



**Administrative
Report 2018**



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OFFICE OF PUBLIC INTEGRITY

Monroe County • New York

TO: Dr. Joe Carbone, President, Monroe County Legislature
CC: Cheryl Dinolfo, Monroe County Executive
FROM: David T. Moore, Director, Office of Public Integrity
RE: 2018 Administrative Report
DATE: January 31, 2019

It is my privilege and honor to present the 2018 Administrative Report for the Office of Public Integrity (OPI) to the citizens and employees of Monroe County. This report highlights significant accomplishments and activities of the OPI from January 1, 2018 through December 31, 2018 and outlines our goals and objectives going forward.

As a result of County Executive Cheryl Dinolfo's vision, OPI was created through executive order in March 2016 to ensure accountability and transparency at all levels within County government. County Executive Dinolfo and her leadership team have fully respected the independence of the office and continue to provide the necessary support for our success.

Our staff is dedicated to fulfilling our mandate through independent audits, inspections, Ethics Training and investigations. These functions are performed by a professional staff of seasoned employees who are committed to combating fraud, waste, and abuse of County resources. During this reporting period, we have improved our work processes and strategic direction while assessing the needs of OPI in terms of policies, resources, staffing, training and equipment to better serve Monroe County.

During 2018, OPI enhanced the on-line ethics training course, which is deployed to all County employees through the Department of Human Resources. OPI completed 6 audits, and another 8 audits are active as of year-end. OPI opened 40 investigations in 2018, all based on contact from whistleblowers. OPI completed 41 investigations and has 3 active cases.

I want to give special thanks to my dedicated and talented staff for their hard work and commitment to the OPI mission. They realize it has never been more critical for Inspector Generals to be seen as objective fact finders. Our job is to get to the truth, whatever it is, without regard to politics, allegiances, status or influence. Our office is in the evidence business; it only matters what we can prove through competent investigations. We recognize that we must conduct our actions with the utmost care, professionalism and caution.

Since becoming the Director of OPI in October, 2016, I have taken every opportunity to make a positive impact for all County residents and employees. I remain committed to utilizing my decades of expertise and experience to continue to lead OPI in the pursuit of our goals and objectives. I am honored to lead this office, and am confident that together we will continue to deliver quality service to Monroe County.

Whistleblower@MonroeCounty.gov



Administrative report for the
Monroe County Legislature
for the twelve months ending
December 31, 2018

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I. OVERVIEW

FORMATION AND LEGISLATIVE AUTHORIZATION

The Monroe County Office of Public Integrity (OPI) is an initiative started by County Executive Cheryl Dinolfo to fulfill a promise of greater accountability in County Government. This office was established in March of 2016 and serves as an independent entity that performs internal audits of County departments and conducts investigations regarding suspected unethical or illegal conduct of County employees, contractors and anyone involved with Monroe County.

MISSION

The mission of OPI is to promote and defend the integrity, efficiency and accountability of Monroe County and its operations. It is intended to build an office that is dedicated to assisting employees to do a better job, and provide guidance to employees to ensure that the decisions they make are lawful, ethical and further the public interest.

INDEPENDENCE

To ensure independence from County operations, the Monroe County Charter states that “the Director of the Office of Public Integrity shall be appointed for a fixed term of five years, the first appointment shall serve through December 31, 2020.” The Charter is also specific in the political activities that are prohibited beyond basic voting rights.

OPI is located in the Times Square Building, away from all other County operations. This satellite setting offers anonymity for any County employee or resident who wishes to discuss their concerns or suspicions in private.

SCOPE AND SUBPOENA POWER

The Monroe County Charter states the scope and powers of OPI.

OPI’s scope includes the ability to examine all County operations independently and have the full authority to report its findings to law enforcement, when necessary, and provide recommendations to improve effectiveness, efficiency, and accountability. OPI’s scope also includes any concerns received from Monroe County residents regarding their government.

OPI’s power includes: 1) the authority to require any County employee, head of a department, or a member of a board or commission to furnish such data, information or statements as may be necessary, unless prohibited or limited by law, and 2) the authority to subpoena witnesses, administer oaths or affirmations, take testimony and compel the production of such books, records and documents, including electronic data from any private vendor, including Local Development Corporations (LDCs), doing business with the County or that receives funds from the County, relative to that private vendor or LDC’s involvement with the County.

