources has been diverted into illicit channels. Because many rackets are conducted by highly organized syndicates whose influence extends over State and National borders, *the Federal Government should come to the aid of local law enforcement authorities* in an effort to stem such activity.

United States v. Nardello, 393 U.S. 286, 291, 89 S. Ct. 534, 537, 21 L. Ed. 2d 487 (1969) (quoting S.Rep. No. 644, 87th Cong., 1st Sess., 4 [1961]) (emphasis added). Although defined by reference to state law, the Travel Act "was not originally intended to substitute a federal penalty for the underlying state law violation; rather, it was intended to have the defendant face prosecution for both the federal and state charges." Steven G. Shapiro, *White-Collar Crime: Fourth Survey of Law Substantive Crimes, Travel Act*, 24 Am.Crim. L.Rev. 735, 735-36 (1987).

The interplay between the Travel Act and state law has created questions regarding the act's scope and the validity of certain state predicate offenses. A trilogy of Supreme Court cases analyzed the relationship between the Travel Act and state law and *102 provides the proper starting point for this Court's analysis.

The Supreme Court first confronted the scope of the Travel Act in *United States v. Nardello*, 393 U.S. 286, 89 S. Ct. 534, 21 L. Ed. 2d 487 (1969). In *Nardello*, the defendants were charged under the Travel Act for their involvement in a "`shakedown' operation whereby individuals would be lured into a compromising homosexual situation and then threatened with exposure unless [the defendants'] silence was purchased." *Id.* at 287, 89 S. Ct. at 535. The district court dismissed the Travel Act counts on the ground that extortion under Pennsylvania law required the defendants to be public officials and, in this case, they were not. The Supreme Court reversed and held that the relevant "inquiry is not the manner in which States classify their criminal prohibitions but whether the particular State involved prohibits the extortionate activity charged." *Id.* at 295, 89 S. Ct. at 539. In *Nardello*, Pennsylvania law prohibited the conduct charged, but classified it as blackmail. The Court therefore concluded that because the conduct involved was both "generally known as extortionate" and criminal under Pennsylvania's blackmail statute, it was a valid Travel Act predicate. *Id.* at 296, 89 S. Ct. at 539.

Following this expansive reading of the Travel Act's reach to extortionate conduct, the Supreme Court took a narrower view of the statute in *Rewis v. United States*, 401 U.S. 808, 91 S. Ct. 1056, 28 L. Ed. 2d 493 (1971). In *Rewis*, the defendants operated a gambling business near the Georgia-Florida state line. *Id.* at 810, 91 S. Ct. at 1058. The government's theory of the case was that the defendants violated the Travel Act because bettors crossed stated lines to place bets on a lottery that violated Florida law. *Id.* The Supreme Court reversed the convictions stating that "it cannot be said, with certainty sufficient to justify a criminal conviction, that Congress intended that interstate travel by mere customers of a gambling establishment should violate the Travel Act." *Id.* at 811, 91 S. Ct. at 1059. In reaching its decision, the Court stated that:

Congress would certainly recognize that an expansive Travel Act would alter sensitive federal-state relationships, could over-extend limited federal police resources, and might well produce situations in which the geographic origin of customers, a matter of happenstance, would transform relatively minor state offenses into federal felonies. It is not for us to weigh the merits of these factors, but the fact that they are even discussed in the legislative history of § 1952 strongly suggests that Congress did not intend that the Travel Act should apply to criminal activity solely because that activity is at times patronized by persons from another State.

Id. at 812, 91 S. Ct. at 1059 (emphasis added).

