



Departmental Standard Operating Procedure (DSOP)

DSOP No. 18-02

Effective: 4/16/18

SUBJECT: FRAUD CONTROL AND REPORTING POLICY

PURPOSE: Miami-Dade County's Aviation Department (Department) is committed to promoting the highest standards of moral, professional and ethical behavior among its management, employees, vendors, contractors, consultants, business partners, and any other parties with a contractual relationship with the Department and its representatives. This commitment requires a policy to communicate a zero tolerance for fraudulent, unethical and other dishonest activities within the Department's environment; to establish the expectations for its organizational behavior and to provide assurance that these fraudulent activities, when found, shall be addressed administratively and submitted for prosecution to the fullest extent of the law.

I. AUTHORITY:

- A. Operational Directive No. 99-03, Aviation Department Written Directive System.
- B. Departmental Standard Operating Procedure No. 00-01, Departmental Standard Operating Procedures
- C. Chapter 25-1.2, 25-4.1 - Miami-Dade Aviation Department Rules and Regulations. Miami-Dade County Code.
- D. Florida Statute 112.3187 Adverse Action Against Employee for Disclosing Information of Specified Nature Prohibited (Whistle Blower Act).
- E. Florida Statute 112.3148 Reporting and Prohibited Receipt of Gifts by Individuals Filing Full or Limited Public Disclosure of Financial Interests and by Procurement Employees
- F. Chapter 2, Article IV, Division 6, Sect. 2-56.28.16 - Employee Protection Ordinance, Miami-Dade County Code.
- G. Section 2-11.1 Conflict of Interest and Code of Ethics Ordinance, Miami-Dade County Code.

- H. Implementing Order No. 7-7 – Public Service Honor Code for Elected Officials and Appointed County Officials and County Employees
- I. Government Accountability Office – Standards for Internal Controls in the Federal Government – “The Green Book” - September 2014
- J. Miami-Dade County Administrative Order 7-42 - Ethics Awareness Training

II. DEFINITIONS:

- A. *Abuse* – misuse of authority or position for personal financial interest.
- B. *Bid Rigging* – an illegal scheme in which businesses collude so that a competing business can secure a contract for goods or services at a pre-determined price.
- C. *Bribery* – the offering, giving, receiving, or soliciting of something of value for the purpose of influencing the action of another in the discharge of his or her public duties.
- D. *Culture* – the norms and values of the individual that shapes their attitude and behavior.
- E. *Corruption* – the abuse of entrusted power by government officials for personal gain resulting in the erosion of trust in the operating governmental structure.
- F. *Ethical* - pertaining to or dealing with morals or the principles of morality; pertaining to the socially accepted concepts of right and wrong in conduct or practice.
- G. *Fraud* – an intentional, illegal, false representation, act or concealment of a material fact, whether by words or by conduct, for the purpose of personal gain.
- H. *Impropriety* – a dishonest act, either in action or words.
- I. *Internal Control* – A process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.
- J. *Investigative or Audit Entities* – in this context, refers to the Office of the Inspector General, the Audit and Management Services Department, the Miami-Dade Police Public Corruption Bureau, the State Attorney for Miami-Dade County’s Investigative Unit or the Miami-Dade County Commission on Ethics and Public Trust. Other investigative or audit entities may be notified, as applicable.

- K. *Kickback* – a method of bribery in which something of value is exchanged for a favorable decision.
- L. *Department Management or Management* – Those Aviation employees given supervisory authority over a division, section, unit, area, or over any employee or groups of employees.
- M. *Material Misrepresentation* – is a deficiency or variance that has a detrimental impact to the reporting organization and/or the fees paid to the Department. It is expected that sound, conservative, and professional judgment is to be exercised in identifying materiality and its impact. Note that all amounts known or alleged to be fraudulent, regardless of its materiality, must be reported.
- N. *Mismanagement* – the act of handling, processing or overseeing a responsibility ineffectively, wrongly or not at all, resulting in a definable loss.
- O. *Morals* – relating to the principles of right and wrong based on a standard or ideal of virtuous principals and behaviors.
- P. *Waste* – relating to the mismanagement, inappropriate actions and inadequate oversight or use of government resources.

