



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY



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“Enhancing Public Trust in Government”

Investigative Report

2017-0003

Children’s Services Council of Palm Beach County- Transportation Consultant

September 11, 2018

Insight – Oversight – Foresight



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INVESTIGATIVE REPORT 2017-0003

DATE ISSUED: SEPTEMBER 11, 2018



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CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY- TRANSPORTATION CONSULTANT

SUMMARY

WHAT WE DID

In November 2016, the Palm Beach County Office of Inspector General (OIG) received a letter dated November 7, 2016 (Letter) from the Children's Services Council of Palm Beach County (CSC) notifying the OIG of issues discovered during CSC's internal audit of its Agreements for contract years (CY) 2014/2015 and 2015/2016 with Tomas Boiton ("Mr. Boiton"), CSC's transportation consultant.

CSC reported that it had contracted with Mr. Boiton to deliver transportation consultation services by coordinating the local transportation needs for CSC funded clients. Transportation modes included private taxi, Palm Tran, and Uber.

Furthermore, CSC related in the Letter that it had asked Mr. Boiton to provide an invoice reconciliation for the two taxi companies subcontracted by Mr. Boiton to provide the deliverables in Mr. Boiton's Agreement with CSC. According to CSC, during his reconciliation, Mr. Boiton discovered that he was "severely overcharged" by the two taxi vendors, East Coast Taxi, LLC (East Coast Taxi) and Statewide Dispatch, Inc. d/b/a USA Taxi of Palm Beach (USA Taxi). This discovery

formed the basis for CSC's stratified analysis and internal audit. CSC's analysis of a 5% sample of invoices from both taxi vendors against Mr. Boiton's reconciliation showed overpayments and duplicate reimbursement requests. CSC expressed several concerns in its Letter:

- Possibility of collusion,
- Clear case of negligence by Mr. Boiton in terms of adhering to the CSC Agreements,
- Possibility of misappropriation of funds by taxi vendors and/or a member of their staff,
- Contract mismanagement by Mr. Boiton, and
- That questioned costs may extend beyond the two audited years.

CSC advised our office that it would extend the internal audit period to October 2010 and request repayment of all funds overbilled and overpaid.

Based upon the concerns expressed in the Letter, we initiated an investigation and developed the following allegations:

Allegation (1): Mr. Boiton mismanaged his contracts with CSC and his subcontracts with two taxi vendors by not

verifying the accuracy of invoices submitted for payment.

Allegation (2): Mr. Boiton, the taxi vendors, and/or a member of their staffs submitted invoices for payment to defraud or misappropriate funds from CSC.

Our investigation included a review of CSC's contracts with Mr. Boiton for CY 2010/2011 through 2015/2016; review of CSC Internal Audits and Compliance Reports relating to the transportation contracts; review of CSC's Reconciliation of Transportation Invoices; examination of the contracts between Mr. Boiton and the taxi vendors that were provided to our office; inspection of several checks from Mr. Boiton to the taxi vendors; review of invoices; analysis of reimbursement detail reports Mr. Boiton provided to CSC; and an interview of CSC's Senior Compliance Auditor, Mr. Boiton, and representatives from East Coast Taxi and USA Taxi.

WHAT WE FOUND

Allegation (1) is supported. Mr. Boiton did not ensure that his written contracts with the taxi vendors accurately reflected what he actually agreed to pay them. Additionally, he did not verify that the taxi companies billed him in accordance with the fees he agreed to pay, he lacked documentation to justify the amount billed to CSC, and he did not know how the amounts he billed to CSC had been calculated. As a result, Mr. Boiton submitted unverified monthly reimbursement detail reports to CSC.

Allegation (2) is not supported. We did not find sufficient evidence to conclude fraud or misappropriation of funds occurred.

The OIG found that an employee responsible for billing Mr. Boiton and paying taxi drivers on behalf of both USA Taxi and East Coast Taxi charged Mr. Boiton for transportation services in amounts that exceeded the rates specified in their written contracts. Mr. Boiton, however, acknowledged that he orally agreed that USA Taxi and East Coast Taxi could bill him and that he would pay for wait times and no-shows, additional fees for lengthy trips, and travel to places other than designated. Mr. Boiton accepted and paid invoices throughout the term of his contracts with the taxi vendors that did not include an itemization justifying the amounts requested for payment. Mr. Boiton submitted unverified reimbursement detail reports to CSC, and CSC reimbursed Mr. Boiton for the amounts he actually paid the taxi vendors. As a result of Mr. Boiton failure to obtain, review, and validate itemized invoices from the taxi vendors, it could not be determined whether Boiton paid the taxi vendors amounts that exceeded the sums he contractually agreed to pay them, either orally or in writing. . During the period relevant to this Investigative Report, CSC did not require Mr. Boiton to submit itemized invoices or supporting documentation with this requests for payment. Thus, we could not conclude that CSC paid Mr. Boiton more than the amounts CSC agreed to pay him under the terms of their Agreements. Therefore, we cannot conclude with certainty that fraud or misappropriation of funds occurred.