In the final case in this trilogy, *Perrin v. United States*, 444 U.S. 37, 50, 100 S. Ct. 311, 318, 62 L. Ed. 2d 199 (1979), the Supreme Court held that bribery for purposes of the Travel Act included commercial bribery. In *Perrin*, the defendants were convicted under the Travel Act for executing a scheme to exploit data obtained from a geological exploration company. *Id.* at 40-41, 100 S. Ct. at 313-14. The defendants argued that commercial bribery, although prohibited by state law, was not the type of "bribery" contemplated by Congress as a predicate act under the Travel Act because it was not common law bribery of a public official. *Id.* at 41, 100 S. Ct. at 313-14. The Supreme Court rejected this argument and held that "bribery," as used in the Travel Act, includes commercial bribery but only if the state has criminalized such conduct. *Id.* at 50, 100 S. Ct. at 318. The Court stated that "[i]n defining an 'unlawful activity,' Congress has clearly stated its intention to include violations of state as well as federal bribery law." *Id.*

This trilogy of Supreme Court cases establishes several important principles. First, the conduct charged as a predicate Travel Act violation must actually be *criminal* under the laws of the state. *Perrin*, 444 U.S. at 50, 100 S. Ct. at 318; *Nardello*, 393 U.S. at 295, 89 S. Ct. at 539. Second, the label a state affixes to certain conduct is irrelevant so long as that criminal conduct fits within traditional, generic notions of "extortion, bribery or arson." 18 U.S.C. § 1952; *see Nardello*, 393 U.S. at 295, 89 S. Ct. at 539. Third, the Travel Act must not be read so ***103** expansively as to upset the delicate balance between the powers of the federal and state sovereigns. *Rewis*, 401 U.S. at 812, 91 S. Ct. at 1059.

With these general considerations in mind, this Court embarked on analyzing whether the violation of Mass.Gen.L. ch. 268A, § 3(b) alleged in this case could serve as a legitimate

predicate Travel Act violation. Specifically, this Court considered whether Ferber's conduct, as charged, constituted "bribery" for purposes of the Travel Act.

The Massachusetts gratuity statute provides in relevant part:

Whoever, being a present or former state, county or municipal employee or member of the judiciary, or person selected to be such an employee or member of the judiciary, otherwise than as provided by law for the proper discharge of official duty, directly or indirectly, asks, demands, exacts, solicits, seeks, accepts, receives or agrees to receive anything of substantial value for himself for or because of any official act or act within his official responsibility performed or to be performed by him ... shall be punished by a fine of not more than three thousand dollars or by imprisonment for not more than two years, or both.

Mass.Gen.L. ch. 268A, § 3(b).^[12] Massachusetts law also prohibits conventional, common law bribery. *See* Mass.Gen. L. ch. 268A, § 2.^[13] The primary distinction between a gratuity offense under section three and a bribery offense under section two is that bribery requires a corrupt intent to give something of value in exchange for specific influence. *See Commonwealth v. Dutney*, 4 Mass.App.Ct. 363, 375, 348 N.E.2d 812 (1976). A gratuity violation, on the other hand, requires only that something of value is received "for or because of any official act ... performed or to be performed." Mass. Gen.L. ch. 268A, § 3(b). The gratuity statute is therefore broad enough to capture conduct that although not technically bribery, amounts to influence peddling.

There is no doubt that a violation of the Massachusetts bribery statute is a valid predicate offense under the Travel Act. *United States v. Arruda*, 715 F.2d 671, 681 (1st Cir.1983); *United States v. Hathaway*, 534 F.2d 386, 398 (1st Cir.1976), *cert. denied*, 429 U.S. 819, 97 S. Ct. 64, 50 L. Ed. 2d 79 (1976). Section two of Chapter 268A is a traditional bribery statute and is, therefore, the type of state statute which Congress contemplated would form a predicate offense under the Travel Act. Had Ferber committed a section two violation, this Court easily could have sentenced Ferber with respect to the Travel Act Counts. Ferber, however, was charged with violating the gratuity provision.

The First Circuit in *United States v. Sawyer*, 85 F.3d 713, 741 (1st Cir.1996) (Stahl, J.) recognized that a violation of the Massachusetts gratuity statute may conceivably serve as the predicate act of bribery for the purposes of the Travel Act. This Court recognizes that

holding as the law of this circuit. The First Circuit in *Sawyer*, however, had no occasion to address the situation presented in this case.