III. AVIATION FRAUD POLICY:

Department management and its employees must disclose any known or suspected fraud, abuse, corruption, mismanagement or waste to the established investigative or audit entities or to the Division of Professional Compliance, without fear of reprisal or censure. All employees, regardless of classification, who fail to report fraudulent activity, as required by this policy, are subject to disciplinary action, to include termination.

Department management shall be responsible for creating an environment that promotes ethical behavior; through tone and attitude in regards to compliance with rules, regulations and laws; by requiring the establishment and adherence to an effective internal control system that provides for the accountability of resources and efficiency of operations; and by establishing and promoting a process for its employees and business partners to report suspected or known fraud.

Department employees are expected to be familiar with the types of improprieties that might occur within their area of responsibility; to be reasonably alert for any indications of irregularity and prepared to report those improprieties when observed or known. Employees are expected to promote an environment of moral and ethical behavior among themselves and in their dealings with the Department's business partners and contracted organizations.

IV. REPORTING FRAUD:

- A. **Investigative or Audit Entities:** Any known or suspected fraudulent, unethical or dishonest acts shall be immediately reported to one of the identified investigative or audit entities. The investigative entities are, but not limited to, the Office of the Inspector General (OIG); the Audit and Management Services Department (AMS); the Miami-Dade Police Public Corruption Bureau; the State Attorney's Investigative Unit; or the Commission on Ethics and Public Trust. Once reported to one of the investigative agencies, the employee should also assure the Aviation Professional Compliance Division is aware that a report was made.
- B. **MDAD Professional Compliance Division:** Any known or suspected fraudulent, unethical or dishonest acts can also be reported to the Department's Division of Professional Compliance. Reported information can be made verbally or in writing. Professional Compliance shall document all received allegations to include the date and time the allegation was made, the reporter's name (if provided), a summary of the allegation and recommended action. The Professional Compliance Director will timely review all allegations and be proactive in identifying and referring the allegation to the appropriate investigative or audit entity. The Director's office will be notified of all reported allegations and recommended investigative referrals, unless the allegation involves individuals in the Director's office, in which case the referral will be made directly to the investigative or audit entity. Allegations or matters of conduct deemed outside the scope of this policy, such as supervisory or personnel-related issues, may be referred to the respective area of management.
- C. **Make the Call:** The Aviation Department has established a convention for its employees to identify which entity to contact under different scenarios of fraud, theft, corruption and ethical concerns. This convention is known as **Make the Call** reflecting a phone listing of the various applicable entities to contact depending on the activity to be reported. **Make the Call** shall be accessible to all MDAD Intranet users and periodically promoted during general staff meetings by management. (**Refer to Exhibit A**).

V. MANAGEMENT'S INTERNAL CONTROL ROLES AND RESPONSIBILITIES:

Management is responsible for creating a positive control environment by:

- Setting a positive ethical tone.

- Providing guidance for proper behavior.
- Removing temptations for unethical behavior.
- Providing discipline, when appropriate.
- Preparing and enforcing a written code of conduct for employees.
- Establishing the Department's objectives and implementing internal controls based on those objectives.

Management shall establish an effective internal control system by assuring the control environment includes the following:

- Management shall demonstrate its commitment to integrity and ethical values.
- Management shall promote ongoing oversight of the Department's internal control system.
- Management will assign responsibility and delegate authority to assure the Department's objectives are achieved.
- Management will demonstrate commitment to recruit, develop and retain competent individuals.
- Management shall evaluate performance and hold employees accountable for their internal control responsibilities.

VI. FRAUD PREVENTION:

Management is responsible for assuring effective internal controls have been established that provide for the security and accountability of Department resources. Such internal controls include, but are not limited to:

- A. Segregation of duties, so that no one employee is wholly responsible for transactions from start to finish.
- B. Financial transactions are to be properly reviewed prior to payment authorization.
- C. Reports of financial activity are to be periodically reviewed for accuracy and unusual trends.
- D. Official personnel actions (i.e. appointments, terminations, promotions) and employee time and leave are properly documented and approved.
- E. Assets, including but not limited to equipment and inventories, are physically secured and accounted for through periodic inventories that are reconciled to purchasing records.
- F. Computer passwords are frequently changed, safeguarded and confidentially maintained.