WHAT WE RECOMMEND

We make several recommendations that could assist CSC to avoid inaccurate payments to contractors and reduce its costs for providing transportation to its clients. The OIG recommends that CSC:

1. Require transportation consultants to include itemized expense statements and/or other specified supporting documentation with monthly Reimbursement Detail Reports.
2. Require transportation consultants to provide CSC with copies of any and all subcontracts and/or vendor agreements relating to performance of deliverables.
3. Review and reconcile invoices and supporting documentation against the information in the monthly Reimbursement Detail prior to approving payments to transportation consultants.
4. Ensure that its transportation contracts identify disallowable costs that will not be reimbursed.

CSC and Mr. Boiton were provided a draft of this report for comment. CSC concurred with four (4) recommendations. We have included CSC's response (Mr. Boiton did not submit a response), in its entirety, at the end of the report.

BACKGROUND

The Children's Services Council of Palm Beach County (CSC) is an independent special district established by Palm Beach County voters in 1986. CSC provides leadership, funding, services, and research on behalf of Palm Beach County's children. CSC's mission is to plan, fund, and evaluate prevention and early intervention programs and services, and promote public policies that benefit all Palm Beach County children and families.



In 2012, the CSC Board of Directors voted to enter into an inter-local agreement with the OIG. The inter-local agreement gives the OIG authority, functions, and powers over CSC's employees, contractors, subcontractors, and any person or entity doing business with CSC or receiving funds from CSC. The OIG and CSC mutually agreed in 2016 that the OIG would provide independent oversight of CSC's transactions, projects, and operations through investigations and contract oversight reviews. Under the terms of the Inter-local Agreement, the OIG will not audit past, present, and proposed CSC programs, accounts, records, contracts, change orders, and transactions during the effective dates of the agreement.

CSC's Agreements with Mr. Boiton

From October 1, 2010¹ until September 30, 2016, CSC signed annual contracts (Agreements) with Mr. Boiton requiring him to deliver transportation services. Mr. Boiton was responsible for advocating for improved transportation services, overseeing bus pass

¹ Mr. Boiton's transportation contracts with CSC preceded 2010; however, the OIG examined those contracts in effect from October 1, 2010 to through September 30, 2016.

distribution to CSC funded agencies, and coordinating a variety of local transportation services for CSC funded clients to ensure access to transportation for medical appointments and access to life sustaining and quality of life destinations (Vital Transportation Program). Although the Agreements contained slight modifications each year, the Scope of Work attached to each of the Agreements contained language stating that Mr. Boiton was responsible to 1) coordinate the system for the Vital Transportation Program; 2) negotiate the best price with vendors for appropriate options; 3) develop/coordinate transportation arrangements; 4) serve as the agent for processing the payments as approved and rendered, drawing from the Vital Transportation Program budget; and 5) ensure that there is appropriate documentation to justify that transportation has taken place.

The Scope of Work in each Agreement required Mr. Boiton to:

- Submit a Reimbursement Detail Report to CSC's Fiscal Analyst by the 10th of each month, including funds being requested for professional fees and under the Vital Transportation Program , and
- Submit a Transportation Program Report to CSC's Contract Manager by the 10th of each month detailing the previous month's activity, to include among other items:

Vital Transportation use per: agency, provider staff authorizing referral, client FOCIS ID number, destination and **round-trip cost per trip** and total monthly cost to CSC.

Each of the Agreements allocated an amount for Mr. Boiton's professional fee and a separate amount for the transportation vendors and the Bus Pass Program (Vital Transportation Program). Neither of the Agreements required CSC to approve vendors for the Vital Transportation Services, nor directed Mr. Boiton regarding specific rates for mileage, non-reimbursable expenses, or conditions under which reimbursement would be withheld or not approved.

From October 1, 2010 until September 30, 2016, CSC allocated a total of \$1,161,060.00² to its Agreements with Mr. Boiton, as shown in the table below:

CONTRACT YEAR	PROGRAM NAME	CONTRACT TOTAL	FUNDS ALLOCATION	FEE SCHEDULE FOR VITAL TRANSPORTATION & BUS PROGRAM
2010/2011	Healthy Beginnings Transportation	\$185,730	\$59,064 - Professional Fee for transportation consultant \$126,666 - Vital Transportation & Bus Program	No billing information
2011/2012	Healthy Beginnings Transportation	\$185,730	\$59,064- Professional Fee for transportation consultant \$126,666- Vital Transportation & Bus Program	No billing information
2012/2013	Healthy Beginnings Transportation	\$184,000	\$59,064- Professional Fee for transportation consultant, \$124,936- Vital Transportation & Bus Program	No billing information
2013/2014	Healthy Beginnings Transportation	\$184,000	\$59,064- Professional Fee for transportation consultant, \$124,936- Vital Transportation & Bus Program	To be billed monthly on a reimbursement basis for services provided
2014/2015	Healthy Beginnings Transportation/ Early Head Start Families	\$246,800 [\$174,800 + \$72,000 addendum ³]	\$59,064- Professional Fees for transportation consultant, \$115,736- Vital Transportation and Bus Program	To be billed monthly at 1/12 of the allocated amount
2015/2016	Healthy Beginnings Transportation	\$174,800	\$59,064- Professional Fees for transportation consultant, \$7,811 - building space/rent for transportation consultant, and \$107,925- Vital Transportation & Bus Program	To be billed monthly at 1/12 of the allocated amount
	TOTAL	\$1,161,060		

Each Agreement allocated an amount for the Vital Transportation and Bus Programs. The Agreement for 2013/2014 stated that the fees for Vital Transportation and Bus Program would be billed to CSC monthly on a reimbursement basis and the Agreements for 2014/2015 and 2015/2016 stated that CSC would be billed monthly at 1/12 of the allocated amount, with any advanced but unspent funds to be returned to CSC. Vital Transportation modes included the use of private taxis.

² The total from CY 2010-2011 to CY 2016-2017 was \$1,355,860.00. Mr. Boiton failed to win the bid for the new CSC transportation contract for the Healthy Beginnings Program for contract year 2018.

³ In contract year 2014/2015, Mr. Boiton was allocated an extra \$72,000.00 because a budget amendment was approved to also include funding for the Early Head Start Families program.

Mr. Boiton's Contracts with USA Taxi and East Coast Taxi

In order to fulfill his obligation under the CSC Agreements to coordinate the system for vital transportation and negotiate the best price with vendors for appropriate transportation options, Mr. Boiton executed Contracts to Provide Vouchered Taxi Services with USA Taxi from 2010 to 2016 and East Coast Taxi in 2016.

USA Taxi

CSC only provided the OIG with the contract between Mr. Boiton and USA Taxi for the year 2014. CSC's Provider Audit and Compliance Report for 2010 to 2016 was based on CSC's belief that each of the contracts between Mr. Boiton and USA Taxi were identical because Mr. Boiton advised CSC that he did not retain all of the contracts. When our office contacted Mr. Boiton in July of 2018 seeking the remainder of the contracts relevant to the investigative period, he told us that he had, in fact, retained contracts for additional years, but did not provide them to CSC because he thought CSC would seek to recover overpayments for the entirety of his contracted years.

On July 27, 2018 Mr. Boiton provided our office with contracts between USA Taxi and him dated July 5, 2007; October 7, 2008; February 12, 2010; July 3, 2012; and May 1, 2014. The 2010, 2012, and 2014 contracts between Mr. Boiton and USA Taxi were identical. Mr. Boiton told the OIG that the remaining contracts were also identical.

For the period relevant to the investigative period, Mr. Boiton's contracts with USA Taxi stated,

USA TAXI OF PALM BEACH will

....

4. Provide transportation for trips scheduled by Transportation Consultant [Mr. Boiton] at the rate of \$1.75 to start meter and \$2.50 per mile. There will be no charges for wait times or to put in or take out car seats.

.....

Protocol for the use of Transportation

.....

2. Taxi Driver will pick up client at appropriate date and time and take them to destination. Driver will not drive client to any place other than designated. Driver will not wait for client to complete appointment.
 1. Client will call USA Taxi for return trip home. Driver is only allowed to drive client back to scheduled destinations.

Neither of the contracts with USA Taxi indicated that mileage would be determined by a consistent methodology, such as a meter/ log maintained by the taxi driver or a digital mapping application such as Google Maps or Mapquest. Neither of the contracts

contained a provision stating that they could only be revised in writing. It is undisputed that the contracts were never amended in writing.

East Coast Taxi

Mr. Boiton executed a Contract to Provide Vouchered Taxi Services with East Coast Taxi on February 19, 2016, which provided,

Taxi Provider will:

....

5. Provide transportation for trips scheduled by Transportation Consultant [Mr. Boiton] at the rate of \$2.25 per mile **as determined by google maps**. [Emphasis added] There will be no charges for wait times or to put in or take out car seats. [Handwritten notation: 2.00 pick up charge. T.B.]

.....

Protocol for the use of Transportation

2. Taxi Driver will pick up client at appropriate date and time and take them to destination. Driver will not drive client to any place other than designated. Driver will not wait for client to complete appointment.

3. Client will call Taxi Provider for return trip home. Driver is only allowed to drive client back to scheduled destination with no stops in the trip.

The contract did not contain a provision stating that it could only be revised in writing. It is undisputed that the contract was never amended in writing.