ORGANIZATIONAL STRUCTURE, COLLABORATIONS, AND REPORTING

OPI is lead by the Director, who is supported by a team comprised of an Executive Secretary, an Auditor, and two part-time Investigators.

OPI maintains collaborative working relationships for investigations and prosecution with teams from the Federal Bureau of Investigation, the New York State Attorney General’s Office, the Monroe County Sheriff’s Office, and the Monroe County District Attorney. In addition, OPI engages with the community by providing ethics education and outreach to civic groups, neighborhood organizations, and other local municipalities.

OPI provides an annual report of its activities to the County Legislature and County Executive, and other reports that the Director deems necessary for departments to take corrective action and implement recommendations.

FRAMEWORK FOR AUDITS

OPI’s audits are based on the following 5 Control Objectives:

- Compliance with laws, regulations, and contracts
- Accomplishment of goals and objectives
- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Safeguarding of assets

Based on OPI’s 5 Control Objectives, audit plans are developed to assess whether:

- All eligible customers are being served
- Revenues are maximized
- Receivables are collected
- Expenditures are proper and authorized
- Assets are safeguarded
- Employees are trained and competent
- Liabilities are minimized and laws are complied with
- Financial and operational reports are timely, relevant and accurate

ACTIVITIES

To meet its objectives, OPI performs the following activities:

- Ethics training to employees and contractors through presentations and on-line courses.
- Risk and control assessments with departments
- Operational and financial audits of County operations, employees and contractors.
- Investigations regarding suspected unethical or illegal conduct of employees and contractors.

QUALITY STANDARDS

To ensure the highest quality in its audits and investigations, OPI incorporates the applicable concepts from the following standards as promulgated by their authoritative bodies: Principles and Standards for Offices of Inspector General issued by the Association of Inspectors General

International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors
Government Auditing Standards issued by the Comptroller General of the United States

Note: Generally Accepted Auditing Standards issued by the American Institute of Certified Public Accountants are applicable to audits of financial statements, and will be adhered to when applicable to OPI’s scope.

HOTLINE AND WHISTLEBLOWER PROTECTION

A whistleblower is an individual that believes and reports that his or her organization is engaged in or willfully permits unethical or unlawful activities.

Any suspicions of unethical or unlawful activities can be reported to the Office of Public Integrity using the following methods:

Hotline: (585) 753-3105
Email: DavidMoore@MonroeCounty.gov
Office: (585) 753-3100
In-person: Times Square Building
45 Exchange Boulevard, Suite 888
Rochester New York 14614

Regardless of the method used to contact the Office of Public Integrity, **the whistleblower’s identity is kept confidential.**

Suspicious activity may include instances of fraud, waste, and abuse, and may include the following:

- Violations of County procurement policy or contract fraud
- Tampering with government records
- Obstructing, retaliating against, or tampering with a public servant
- Theft or misappropriation of County resources
- Falsification of official documents or reports
- Corruption or official misconduct, including misuse of County information, conflicts of interest, or offering or accepting bribes
- Personal use of County-owned vehicles, equipment or supplies
- Conducting personal business on County time
- Residency violations
- Confidentiality violations

Whistleblowers are protected by the laws of the State of New York and Chapter 8 of the Monroe County Administrative Code. Under this code, employees may seek protection through the Office of Public Integrity and/or the County’s Law Department. Accordingly, the County shall not take any adverse personnel action against an employee because of such employee disclosing a violation of a law, rule or regulation of which constitutes an improper governmental action.



II. ACCOMPLISHMENTS

OPI’s accomplishments include activities that occur one-time and activities that are on-going, such as ethics training and certain audits. While the impact of an enhanced ethical environment cannot always be easily quantified, certain financial benefits of audits and investigations can be readily calculated and are included below.

FINANCIAL BENEFITS TO THE COUNTY

Cost Savings (\$58,045 in 2018, \$114,115 for 2017-2018)

During an audit of employee and vendor compliance with the County’s policy for Portable Electronic Devices, OPI originally identified cost savings of \$16,800 in 2017 by eliminating 35 phones with insignificant usage. By the end of the audit in 2018, 41 phones and 41 aircards were eliminated, for an additional savings of \$15,045 or \$31,845 annually.

