



**ADMINISTRATIVE**

**REPORT**

**2017**

Presented to the Monroe  
County Legislature for  
the fifteen months ending  
December 31, 2017

# OPI



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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, Certified Inspector General, Director, OPI  
RE: 2016-2017 Administrative Report  
DATE: January 12, 2018

It is my honor to present the first administrative report of the Office of Public Integrity (OPI). This report highlights significant accomplishments and activities of the OPI from October 12, 2016 through December 31, 2017 and outlines our goals and objectives going forward.

When the OPI was created through executive order in March 2016, the County of Monroe formally recognized a new voice for the values of accountability, efficiency, transparency, and integrity within County government. The Inspector General concept has a longstanding tradition of upholding these values, most notably since the Inspector General Act of 1978, which specifically prohibits agency management officials from supervising the Inspector General. This important organizational independence helps to limit the potential for conflicts of interest that exist when an audit or investigative function is placed under the authority of the official whose particular programs are being scrutinized. This also insulates Inspector Generals against reprisal and promotes independent and objective reporting.

Today, Inspector General Offices have proliferated through federal, state and local government across the nation; and Monroe County is one of the newest beneficiaries of this important tradition. Like the OPI/Inspectors Generals before us, the County of Monroe is committed to adhering to the highest standards in order to independently and objectively investigate suspicion of fraud, waste, or abuse of Monroe County resources.

This reporting cycle was a busy and interesting period. In addition to investigating complaints, providing Ethics training, and conducting audits, a considerable amount of time was spent procuring the basic necessities to run an office effectively. We acquired space and equipment, and hired several dedicated and experienced professionals.

While OPI has much to do to achieve full capacity, over the next several months, we are well positioned to expand our outreach, expand our investigations and begin to establish our office as a national leader.

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**Whistleblower@MonroeCounty.gov**



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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 doing business 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 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.

### 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.*
- *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:

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

Regardless of the method used to contact OPI, 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 from 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 (\$56,070)*

During audits of radios issued to emergency medical service agencies in Monroe County, OPI identified 1 radio and 26 dual-control heads that were not recorded as assets on the County's inventory system for radios. The value of these 27 items is \$39,270. These items have since been added to the County's inventory list.

During an audit of employee and vendor compliance with the County's policy for Portable Electronic Devices, OPI identified 35 phones with insignificant usage. With eliminating just the 35 phones, at a monthly charge of \$40 per month, the County will be able to save \$16,800.

#### *Recoupments and Additional Revenue (\$220,000)*

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. Current audits are expected to yield a minimum recoupment of approximately \$220,000.

### 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.

In April 2017, OPI finished the development of an on-line ethics training course, which was deployed to all County employees through the Department of Human Resources. This training was intended for approximately 3,900 full-time employees, 600 part-time employees, and 100 contractors.

In addition to the on-line training, OPI conducted 35 classroom-style trainings to 831 employees through New Employee Orientation, Supervisory Training, and department presentations.

### 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 on-going rather than simply one-time occurrences. Examples of certain on-going 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.*

In addition to the ongoing monitoring, OPI completed 15 audits, and another four audits are active.

For 2017, OPI's audit activity was heavily concentrated with EMS (emergency management system) agencies, that had been loaned radio equipment from Monroe Security & Safety Systems Local Development Corporation (M3S) in 2015. This area was deemed to be high risk due to: 1) the recent dissolution of M3S, 2) the transition of full oversight of the radio equipment from M3S to Monroe County, and 3) the sensitive nature of the assets. With the EMS agencies possessing \$726,000 in radio equipment on loan from the County, OPI's objective was to ensure that the radios were properly safeguarded, maintained, and accounted for by the EMS agencies. OPI made various recommendations and accounted for all radios.

The completed audits are as follows:

1. Brighton Volunteer Ambulance
2. Brockport Volunteer Ambulance
3. CHS Mobile Integrated Health Care
4. Gates Volunteer Ambulance
5. Greece Volunteer Ambulance
6. Hamlin Volunteer Ambulance
7. Honeoye Falls –Mendon Volunteer Ambulance
8. Irondequoit Volunteer Ambulance
9. North East Quadrant Advanced Life Support
10. Penfield Volunteer Ambulance
11. Perinton Volunteer Ambulance
12. Pittsford Volunteer Ambulance
13. RIT Student Health Center
14. South East Quadrant Ambulance
15. Union Hill Volunteer Ambulance

Complete audit reports are available upon request.