CSC's Internal Audits

On February 27, 2017, CSC's Senior Compliance Auditor published a Provider Audit and Compliance Report (Audit Report) relating to Mr. Boiton's compliance with their Agreements from October 1, 2010 (CY 2010/2011) through September 30, 2016 (CY 2015/2016). The Audit Report contained three findings and four recommendations. Specifically, CSC found that USA Taxi and East Coast Taxi charged Mr. Boiton higher rates than permitted under their written contracts, which resulted in Mr. Boiton being "overcharged \$177,609.41 over the six-year period." Mr. Boiton, in turn, sought reimbursement from CSC for the amounts he paid to the taxi vendors.

Mr. Boiton explained to CSC that "all additional charges (above the taxi contract rates) were verbally authorized by him as a cost of doing business," to include paying taxi drivers additional compensation to wait for clients, to place and remove infant car seats, for no-shows, and for round trips in excess of 100 miles that required wait time.

The written contract with East Coast Taxi specifically stated, “there will be no charges for wait times or to put in or take out car seats,” and the contracts with both taxi companies stated that drivers would not be paid for wait times or for taking clients to other destinations. Mr. Boiton acknowledged that he did not execute written amendments with the taxi companies.

Mr. Boiton advised CSC that he had “not paid attention” to the fact that he paid “markedly higher rates than” stated in his written contracts. Thereafter, he negotiated reimbursement in the amount of \$5,327.31 from East Coast Taxi for the period February 2016 through June 2016. Mr. Boiton returned the \$5,327.31 from East Coast Taxi to CSC.

The Audit Report also noted duplicate billing and payments, as well as, mathematical errors in Mr. Boiton’s reconciliation of per trip mileage charges for USA Taxi. The amount disallowed due to miscalculation and duplicate billing totaled \$10,349.50. CSC demanded that Mr. Boiton reimburse this amount within 30 days of receipt of its final audit report.

Program Name/Contract #	Contract Year	Budget Line	Questioned Costs
Healthy Beginnings Transportation/#553	2011/2012	Specific Assistance to Individuals	\$516.00 (mileage errors)
Healthy Beginnings Transportation/#553	2012/2013	Specific Assistance to Individuals	\$214.00 (mileage errors)
Healthy Beginnings Transportation/#553	2014/2015	Specific Assistance to Individuals	\$9,515.00 (duplicate) \$104.50 (mileage errors)

CSC Audit Table 3: “The amount disallowed due to miscalculation and duplicate billing which must be repaid to CSC for this finding is: \$10,349.50.”

East Coast Taxi & USA Taxi	
Billing for CSC Client Trips	Amount
East Coast Taxi Higher Rates February-June 2016	\$5,327.31
USA Taxi Duplicate Billing & Payments/Mathematical Errors	\$10,349.50
Total	\$15,676.81

In total, CSC demanded reimbursement of **\$15,676.81** from Boiton based upon its Audit Report Findings.

USA Taxi	
Billing for CSC Client Trips	Amount
Higher Rates 2010-2016	\$172,282.10

According to CSC, Mr. Boiton advised CSC that USA Taxi, whose contract with Mr. Boiton dates back to 2010, “became defunct” in 2016; thus, neither CSC nor Mr. Boiton sought return of any monies from USA Taxi. We learned during our investigation that Rodolfo Gonzalez had registered with the Florida Department of State, Division of Corporations the fictitious name “U.S.A. Taxi of Palm Beach” on behalf of Statewide Dispatch, Inc. on January 24, 2011. The fictitious name expired on December 31, 2016. Statewide Dispatch, Inc., was administratively dissolved with the Division of Corporations effective September 22, 2017.

In all, CSC concluded \$187,958.91 was questioned or disallowed.

Questioned/Disallowed Costs	Amount
Higher Rates USA Taxi 2010-2016	\$172,282.10
Higher Rates East Coast Taxi February-June 2016	\$5,327.31
Duplicate Billing & Payments/Mathematical Errors USA Taxi	\$10,349.50
Total	\$187,958.91

On December 12, 2017, CSC completed a final closeout audit of its Agreements with Mr. Boiton, which ended on September 30, 2017. CSC noted \$27.90 overbilling that was adjusted in the final reimbursement request and noted that Mr. Boiton “paid the total disallowance of \$15,676.81 [assigned in the 2016 audit] to CSC by manual check by the March 15, 2017 deadline.”

Mr. Boiton signed the Provider Audit and Compliance Report dated February 27, 2017 and the Funded Agency Audit and Compliance Report dated December 13, 2017.

ALLEGATIONS AND FINDINGS

Allegation (1):

Mr. Boiton mismanaged his contracts with CSC and his subcontracts with two taxi vendors by not verifying the accuracy of invoices submitted to him for payment. If supported, the allegation would constitute a violation of the provisions of the Agreement between CSC and Mr. Boiton which required submission of accurate Reimbursement Detail Reports.