As the *Sawyer* court stated, "[t]he fact that a gratuity violation involving an intent to influence is essentially bribery, does not mean that every possible application of a gratuity statute fits the rubric." *Id.* at 741 n. 28 (internal citation omitted). Indeed the First Circuit stated that:

It is not clear whether the government would contend that a gratuity violation involving *104 only a reward for an official act (even without any intent to influence any future official act) could constitute "bribery" for purposes of the Travel Act. We are extremely doubtful whether this would constitute bribery for these purposes and do not read the Second Circuit as ruling on this point in *United States v. Biaggi*, 853 F.2d 89, 100-02 (2d Cir.1988), *cert. denied*, 489 U.S. 1052, 109 S. Ct. 1312, 103 L. Ed. 2d 581 (1989).

Sawyer, 85 F.3d at 741 n. 28. Thus, although *Sawyer* holds that a section three gratuity violation may serve as a predicate act of bribery under the Travel Act, it also serves as a warning that a gratuity violation does not always constitute "bribery" for purposes of the Travel Act.

In discussing the interplay between the Travel Act and the Massachusetts gratuity statute, the First Circuit made explicit reference to the Second Circuit's decision in *United States v. Biaggi*, 853 F.2d 89, 100-02 (2d Cir.1988), *cert. denied*, 489 U.S. 1052, 109 S. Ct. 1312, 103 L. Ed. 2d 581 (1989). In *Biaggi*, the defendant, a congressman, was convicted of violating the federal gratuity statute, 18 U.S.C. § 201(g),^[14] and the Travel Act. The defendant challenged the Travel Act conviction on the grounds that a federal gratuity violation could not form a predicate offense for a Travel Act conviction because it was not "bribery" within the meaning of the Travel Act. The Second Circuit rejected this challenge and held that the term "bribery" for purposes of the Travel Act included federal gratuity offenses despite the fact that they are inherently less serious than traditional bribery. *Id.* at 102. Quoting the district court's opinion, *United States v. Biaggi*, 674 F. Supp. 86, 89 (E.D.N.Y.1987), the Second Circuit stated that:

There is no reason to infer that the policy and purpose behind the "corrupt intent to influence" offenses [are] substantially different from [those]

underlying the "for or because of" offenses. All sections of the [federal] bribery statute are aimed at preventing the evil of allowing citizens with money to buy better public service than those without money ... "[e]ven if corruption is not intended by either the donor or the donee, there is still a tendency in such a situation to provide conscious preferential treatment of the donor by the donee, or the inefficient management of public affairs."

Biaggi, 853 F.2d at 101 (quoting *United States v. Evans*, 572 F.2d 455, 480 (5th Cir.), cert. denied, 439 U.S. 870, 99 S. Ct. 200, 58 L. Ed. 2d 182 [1978]). Thus, the Second Circuit concluded that the "policy, evolution, and the legislative history" of the federal gratuity statute which is grouped in a "compilation of bribery offenses" within the United States Code indicated that Congress intended a violation of the gratuity statute "to constitute a 'bribery' offense within the meaning of [the Travel Act]." *Biaggi*, 853 F.2d at 102.

Biaggi, as the First Circuit noted in *Sawyer*, is instructive, but not dispositive, with respect to the types of gratuity violations which constitute "bribery" under the Travel Act. *Biaggi*, by implication, seems to suggest that all violations of the federal gratuity statute are predicate acts under the Travel Act. See *id.* The significance of *Biaggi* is limited, however, because the Second Circuit was interpreting the federal gratuity statute as it applied to a federal elected official. As *Biaggi* did not implicate a state interest, there was little concern that an "expansive Travel Act would alter sensitive federal-state relationships." See *Rewis*, 401 U.S. at 812, 91 S. Ct. at 1059. If the federal government chooses to pursue an expansive application of the federal gratuity statute, as was the case in *Biaggi*, it is well within its authority and discretion. It is an altogether different situation, *105 however, where, as here, the federal government seeks to expand the application of a state gratuity statute.^[15]

In order to decide whether the alleged violation of the Massachusetts gratuity statute was a valid predicate offense in this case, therefore, this Court analyzed the criminal scope of the Massachusetts statute. In making this determination, this Court looked to the application given to section 3 by the only entities within the Commonwealth of Massachusetts given the policy making authority to define its criminal limits the prosecutors, see Mass.Gen.L. ch. 12, §§ 3, 27; *Manning v. Municipal Court of the Roxbury District*, 372 Mass. 315, 317-18, 361 N.E.2d 1274 (1977), and the Massachusetts judiciary, see Mass. Const. pt. 1, art. 29. After searching Massachusetts case law, this Court concluded that the gratuity statute has never been, in the criminal context, interpreted by the appropriate Commonwealth officials to reach as far as the federal government sought to extend it in this case.