During an audit of the Conflict Defender’s Office – Assigned Counsel Program, questionable attorney fees were identified. Based on the Conflict Defender’s correspondence and corrective actions with certain attorneys, OPI projects an annual savings of at least \$43,000.

RECOUPMENTS AND ADDITIONAL REVENUE

(\$187,504 in 2018, \$407,504 for 2017-2018)

During this period, audits that include potential recoupments or opportunities for additional revenue to the County are still in process. Until litigation is complete, details of the audits and their respective recoupments cannot be disclosed. One audit is expected to yield a minimum recoupment of \$53,550. A second audit has had its expected recoupment increase by \$133,954, from \$220,000 in 2017 to \$353,954.

ETHICS TRAINING

OPI believes in setting a “tone at the top” and sharing this tone with employees and contractors through on-line ethics training and classroom-style presentations.

During 2018, OPI enhanced the on-line ethics training course, which is deployed to all County employees through the Department of Human Resources. This training is intended for approximately 3,900 full-time employees, 600 part-time employees, and 100 contractors. Some of the changes included adding a section for confidentiality, stating the Monroe County Law Department’s criteria regarding the acceptance of gifts, and using more examples of issues identified during actual investigations.

In addition to the on-line training, OPI conducted 31 classroom-style trainings to 911 employees through New Employee Orientation, Supervisory Training, and direct presentations to departments, and 2 trainings to 187 members of the New York Welfare Fraud Investigators Association.

AUDITS

Within the internal control environment of Monroe County, the Office of Public Integrity serves as a preventive and detective function. Accordingly, many of OPI’s activities are recurring rather than simply one-time occurrences.

Examples of certain recurring auditing and monitoring activities include:

- Residency requirements for employees who are not eligible for waivers.
- Financial Disclosure forms for employees in management and professional positions.
- Compliance with equipment-use policies, including, but not limited to, vehicles and portable electronic devices.
- Compliance with County procurement policies, with emphasis on professional service contracts and publicly bid contracts.
- Inventory management of County assets, such as public safety equipment provided to Emergency Medical providers and Fire Districts.
- Intermunicipal agreements for functions such as the Public Safety Training Center, the 911 Center, cell towers, and fuel purchases.

During 2018, OPI completed 6 audits, and another 8 audits are active as of year-end.

The completed audits are as follows:

- Employee compliance with Portable Electronic Device policies
- STD services to the Children’s Center
- Conflict Defender’s Office – Assigned Counsel Program
- Airport Revitalization Project
- Residency audit for 2018
- Risk Assessment of the Veterans Service Agency

Complete audit reports are available upon request.

CONFIDENTIALITY

Any questions regarding OPI’s investigations are welcome, with the understanding that it is OPI’s responsibility to maintain a proper balance between transparency regarding its activities and reports and confidentiality regarding its complainants, informants, and evidence. OPI has established procedures for safeguarding the identity of confidential sources and for protecting privileged and confidential information, and can disclose such items if such disclosure is required by law or necessary to further the purpose of an audit, investigation, inspection, evaluation, review, or other inquiry. A variety of federal, state, and local government legislation governs this area of activity.

OTHER ACCOMPLISHMENTS

In August 2018, Investigator Steve Peglow completed training and was certified as an Inspector General Investigator through the Association of Inspectors General (AIG), joining Director Moore and Eric Leinenbach as the OPI staff who have received certifications from the AIG.

The AIG establishes and maintains the “Principles and Standards for Offices of Inspectors General.” Also known as the “Green Book”, the AIG’s Principles and Standards establish criteria for creating and administering inspector general offices consistent with best practices within the inspector general profession. Currently, approximately 4,500 people are certified as either investigators, auditors, or inspector generals by the AIG. This compares to 665,000 Certified Public Accountants per the National Association of State Boards of Accountancy on May 25, 2016.

INVESTIGATIONS

OPI opened 40 investigations in 2018, all based on contact from whistleblowers. OPI completed 41 investigations and has 3 active cases. Twenty-seven (27) cases were closed within 30 days (66%) and another 8 were closed within 90 days (85%). The remaining 6 cases were resolved within 106 days. Twenty-one (21) allegations were either unprovable or unfounded (51%).