Finding:

The allegation is **supported**.

Mr. Boiton did not ensure that his written contracts with the taxi vendors accurately reflected what he actually agreed to pay them. Additionally, he did not verify that the taxi companies billed him in accordance with the fees he agreed to pay, he lacked documentation to justify the amount billed to CSC, and he did not know how the amounts he billed to CSC had been calculated. As a result, Mr. Boiton submitted unverified monthly reimbursement detail reports to CSC.

Mr. Boiton's Duties and Processes Under the CSC Contract

Mr. Boiton entered into contracts to transport CSC clients with USA Taxi from October 1, 2010 through January 2016, and East Coast Taxi from February 2016 through October 2016.

Interview with Mr. Boiton regarding Ms. Ocampo's Involvement

Mr. Boiton advised our office that Angela Ocampo worked for both USA Taxi and East Coast Taxi during the period relevant to our investigation. Ms. Ocampo prepared monthly invoices on behalf of the taxi vendors and submitted them to Mr. Boiton for reimbursement. The invoices contained the dates for trips, clients' names, pick-up addresses, destination addresses, client ID numbers, and the total amount requested for the trip. The invoices also indicated whether a trip was a one-way, two-way or three-way trip.

Mr. Boiton told our office that even though he did not know Ms. Ocampo before entering into contracts with the taxi vendors, he grew to depend on her and trust her. She would often go above and beyond for clients, even going so far as to personally picking up clients for early morning doctor's appointments. Much of the day-to-day operations and decisions in regards to Mr. Boiton's contract fell on Ms. Ocampo's shoulders. Mr. Boiton said that he trusted her to make decisions and "be a problem solver" when issues arose.

When asked about CSC's audit of Mr. Boiton's contract, which showed significant discrepancies in the calculations of the trips serviced by his contract, Mr. Boiton indicated that he gave Ms. Ocampo discretion on "paying extra" to taxi drivers who had to wait for clients, who placed and removed infant car seats, for no-shows, and for round trips in excess of 100 miles that required a wait time for the drivers. Mr. Boiton told our office that there was no collusion between him and Ms. Ocampo to overbill CSC; he gave her rules to adhere to and trusted her to follow them.

Mr. Boiton admitted that he did not check the invoices for accuracy that Ms. Ocampo sent him. He stated that he trusted her to prepare invoices accurately and charge a "fair price." Mr. Boiton was extremely surprised when CSC notified him of the results of the audit. Once he was notified and began going through the invoices, he could not understand how Ms. Ocampo calculated the fares the way she did. He called Ms. Ocampo to let her know about the audit. According to Mr. Boiton, Ms. Ocampo could not give him an explanation as to why there were so many "miscalculations." Mr. Boiton attempted to contact Ms. Ocampo again but she never returned any of his calls or emails. Mr. Boiton admitted that he gave too much discretion to Ms. Ocampo and trusted her more than he should have.

Interview of CSC Senior Compliance Auditor Regarding CSC's Referral to the OIG:

In November 2017, the OIG received a copy of CSC's final internal audit of its Agreements with Mr. Boiton. CSC's Senior Compliance Auditor was assigned to that audit. Mr. Boiton's contract was considered an initiative program. These programs include contracts that pay

out a bulk amount for a specific type of service. Mr. Boiton was required to submit for monthly reimbursement through CSC's electronic system. CSC was then required to reimburse within 45 days. Mr. Boiton's most recent audit by CSC examined items such as the amount of people he was to transport, his budget, which included all invoicing, and programmatic pieces such as meeting attendance. The audit uncovered some small programmatic issues and major problems with the invoices and lack of backup documentation for them.



The CSC Senior Compliance Auditor told our office that Mr. Boiton's contract was considered an initiative program; thus, regular scheduled audits were not performed on his contract. In addition, before the audit was conducted, CSC did not require Mr. Boiton to submit detailed invoices each month along with his reimbursement requests. Instead, Mr. Boiton was only required to submit a reimbursement form which included the check dates, check numbers, amount he paid taxi vendors each month, and how much of that he was requesting for reimbursement. Thus, CSC did not notice the taxi companies' billing errors prior to paying the invoices. During the period relevant to this Investigative Report, CSC did not require Mr. Boiton to submit itemized invoices or supporting documentation with this requests for payment. CSC is currently working on changing its procedures for auditing these type of contracts.

Conclusions from CSC's Internal Audit

The audit's initial questionable costs totaled \$187,958.91. A total of \$177,609.41 were the costs related to the "Billing in Excess of Vendor Contract Price" (Finding 1) by East Coast Taxi and USA Taxi, while \$10,349.50 was questionable costs related to "Duplicate Billing and Calculation Errors" (Finding 2).