Every reported Massachusetts case dealing with section three involves a public official receiving something of substantial value for influence in an area where that official had

actual decision making authority. *See Commonwealth v. Jarabek*, 384 Mass. 293, 294, 424 N.E.2d 491 (1981) (elected member of school committee charged with violating sections two and three for soliciting payment to reelection campaign in return for maintaining contract); *Commonwealth v. Canon*, 373 Mass. 494, 495, 368 N.E.2d 1181 (1977), *cert. denied*, 435 U.S. 933, 98 S. Ct. 1510, 55 L. Ed. 2d 531 (1978) (city engineer of Marlborough charged with violating section three for purchasing land at discount, obtaining apartment permit, and reselling at more the double the purchase price); *Commonwealth v. Burke*, 20 Mass.App.Ct. 489, 492, 481 N.E.2d 494, *rev. denied*, 396 Mass. 1101, 484 N.E.2d 102 (1985) (county commissioner and county dog officer charged with section three violation for soliciting campaign contributions in return for awarding contracts); *Commonwealth v. Qualter*, 19 Mass.App.Ct. 970, 974, 473 N.E.2d 729 (1985) (city tenant selector charged under section three for receiving payments in return for awarding apartments); *Dutney*, 4 Mass.App.Ct. at 375, 348 N.E.2d 812 (member of board of selectmen charged under section two and section three for accepting money in exchange for issuing liquor licenses); *Commonwealth v. Famigletti*, 4 Mass.App.Ct. 584, 584, 354 N.E.2d 890 (1976) (superintendent of cemetery department charged under section three for receiving \$50 in order to move remains from one lot to another). In contrast to the officials in the above mentioned criminal cases, Ferber did not have any actual decision making authority. Lazard was retained by state agencies because of the value placed on Ferber's advice in areas of public finance. Under Massachusetts law, however, the Public Entity Clients retained the ultimate decision making authority and were free to reject his advice.^[16]

Although this Court recognized that the plain language of chapter 268A, section three would appear to extend to the conduct in this case, Massachusetts prosecutors have never pursued criminal charges for gratuity violations against anyone similarly situated to Ferber. If conduct such as Ferber's is to be pursued criminally under Mass.Gen.L. ch. 268A, § 3, it is the state, not the federal government, that must make that initial prosecutorial policy decision. The fact that the Commonwealth of Massachusetts has not charged anyone situated as was Ferber with a criminal gratuity violation suggests that the Commonwealth, at least at this point in time, does not view such conduct as a prosecutorial priority.

This view is supported by the fact that Massachusetts has, to a large degree, left ***106** implementation of Mass.Gen.L. ch. 268A, § 3 to the State Ethics Commission (the "Ethics Commission") as a civil regulatory matter. *See* Mass.Gen. L. ch. 268B, § 2 *et seq.* A thorough review of every reported decision citing Mass.Gen.L. ch. 268A, § 3 demonstrates that Ethics Commission decisions under section three far exceed criminal cases. The last reported criminal case under section three was in 1985. *See Burke*, 20 Mass.App. Ct. at 492, 481 N.E.2d 494. In contrast, the Ethics Commission has vigorously pursued section

three violations on a regular basis. In fact, the Ethics Commission has applied such a broad interpretation of section 3 that it would likely reach Ferber's conduct. *See, e.g., In Re Louis L. Logan*, Commission Adjudicatory Docket No. 131 (Decision & Order Apr. 28, 1981); *see also* Final Report of the Special Commission on Ethics (introduced as 1997 S. Bill No. 1445 and 1995 H. Bill No. 6172) (proposing broader conflict of interest laws).