- G. Sensitive security information (SSI) is continuously protected from unauthorized access in accordance with DSOP No. 05-03, Identifying and Safeguarding Sensitive Security Information.
- H. Employees are effectively supervised.
- I. Oversight of contracts, agreements, permits and leases are responsibly performed to assure terms, including, but not limited to, performance standards, scope of services, financial and insurance requirements are in compliance during the stated term.

VII. ACTIONS CONSTITUTING FRAUD AND UNETHICAL BEHAVIOR:

Management is responsible for being aware of the fraud risk factors that are often present when fraud occurs; *Incentive*, which provides a motive for fraud; *Opportunity*, those circumstances that provide for the ability to bypass internal controls; *Attitude*, the character and values of the individual that allows them to commit fraud.

Management shall also be responsible for being aware of the types of fraud that can occur within an organization: *Fraudulent Financial Reporting*, *Misappropriation of Assets* and *Corruption*. Although not to be considered all inclusive, the following are examples of fraud, abuse, waste, theft and unethical behavior, all of which are reportable:

- A. Contractor overbilling, bid rigging or steering, kickback schemes, bribery, or theft.
- B. Any unethical or fraudulent act in the course of performing Department responsibilities or functions by an employee.
- C. The purposeful underreporting of revenues by Concessionaires, Management Agreement Companies, Tenants or Permittees.
- D. Forgery or alteration of any document or account belonging to MDAD.
- E. Destruction, alteration, mutilation, concealment, covering up, falsification or making a false entry in any record, document, or tangible object with the intent to impede, obstruct or influence any investigation by the Department or by any county, state, federal, or administrative agency.
- F. The destruction, alteration or concealment of any records used in the conduct of an audit or by improperly influencing or attempting to improperly influence the conduct of any audit or investigation of Department finances, accounts, or operations.

- G. Forgery or alteration of a check, bank draft, or any other Department related financial document.
- H. Misappropriation of funds, securities, supplies, equipment, or other assets of the Miami-Dade Aviation Department.
- I. Any claim for reimbursement of expenses that were not incurred for the exclusive benefit of the Miami-Dade Aviation Department.
- J. Engaging in activities that result in a conflict of interest.
- K. Authorizing or receiving payment for time not worked.
- L. Impropriety in the handling or reporting of Department monies or financial transactions.
- M. Accepting or seeking gifts or any other items of value from contractors, vendors, or persons providing goods or services to the Department where it is understood that such gifts or items are intended to influence the judgment or official action of the Department employee.
- N. Unauthorized destruction, removal or inappropriate use of records, furniture, fixtures, equipment or other Department property.
- O. Taking information, using it, or providing the information in a way that leads to identity theft.
- P. Any computer-related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes or misuse or misappropriation of the Department's software or hardware.

VIII. REVENUE FINANCIAL REPORTING CONCERNS:

- A. It is the Department's policy that interest and penalties will be assessed to all revenue reporting entities that have underreported revenues.
- B. When either the Finance or Real Estate Divisions have been made aware that a material misrepresentation of reported gross revenues has occurred, they are to implement timely efforts to determine the period of under-reporting, how much was unreported and any related circumstances, as applicable. That same division shall provide, in writing, to the heads of the Finance, Real Estate and Professional Compliance Divisions, based on gathered data, its findings, recommendations and the applicable penalties, fees and other sanctions, as appropriate. A written joint consensus from these division heads recommending

how to proceed will be finalized by Professional Compliance for approval from the Director. Should the under-reporting be known or alleged to be a deliberate act or omission, it shall be referred to one of the investigative agencies for follow up.

IX. CONFIDENTIALING AND WHISTLEBLOWER PROTECTIONS:

As provided by Miami-Dade County's Employee Protection Ordinance (EPO), County employees who lawfully, appropriately, and in good faith report suspected fraud or activity that constitutes misconduct shall not suffer discharge, demotion, suspension, threats or harassment or be discriminated against in any other way because such employee's actions are provided specific protections under the EPO, unless the employee was involved in the misconduct. It is incumbent upon each employee to be familiar with what qualifications, protections and rights that are provided under the EPO.