OIG Conclusion Regarding Allegation 1

Mr. Boiton mismanaged his contracts with CSC and the taxi vendors. Mr. Boiton did not include a methodology for calculating mileage in the USA Taxi contract or verify the accuracy of the invoices submitted to him by either USA Taxi or East Coast Taxi for payment.

Mr. Boiton advised our office that he depended upon and trusted Ms. Ocampo for the day-to-day operations and decisions relating to his contracts with East Coast Taxi and USA Taxi. Mr. Boiton's reliance seems misplaced since Ms. Ocampo worked for the taxi vendors, not for him. Mr. Boiton's reliance led him to accept, without question or review, invoices that did not include a breakdown for the amount due, to include the meter/pick-up charge, the number of miles traveled, whether the calculation for miles traveled was

based upon a taxi driver meter/log or mapping application, or the mileage rate used to calculate the cost for each trip.

Additionally, Mr. Boiton's reliance on Ms. Ocampo led him to orally agree and to give "her the discretion" to pay taxi drivers extra for wait times, for lengthy trips, and for placing and removing carseats, even though such payments were expressly not allowed by his contracts with the taxi vendors. Mr. Boiton did not document such agreement in writing nor did he require the taxi vendors or Ms. Ocampo to itemize the invoices to show how much of the billing accounted for the authorized additional fees. He explained that he simply "had not paid attention" to these facts.

As a result of his failure to properly manage his contracts by verifying that the taxi companies billed him in accordance with the terms of his contracts with them, he submitted unverified monthly Reimbursement Detail reports to CSC.

CSC did not notice the issue, either, until after it commenced an internal audit in October 2016. Mr. Boiton's Agreements were considered an initiative program; thus, regular scheduled audits were not performed on his contract. Before the audit was conducted, CSC did not require Mr. Boiton to submit detailed invoices each month along with his reimbursement requests. Instead, Mr. Boiton was only required to submit a reimbursement form which included the check dates, check numbers, and amount he paid taxi vendors each month. He provided this information, as required.

Although each of the Agreements required Mr. Boiton to submit monthly reimbursement detail reports for the Vital Transportation Program, the Agreements differed as to the methodology for compensating Mr. Boiton. Indeed, the agreements for CY 2014/2015 and 2015/2016 authorized Mr. Boiton to bill CSC monthly at 1/12 of the total contract funding allocation for Vital Transportation Program, instead of reimbursing him for actual costs. The 2013/2014 agreement stated that Mr. Boiton could invoice CSC on a reimbursement basis. This is, in fact, what he did. The Agreements between Mr. Boiton and CSC gave him latitude to negotiate his subcontracts with transportation providers. The Agreements did not:

- Require CSC to approve vendor agreements for the Vital Transportation Services,
- Provide that CSC would not bear the cost of oral amendments to Mr. Boiton's contracts with providers or of extra compensation *actually paid* to transportation providers,
- State whether Vital Transportation reimbursements would be limited to mileage calculated based upon a taxi meter/log or an electronic mapping application, and
- Direct Mr. Boiton regarding specific rates for mileage or identify disallowable costs.

Allegation (2):

Mr. Boiton, the taxi vendors, and/or a member of their staff submitted invoices for payment to defraud or misappropriate funds from CSC. If supported, this would constitute a violation of Florida Statutes Section 812.014 - Theft.

Generally, reasonable people would equate the term “misappropriation” with theft⁴. Accordingly, we interviewed Mr. Boiton and representatives from the taxi companies on whether their conduct revealed an effort to obtain or use the property of another with intent to, either temporarily or permanently deprive the other of the property or appropriate the property to his/her own use or to the use of any person not entitled to it.

Finding:

The allegation is **not supported**.

We did not find sufficient evidence to conclude fraud or misappropriation of funds occurred.

The following OIG chart was prepared by our office to illustrate our calculations regarding the amount that should have been billed to Mr. Boiton had the transportation vendors billed him in accordance with the written contracts. We utilized Google Maps to determine the miles driven for each trip and the mileage rates in the contracts. We determined that the vendors billed Mr. Boiton \$176,103.78 more than written contracts permitted. This amount is \$1,505.63 less than the amount reached by CSC during its internal audit. Since Mr. Boiton did not memorialize the amounts he orally approved for wait times, no shows, or lengthy trips, we could not include such amounts in our calculations.

Contract Year	Subcontractor	Total Number of Trips Provided	Total Number of Accurately Billed Trips	Total Number of Overbilled Trips	Total Amount Billed for Transportation Vendors	Total Amount Overbilled
2010/2011	USA TAXI	988	54	934	\$60,258.00	\$14,972.55
2011/2012	USA TAXI	1,073	18	1,055	\$71,919.00	\$20,024.00
2012/2013	USA TAXI	921	4	917	\$80,932.00	\$32,098.85
2013/2014	USA TAXI	1,055	3	1,052	\$102,077.00	\$44,372.25
2014/2015	USA TAXI	949	0	949	\$97,180.00	\$52,003.45
2015/2016	USA TAXI/EAST COAST TAXI	699	47	652	\$54,262.48	\$12,632.68
TOTAL		5,685	126	5,559	\$466,628.48	\$176,103.78

⁴ § 812.014, Florida Statutes.