In this case, however, the Court found the Ethics Commission's interpretation of section three of little persuasive value. The Ethics Commission is charged only with the civil enforcement of Massachusetts conflict of interest laws. Mass.Gen.L. ch. 268B, § 3. Such civil enforcement serves a very different function than criminal enforcement. Although the pronouncements of the Ethics Commission are entitled to some deference, as the First Circuit stated in *Sawyer*,

[t]hat deference, however, is tempered not only by the fact that no Massachusetts court has passed on the Ethics Commission's interpretation, but also because this is a criminal case and the Ethics Commission is charged only with civil enforcement. The Commission may very well have valid reasons for adopting a broad, prophylactic interpretation of the statute in its civil dispositions of individual transgressions; its interpretation is easier to prove and the offender is more likely to settle with the Commission if she does not have to admit to more egregious wrongdoing.

Sawyer, 85 F.3d at 738. This Court therefore did not rely on the Ethics Commission's interpretation of section three for purposes of determining whether the gratuity offense charged in this case was a valid predicate act under the Travel Act.

As Massachusetts criminal enforcement of section three has never extended to anyone situated as was Ferber, this Court held that Ferber's conduct, as charged under the Massachusetts gratuity statute, did not constitute a valid predicate offense under the Travel Act. The Supreme Court has made it clear that the offense charged as a Travel Act predicate must actually be criminal under state law. *See Perrin*, 444 U.S. at 50, 100 S. Ct. at 318; *Nardello*, 393 U.S. at 295, 89 S. Ct. at 539. Here, Massachusetts appears to have made a policy decision not to criminally prosecute section three violators in cases such as the one at bar. In addition, because Congress enacted the Travel Act to aid states in the enforcement of their laws, *Rewis*, 401 U.S. at 811, 91 S. Ct. at 1059, it would be contrary to that purpose for the federal government to attempt to aid Massachusetts in the enforcement of a law which Massachusetts has chosen not to enforce. Applying the Travel

Act to the conduct in this case would result in the type of expansive reading of the Travel Act that would upset the delicate balance of power between the state and federal governments. *See Rewis*, 401 U.S. at 812, 91 S. Ct. at 1059.

In reaching this decision, it is worth noting that federal prosecutors should avoid relying on obscure or strained interpretations of state law in order to commence a federal prosecution. It is state, not federal, prosecutors who are charged with deciding the manner in which state criminal laws are to be enforced. *See, e.g., Martin v. Ohio*, 480 U.S. 228, 232, 107 S. Ct. 1098, 1101, 94 L. Ed. 2d 267 (1987) (where Court "emphasized the preeminent role of the States in preventing and dealing with crime and the reluctance of the Court to disturb a state's decision with respect to the definition of criminal conduct and the procedures by which the criminal laws are to be enforced in the courts ..."). Congress did not enact the Travel Act to give federal prosecutors a vehicle through which they can expand state laws under the guise of aiding states in the enforcement of their own laws. *See Rewis*, 401 U.S. at 812, 91 S. Ct. at 1059. *But cf. Dan M. Kahan, Is *107 Chevron Relevant to Federal Criminal Law?*, 110 Harv.L.Rev. 469, 469-70 (1996) (advocating the development of a federal criminal common law through expansive interpretations by the federal executive). If a state is not enforcing its laws in a particular manner, it is not necessarily asking for help from the federal government.

This Court also notes that this was not a case where corruption within the state government itself was causing the state to look the other way and therefore fail to pursue criminal prosecutions for such conduct. *See United States v. Dadanian*, 818 F.2d 1443, 1448 (9th Cir.1987), *modified on other grounds*, 856 F.2d 1391 (9th Cir.1988) (noting that legislative purpose of statute prohibiting illegal gambling business, 18 U.S.C. § 1955, was "to make it possible for the Federal government to intervene where local and state government have become incapable of law enforcement by reason of ... corruption.") (quoting S.Rep. No. 617, 91st Cong., 74 [1969]); *see also United States v. Shields*, 793 F. Supp. 768, 778 (N.D.Ill.1991) (Travel Act prosecution of state judges upheld upon showing of "how ineffective state law enforcement has been in policing the Illinois judiciary and how essential federal intervention has been to expose longstanding corruption within this realm"). Massachusetts does enforce its conflict of interest laws.^[17] The Ethics Commission is a very visible and important part of state government. In addition, there is not the slightest evidence of any deep seated corruption within the prosecutorial offices of Massachusetts such as to call for federal intervention.