### OTHER ACCOMPLISHMENTS

In March 2017, Director David Moore completed training and was certified as an Inspector General through the Association of Inspectors General (AIG). Similarly, in August 2017, Eric Leinenbach completed training and was certified as an Inspector General Auditor by 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, 4,407 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.

### 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.

### INVESTIGATIONS

OPI opened 76 investigations, with 41 based on contact from whistleblowers. OPI completed 72 investigations and has 4 active cases. Fifty-eight (58) cases were closed within 30 days (80%) and another 11 were closed within 90 days (96%). Ten (10) allegations were either unprovable or unfounded (14%).

These investigations resulted in various employee disciplinary actions, including two employee terminations.

The investigations and their dispositions were as follows:

- Twenty-seven (27) involved providing mutual aid to other County departments for their background investigations.
- Nineteen (19) involved employee misconduct; 1 was referred to the District Attorney's Office, 9 were referred to the County departments and/or Human Resources for employee disciplinary actions, 2 were referred to the appropriate police agencies for their employees in question, 2 were referred to the New York State agencies for their employees in question, 1 resulted in a Civil Court proceeding, 1 resulted in an employee's termination, 3 were unprovable or unfounded, and 1 involving possible sexual harassment is active.
- Seven (7) involved payroll fraud; 3 were referred to the County departments for disciplinary action, and 4 were unfounded.
- Five (5) involved violations of the County's residency requirement; 4 were referred to the County departments and Human Resources for disciplinary action, and 1 was unfounded.
- Four (4) involved violations regarding confidential information; 2 were referred to the State agency with jurisdiction, 1 was referred to Human Resources for disciplinary action, and 1 resulted in an employee termination.
- Two (2) involved vendor misconduct; 1 is in a Civil Court proceeding, and 1 is active.
- Two (2) involved ethics violations; 1 regards a vendor and is active, and 1 involves an elected official's political campaign practice and is active.
- Two (2) involved violations of County procurement or payment policies; 1 was referred to the County's Law Department for litigation with a vendor, and 1 was unfounded.
- One (1) involved a discrepancy between the 2017 Adopted Budget and an elected official's salary and was referred to the County's Law Department for corrective action.
- One (1) involved corrupt election process practices and was referred to the appropriate State agency for further investigation.
- One (1) involved a County code violation regarding oaths of office and was referred to the County's Law Department.
- One (1) involved personal use of County assets by an employee and was referred to the County department for disciplinary action and also resulted in reimbursement to the County of \$133.75.
- One (1) involved unauthorized use of a County room by a non-profit agency and was unfounded.
- One (1) involved a violation of employment practices and was unfounded.
- One (1) involved a theft of cash and was referred to the Sheriff's Office for criminal investigation.
- One (1) involved violation of a City ordinance and was referred to the City of Rochester.



### III.

## RISK ASSESSMENT AND FUTURE ACTIVITIES

The inherent and unique responsibility to the Office of Public Integrity is its follow-up and response 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 are performed:*

#### 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.

#### 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.

#### 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.

#### 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.

#### 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.

#### 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.

#### 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) perform audits of County operations and contractors, and 3) perform investigations of suspected misconduct, fraud, and unethical behavior. Future audits will 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, the Airport Revitalization Program, and Revenue-Producing Functions.

OPI plans to perform audits of at least 6 county departments in 2018.

Submitted by:  
**David T. Moore, Director, Certified Inspector General**

## ABOUT THE DIRECTOR



**David T. Moore**  
OPI DIRECTOR,  
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Director David 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, David has extensive institutional knowledge of Monroe County government to supplement his career in law enforcement. He is the first director of the Office of Public Integrity, serving since the Fall of 2016.



**OFFICE OF PUBLIC INTEGRITY**

Monroe County ■ New York