These investigations resulted in various employee disciplinary actions, including one employee termination.

The 41 completed investigations and their dispositions were as follows:

- Eighteen (18) involved employee misconduct; 8 were referred to the County departments and/or Human Resources for employee disciplinary actions, 1 was referred to the New York State agency for its employee in question, 3 were unprovable, and 6 were unfounded.
- One (1) involved payroll fraud and was referred to Human Resources and the County department for disciplinary action.
- Two (2) involved violations of the County’s residency requirement; 1 was referred to the County department and Human Resources for disciplinary action, and 1 was unfounded.
- Three (3) involved violations regarding confidential information; 1 was referred to the Monroe County Clerk – DMV Division for corrective action, 1 was unprovable, and 1 was unfounded.
- Two (2) involved vendor misconduct; 1 was referred back to the department in order to consider its policies regarding the matter, and 1 was unfounded.
- One (1) involved an elected official’s political campaign practice, and was referred to the U.S. Office of Special Counsel – Hatch Act Unit, which issued a warning letter to the elected official.
- One (1) involved violations of County procurement policies and was unfounded.
- Four (4) involved a violation of employment practices; 1 was referred to the department director for corrective action, 1 resulted in advising the employee that their issue is related to the union, and 2 were unfounded.
- One (1) involved a violation of privacy practices and was unfounded.
- One (1) involved allegations of welfare fraud and was referred to DHS Investigators.
- One (1) involved improper storage of a County asset and was unfounded.
- One (1) involved improper placement of an ostrich at the zoo and was unfounded.
- Two (2) involved qualifications for County employment; 1 was referred to the County department for corrective action, and 1 resulted in the employee being terminated.
- Two (2) involved a potential conflict of interest for employees; 1 was referred to the County department for appropriate action with the employee, and 1 was unfounded.
- One (1) involved misconduct by an entity that utilizes defendants sentenced to Community Service and was unprovable.



III.

RISK ASSESSMENT AND FUTURE ACTIVITIES

The inherent and unique responsibility of the Office of Public Integrity is to follow-up and respond to any concerns that are reported through the County’s hotline. However, to maximize its effectiveness, OPI also takes a proactive approach in mitigating the various financial and operational risks to Monroe County. To accomplish this, OPI uses a comprehensive approach to risk assessment that includes OPI’s knowledge of County operations, prior audit results, and management’s immediate concerns. For purposes of this section, management is defined as any employee or elected official of Monroe County, who is responsible for establishing policy or providing services to the public.

RISK ASSESSMENT

Risk assessment is one of the five essential internal control components for any entity. For management, assessing risk can allow them to identify and implement internal controls that are most cost-efficient in minimizing those risks. For auditors, assessing risk allows for the development of an annual audit plan which is logical, reasonable, and maximizes the effectiveness of available resources.

In order to assess risk, the following steps (italicized) are performed.

a) Determine management’s objectives.

The County’s objective, per its vision statement, is to make Monroe County a community of choice. To meet this objective, management strives to provide governmental services in an efficient manner so as to minimize the tax burden on County residents.

b) Identify risks related to management’s objectives.

Risk is defined as any event that could prevent management from meeting its objectives. Various risks exist that could prevent the County from meeting its objective of providing services in an effective and efficient manner. These risks are related to, but are not limited to, employees, vendors, customers, and the environment. These risks can potentially impact revenues, expenditures, assets, and services. While OPI can identify the general risks of each auditable unit, management is responsible for identifying and controlling all risks, especially those specific to their units.

c) Assess the magnitude of the risks.

Each risk has various attributes that can be quantified. Using data from the Budget Office and the Controller’s Office, OPI has quantified the magnitude of each of the eight risk attributes that have been included in Monroe County’s risk assessment. After quantifying the risk attributes, it becomes possible to compare the risks of auditable units.

d) Assess the likelihood of the risks.

In addition to magnitude, the likelihood of occurrence must be determined in order to have an overall sense of each risk and its relationship to other risks within the County. However, assessment of likelihood can be more subjective if historical data is not available. To date, an objective assessment of likelihood of each risk is pending.

e) Determine the significance and rank of each risk within the entity.