Interview of Ms. Ocampo Regarding Billing for Trips:

Ms. Ocampo began working for USA Taxi in 2007. Shortly after, USA Taxi owner Rodolfo Gonzalez assigned dispatch duties to Ms. Ocampo. Mr. Gonzalez was not around often; Ms. Ocampo ran the day-to-day operations. Ms. Ocampo made sure calls were answered, services were provided, and the rides were invoiced throughout her time at USA Taxi. Ms. Ocampo was paid a salary for her work at USA Taxi.

Ms. Ocampo first met Mr. Boiton when he came into USA Taxi looking for a transportation vendor. Ms. Ocampo told our office that she calculated the miles for each trip via Google Maps⁵ software. The program required entering a trip's starting point and destination to calculate the route and mileage. Once a trip was calculated once, there would be no need to calculate it again if the client's trip had the same starting point and destination. Ms. Ocampo advised us that if a client left from the same starting point and requested the same destination in any given week, she would enter the trip as one ride on the invoice, but the charge would reflect all of the trips completed. Ms. Ocampo stated this was why some of the trips looked as if they were overbilled. Ms. Ocampo stated that she informed Mr. Boiton that she was entering the trips on invoices that way. Ms. Ocampo stated that she encountered several problems while trying to service Mr. Boiton's contract. Clients were often not ready at the time of a scheduled pickup, forcing the driver to drive back and forth twice. In addition, some clients were no-shows. Ms. Ocampo asserted that early in the contract, there was nothing in writing stating how to handle a no-show and how it should be charged.



Although the USA Taxi contracts did not set forth rates for no-shows or wait times, Ms. Ocampo stated that Mr. Boiton gave her discretion on what to do and how much to charge. The charge of a no show trip would often not be explained on the invoice and Ms. Ocampo charged a price based on what she thought was appropriate for the driver's time.

Another issue was that clients often would ask to be taken to places that were not authorized in the contract. This would cause issues on whether or not to charge it to the contract and whether or not the driver would do something extra for a client. Other issues included social workers submitting the wrong pick-up addresses and social workers placing last minute calls for ride requests. According to Ms. Ocampo, she made decisions based on "what was best for the client and for the contract."

Ms. Ocampo also indicated that she dealt with driver issues. All drivers of USA Taxi were "self-contractors" who were using their own cars, gas, and time. Ms. Ocampo stated she made decisions based on what was best for the drivers. According to Ms. Ocampo, USA

⁵ The contracts between Mr. Boiton and USA Taxi did not specify that the trips would be calculated using Google Maps, MapQuest, or meter/log maintained by taxi drivers.

Taxi made an agreement with Mr. Boiton that if a pick-up was further north than Jupiter or further south than Boynton Beach, an extra fee would be charged. Most drivers lived and worked out of the West Palm Beach area; to go beyond that immediate area they were compensated extra. Ms. Ocampo stated that the price of that extra compensation for the trips was wholly determined by her.

Drivers were also required to transport some clients to medical appointments in Miami; Ms. Ocampo said that these rides cost approximately \$300. On those trips, Ms. Ocampo said that she was given discretion by Mr. Boiton; the basis for those charges was not detailed on the invoices.

Ms. Ocampo decided to leave USA Taxi in February 2016 due to problems getting her pay on time, partly because Mr. Boiton caused USA Taxi to wait a month or two for reimbursement at times.

We asked Ms. Ocampo whether she made an unauthorized personal profit on Mr. Boiton's contract while employed at USA Taxi. She responded that she did not.

The process for Ms. Ocampo sending invoices to Mr. Boiton for East Coast Taxi was largely the same as for USA Taxi; the only difference was that Mr. Boiton created a database for social workers to enter trip requests. Ms. Ocampo had access to the database and could also enter information herself.

According to Ms. Ocampo, Mr. German Melendez, owner of East Coast Taxi, verbally told her that he would give her a percentage of the money that he received from the contract with Mr. Boiton. Ms. Ocampo stated that she told Mr. Boiton about this arrangement; Mr. Boiton denied knowing anything about it. Mr. Boiton told the OIG he would never authorize Mr. Melendez to do that. Ms. Ocampo advised that she did not stay at East Coast Taxi long enough to receive any extra monetary benefit promised by Mr. Melendez.

Ms. Ocampo told our office that she calculated trips according to the terms set forth by the contract and the discretion she was given by Mr. Boiton. She stated that she serviced the contract to the best of her ability; her intention was to make drivers and clients happy. She denied inflating the invoices in order to pocket extra money from the contract and stated that she went above and beyond what she was asked to do without getting compensated for it.