Massachusetts has made a policy judgment on the manner in which it enforces its laws. Federal prosecutors should respect that decision and avoid giving "help" to state law

enforcement where that help is neither asked for nor wanted. The problem with Travel Act prosecutions such as this was recently articulated by Judge Woodlock and bears repeating here:

The federal government has an immense interest in making sure that its judges, its senators, its members of the House of Representatives, its United States Attorneys don't take gratuities. That is a core concern of the federal government, keeping its own house in order. But we return to the question of the degree to which the federal government ought to be cleaning the Augean stables of the Commonwealth of Massachusetts when the potential Hercules involved seem uninterested in the process.

United States v. Woodward, Criminal No. 95-10234, Transcript of Sentencing Hearing at 24-25 (D.Mass. Feb. 7, 1997).^[18]

III. Conclusion

For the reasons discussed above, this Court ruled as it did with respect to these matters.

NOTES

[1] The bond offerings in question were underwritten by syndicates of banks. There was a distinct hierarchy amongst the underwriters participating in the syndicate. While various terms of art were used to describe the different positions in this hierarchy, suffice it to say that the better an investment bank did in the selection process, the better its position in the syndicate and the higher its commensurate fees.

[2] The "blackout rule" was intended to "create a level playing field for all firms competing to participate as underwriters in the upcoming MWRA bond issues." Sup.Ind. ¶ 23.

[3] As explained in the Superseding Indictment, "[i]nterest rate swaps are vehicles through which entities exchange (*i.e.*, 'swap') one form of debt for another, *e.g.*, variable rate debt for fixed rate debt." Sup.Ind. ¶ 30.

[4] In total, Lazard received approximately \$2,550,000 in periodic payments and \$3,141,878 in fee splitting payments under the interest rate swap contract. Ferber, as a Lazard partner, received a significant portion of these payments.

[5] Still, this Court noted on the record and reaffirms in this opinion that as this decision affected Ferber's substantive rights under Fed.R.Evid. 103(a), it could not constitute harmless error if erroneous.

[6] Such multiple hearsay problems are best understood if portrayed diagrammatically.

In this diagram, for which I am indebted to Professor Michael H. Graham, Handbook of Federal Evidence § 801.1, Fig. A (4th ed.1996), it was the substance of what Ferber says that was relevant as it was his advice and counselling that violated the blackout rule. Ferber spoke to Eisenberg who, in turn, recounted to Carey what Ferber said to her. Carey, in his turn, wrote down what he was told and authenticated those notes in court. The Ferber statement, thus, "runs through the heads" of Eisenberg and Carey, and their out-of-court declarations were hearsay as they were subject to infirmities of perception and bias that are not subject to cross-examination even though both Eisenberg and Carey were called as witnesses and testified.

[7] In the interests of precision, it should be noted that the Federal Rules treat admissions by party-opponents as non-hearsay under Fed.R.Evid. 801(d) (2) rather than as admissible hearsay. Because they are not hearsay, admissions by a party-opponent need not even possess the circumstantial guarantees of trustworthiness normally required of admitted hearsay. McCormick on Evidence § 254, at 141 (John W. Strong ed., 4th ed.1992). This makes practical sense because a party against whom his own statements are offered can hardly complain of the lack of opportunity to cross-examine himself. *See id.* at 140; Michael H. Graham, Handbook of Federal Evidence § 801.15, at 294 (4th ed.1996).

Nevertheless, an admission by a party-opponent is still generally considered an exception to the prohibition against the use of hearsay evidence. For this reason, an analysis consistent with Fed.R.Evid. 805 was prudent.

[8] In fact, to accept Ferber's argument that Carey must have perceived Eisenberg's conversation with Ferber would eviscerate the purpose of Fed. R.Evid. 805. If each applicable exception to the hearsay rule had to apply back to the original out of court declarant, then there would almost never be a case of admissible hearsay within hearsay.