The significance of risks varies between entities that utilize risk assessment. The significance and rank of each risk depends on an entity’s objectives. Within the County, OPI has ranked the eight risk attributes as follows: 1) dollar amount of fees for service, 2) control over off-book accounts, 3) dollar amount of equipment

and inventory, 4) number of employees, 5) dollar amount of appropriations, 6) type of customers, 7) type of service, and 8) dollar amount of federal and state aid.

f) Calculate an overall risk factor for each auditable unit.
Upon multiplying the significance of each risk attribute by the magnitude and likelihood of occurrence, a risk factor is created by which every auditable unit can be ranked for risk within the County. The risk factor scale is from 0.00 to 3.00.

g) Compare risk factors of the auditable units in order to identify the areas of highest risk.
Auditable units with risk factors that approach 3.00 should be included on the annual audit plan, unless the auditable unit was recently audited and contained no significant findings.

FUTURE ACTIVITIES

OPI will continue to 1) provide training on ethics to County employees and contractors, 2) conduct risk and control assessments with departments, 3) perform audits of County operations and contractors, and 4) perform investigations of suspected misconduct, fraud, and unethical behavior. Future audits could include, but not be limited to, the following areas, as highlighted through risk assessment: Procurement Process, Emergency Medical Services, Fire Districts, Public Safety Training Center, 911 Center, Cell Towers, Fuel Purchases, and Revenue-Producing Functions.

OPI plans to perform audits involving at least 6 county departments in 2019.

Submitted by:



David T. Moore
OPI DIRECTOR,
CERTIFIED INSPECTOR
GENERAL

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THE OPI TEAM

David Moore is the first director of the Office of Public Integrity, assuming his responsibilities in October 2016. Director Moore is a decorated law enforcement official, serving as the Chief of Police in Fountain, CO, Laurel, MD and Rochester, NY over a 30-year career. As the former Monroe County Public Safety Director, Director Moore has extensive institutional knowledge of Monroe County government to supplement his career in law enforcement. He is a graduate of Regis University in Denver Colorado with a Master of Arts degree in Language and Communication, a graduate of the FBI National Executive Institute and the Center for Creative Leadership, and is a Certified Inspector General. Director Moore’s philanthropic service includes being a commissioner for the Commission on Accreditation for Law Enforcement Agencies.

Eric Leinenbach, a Certified Inspector General Auditor, has served Monroe County in multiple roles in the past 23 years. Prior to joining the Office of Public Integrity, he served as the County Controller, the Internal Audit Manager, and the Fiscal Coordinator for the Office of Mental Health and the Office of Probation. After graduating from Alfred University, he worked in the D.C./Maryland area as a certified public accountant and corporate accountant. He is a past president of the Rochester Chapter of the Institute of Internal Auditors.

Steve Peglow is a Certified Inspector General Investigator. Prior to joining OPI, he served over 20 Years with the Monroe County Sheriff’s Office and other New York State police departments, working as a deputy in Road Patrol, Warrant Services and in plain-clothes capacities. His last 10 years were as a Major Crimes Investigator for the Sheriff’s Office before retiring in 2016. Since 1999, he has also served the MCC Public Safety Training Facility as a defensive tactics instructor and as a classroom teacher. He works part-time for OPI and part-time as a private investigator for other entities.

John Melville joined OPI as an investigator, having recently retired as a welfare fraud investigator for the Monroe County Department of Human Services after 23 years of service. A licensed Private Investigator for 12 years, he was also an Executive Board member of the New York Welfare Fraud Investigator’s Association from 2006-2015, serving as president for three terms. In 2017 he received the NYWFIA Annual Service Award, acknowledging his dedication to the organization. He has presented training on numerous topics, including field safety, interviewing techniques, use of computers and social media in investigations, report writing, and ethics.

Mary Sue Liberatore is the Executive Secretary for the Office of Public Integrity, and has served Monroe County for 33 years, including in Treasury, Purchasing, STOP-DWI, and as a member of the Public Safety Department’s Essential Personnel Team. Mary Sue has served various multi-agency units and committees, including the Monroe County Command Center, Crime Lab, Criminal Justice Council, 911 Operating Practices Board, and the Statewide Interoperability Communications Group.



OFFICE OF PUBLIC INTEGRITY

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