X. ETHICS OPINIONS AND VIOLATIONS:

In accordance with Administrative Order 7-42, the Director has designated the Division Director of the Professional Compliance Division as the Ethics Officer for the Department. The Ethics Officer is the liaison between Department staff and the Commission on Ethics and Public Trust (COE). The Ethics Officer is the ethics resource for the Department who shall assist Department staff with ethical concerns and submit requests for opinions to the COE on the Department's behalf. Ethical concerns or violations may also be reported to the Ethics Officer for the COE to review and initiate an investigation, as they deem appropriate. Department staff may also report ethics concerns directly to the COE and notify the Ethics Officer they have done so. The expectation is it is incumbent upon employees to be familiar with the minimum standards for ethical conduct and behavior as established by the Miami-Dade County's Conflict of Interest and Code of Ethics Ordinance (Section 2-11.1).

XI. REQUESTS FOR AUDIT OR INVESTIGATIVE SERVICES:

The Professional Compliance Division manages the service agreements (a.k.a. Memoranda of Understanding or MOUs) for Audit and Management Services and the Office of the Inspector General. These investigative and audit entities provide the Department the opportunity to request investigative and audit services as the need arises. From time to time, the Department finds it prudent to access these services to resolve concerns that have yet to be proven or to provide supplemental support to management plans and decisions. All requests for these services are to be made through the Professional Compliance Division, as they oversee the MOU, establish the budget for services and authorize payment of invoices. The following

represent the most common service requests, but is not an inclusive list, to be requested through Professional Compliance:

- a. Background Checks
- b. Physical Inventories
- c. Payroll Verification
- d. Restitution Assistance
- e. Data Research and Analysis
- f. Due Diligence Requests
- g. Official Inquiries

XII. CRIMINAL ACTIONS:

Criminal action falls within the purview of local, state or federal law enforcement, prosecuting and judicial authorities. In those instances where employee disciplinary and/or other administrative action is warranted, the Assistant Director of Administration will be notified. All employees, regardless of classification, who fail to report fraudulent activity, as required by this policy, are subject to disciplinary action, to include termination. All monetary restitutions, as available, shall be sought to the fullest extent and will become the property of the Miami-Dade Aviation Department.

XIII. AMENDMENTS:

The Department reserves the right to amend this operating policy at any time based on current law, Miami-Dade County policies and operating needs.

XIV. SEVERABILITY:

If any court of competent jurisdiction determines that any provision in this policy is illegal or void, that provision shall be nullified and the remainder of this policy shall continue in full force and effect. If such court rules that any charge, fee, or security deposit requirement is illegal or void, the Aviation Director is authorized and directed to impose a charge, fee, or security deposit requirement that complies with the court order or applicable provisions of law, which shall become effective on the date of imposition and shall continue until modified by the Miami-Dade County Board of County Commissioners.

XV. REVOCATION:

Revocations and removal of executed written directives requires written justification by the requesting division management for review and concurrence by the Department's Professional Compliance Division. Upon written concurrence, the revocation request will be submitted, by Professional Compliance, for approval by the Aviation Director. Should the written directive be an Operational Directive, the authorized revocation justification will be sent to the Clerk of the Board for filing with the original Operational Directive to be revoked. All approved revocation justification memoranda shall be posted to the Written Directives Log to identify why the directive has been revoked to maintain ongoing operational accountability.

XVI. CROSS REFERENCE:

None.



Lester Sola, Aviation Director

Date: 4/16/18

Staying Quiet Won't Help

• **MAKE THE CALL**

If you see something that seems not right - whether it's fraud, theft or misconduct, make the call and report it. Staying quiet won't help.

Make the call today!



Security/Safety:

9-1-1 or Airport Police 305-876-7373

Theft:

911 or Airport Police 305-876-7373

Government Corruption:

305-876-7390 • 305-876-7534
305-876-7388
MDAD Professional Compliance

Ethics Concerns:

305-876-7390 • 305-876-7534
305-876-7388
MDAD Professional Compliance

The Miami-Dade County Commission on Ethics and Public Trust:

24-Hour Hotline 786-314-9560

Send a Fax: 305-579-0273

Send an Email: ethics@miamidade.gov

To make your call Anonymous or Work with an Outside Agency:

Office of the Inspector General (OIG)

24-Hour Fraud Hotline: 305-579-2593

(se habla español)

OIG Office - 305-375-1946

Fax- 305-579-2656