[9] In addition, there was one other distinguishing feature which led the Court to ground the admission on the exception for present sense impression rather than upon the claimed excited utterance. The E-mail message urged Moore to speak directly with Ferber thus giving Moore the opportunity to confirm Ferber's importunities. The apparent ability to

verify the information given by Carey tips the scale in favor of Carey's reliability and, notwithstanding the abatement of the excitement, warrants admission under Fed. R.Evid. 803(1).

[10] Ironically, the defense proffered a sweeping affirmative exposition of Ferber's conduct, replete with numerous instances where Ferber purported to act for, and alter the legal relationships of, his Public Entity Clients with third parties.

[11] At the close of the government's case, this Court entered a judgment of acquittal under Fed. R.Crim.P. 29 with respect to the Travel Act Counts to the extent they relied on violations of the Massachusetts commercial bribery statute, Mass.Gen.L. ch. 271, § 39(a) (2), as predicate acts. In so doing, this Court concluded for the same reasons expressed in the preceding section that the government had not satisfied its burden of proving, beyond a reasonable doubt, that Ferber was an "agent" within the meaning of the Massachusetts commercial bribery statute of the Public Entity Clients.

[12] Chapter 268A defines a state employee as "a person performing services for or holding an office, position, employment, or membership in a state agency ..." Mass. Gen.L. ch. 268A, § 1(q). Lazard fits within this definition as it had contracted to perform services for the state. Ferber was the Lazard partner entrusted with actually performing those services. Arguably then, Ferber could be considered a "state employee" under Mass.Gen.L. ch. 268A, § 1(q), though it is a stretch.

[13] Mass.Gen.L. ch. 268A, § 2(b) provides:

Whoever, being a state, county or municipal employee or a member of the judiciary ... directly or indirectly, corruptly asks, demands, exacts, solicits, seeks, accepts, receives or agrees to receive anything of value for himself or for any other person or entity, in return for ... being influenced in his performance of any official act or any act within his official responsibility ...

[14] The federal gratuity statute, 18 U.S.C. § 201(g), is contained in section 201 of the United States Code, entitled "Bribery of public officials and witnesses." Section 201 contains both the federal bribery and federal gratuity statute. The federal gratuity statute, which is very similar to the Massachusetts gratuity statute, states:

Whoever, being a public official ... otherwise than as provided by law for the proper discharge of official duty, directly or indirectly asks, demands, exacts, solicits, seeks, accepts, receives, or agrees to receive anything of value for himself for or because of any

official act performed or to be performed by him ... [s]hall be fined not more than \$10,000 or imprisoned for not more than two years, or both.

18 U.S.C. § 201(g).

[15] This Court does not reach the question of whether or not the government could have, at least as to the USPS and the District of Columbia, charged Ferber with a predicate violation of the federal gratuity statute. The government did not draft the Indictment in such a manner and this Court may therefore only analyze Mass. Gen.L. ch. 268A, § 3 as the predicate offense.

[16] This Court does not in any way discount the extent of Ferber's fraud. Ferber occupied a position of trust and he violated that trust. This Court must, however, ensure that defendants are sentenced in accordance with the requirements of the law.

[17] Indeed, a Special Commission on Ethics was formed to investigate, study, and report to the legislature with recommendations for amendments to Massachusetts conflict of interest laws. The final report was completed on June 12, 1995 and the proposed amendments are currently pending before the state legislature. *See* 1997 S.B. No. 1445; 1995 H.B. No. 6172. The report asserts that the state's conflict of interest laws "have been reasonably effective as tools to foster ethical conduct by public employees." Report of Special Commission on Ethics, June 12, 1995, at Executive Summary. Nonetheless, the Special Commission made substantive proposals designed to ensure even greater compliance with Massachusetts ethics laws.

[18] It is worth noting that, as a practical matter, the Travel Act Counts ultimately made no substantive difference whatsoever in the sentence Ferber received. Under the United States Sentencing Guidelines, the permissible range of Ferber's sentence would have been exactly the same had the Travel Act Counts never been brought. *See* Transcript of Sentencing Hearing, December 18, 1996. This Court echoes the concern expressed by Judge Woodlock in the "duplication of what is at the heartland a mail and wire fraud theory by [charges under] the Travel Act." *Woodward*, Transcript of Sentencing Hearing at 31.

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