Ms. Ocampo offered to be interviewed a second time to have the chance to explain each invoice and how she calculated the trips that the audit deemed were overcharged. Thereafter, multiple attempts were made by our office to re-interview Ms. Ocampo, however each time an attempt was made Ms. Ocampo told us she was either "sick" or "too busy."

Interview of CSC Senior Compliance Auditor Regarding Billing for Trips:

The CSC Senior Compliance Auditor told the OIG that she utilized the same Google Maps software which Ms. Ocampo used to measure trip mileage. To give the taxi providers the benefit of the doubt, the CSC Senior Compliance Auditor used the longest route in determining trip mileage. Using that methodology, The CSC Senior Compliance Auditor found that the trip amounts were “unquestionably overbilled.”

Interview of Mr. Boiton Regarding Overbilling for Trips:

Mr. Boiton disputed Ms. Ocampo’s assertion that she advised him that she would add multiple trips as one line item. Mr. Boiton told the OIG that he would never have agreed to entering multiple trips as one line item on one invoice, and that the invoices needed to select each trip as a one-way, two-way or three-way trip in the appropriate column.

Mr. Boiton acknowledged that he gave Ms. Ocampo discretion for the charged cost of trips to Miami, but after looking over invoices, he could not explain how she came up with her calculations for those trips.

Interview of Mr. Gonzalez Regarding Billing for Trips:

Mr. Rodolpho Gonzalez, President of Statewide Dispatch, Inc. d/b/a USA Taxi, was interviewed regarding the contracts he held with Mr. Boiton from 2007 through 2016. Mr. Gonzalez stated that he authorized Ms. Ocampo to run USA Taxi in West Palm Beach. The only involvement Mr. Gonzalez had with USA Taxi in West Palm Beach was when Ms. Ocampo sent him the monthly invoices, which he used to pay the drivers and Ms. Ocampo.

Mr. Gonzalez explained that there were times that USA Taxi would receive an abundance of trip requests and would not be able to handle all of them. Ms. Ocampo would then contact East Coast Taxi and refer the trips to East Coast Taxi. For such referrals, Gonzalez deposited money for East Coast Taxi directly into Ms. Ocampo’s personal bank account; Ms. Ocampo thereafter used those funds to pay East Coast Taxi. Mr. Gonzalez did not issue checks to the drivers at East Coast Taxi because many of their drivers did not have bank accounts, and he did not come up to Palm Beach County often enough to hand Ms. Ocampo checks. Mr. Gonzalez believes that Mr. Boiton was not aware that Ms. Ocampo was overbilling during the contract period.

Interview of Mr. Melendez Regarding Billing for Trips:

Mr. Melendez told the OIG that as a thank you for referring trips to East Coast Taxi, he was planning to give Ms. Ocampo a percentage of the money he made from the referrals. However, he never paid her the referral percentage. The referrals he received from Ms.

Ocampo were not always clients under Mr. Boiton's contract; some of the referrals were regular customer cash calls. This arrangement went on for approximately three years⁶. Mr. Melendez also stated that he never checked the invoices Ms. Ocampo prepared; only the total amount for reimbursement. When Ms. Ocampo began taking off from work for long periods of time, he requested that she sit down with him and show him the billing method and how she prepared invoices for Mr. Boiton's contract. Ms. Ocampo refused to do so. Ms. Ocampo eventually left her employment at East Coast Taxi but the contract remained with Mr. Melendez. Mr. Melendez verbally told Ms. Ocampo that he would give her a percentage of the money that he received from the contract with Mr. Boiton. The invoices submitted to the OIG show that the billing in excess of the rates set forth in the written contracts ceased when Ms. Ocampo ended her employment at East Coast Taxi in May 2016.

Mr. Melendez stated that Mr. Boiton contacted him about getting audited by CSC, and told Mr. Melendez that there was a large overbilling discrepancy by East Coast Taxi. Mr. Melendez immediately went to look over the invoices and could not believe the amount of mistakes made on the fares of certain trips. Mr. Melendez made sure to rectify the situation by paying the full amount of the overbilling back to Mr. Boiton by recalculating all of the mileage and fares for each trip. Mr. Melendez thinks it would have been an easy way for Ms. Ocampo to make extra money since nobody knew her billing procedures, she had a lot of control over Mr. Boiton's contract and most importantly, everyone trusted her.

OIG Conclusion

During our investigation, we learned:

- Mr. Boiton, Mr. Gonzalez, and Mr. Melendez trusted Ms. Ocampo to invoice Mr. Boiton for services rendered by East Coast Taxi and USA Taxi.
- Neither Mr. Boiton, Mr. Gonzalez, nor Mr. Melendez analyzed or verified the rates Ms. Ocampo billed to Mr. Boiton.
- Mr. Boiton verbally authorized Ms. Ocampo to bill him for costs specifically excluded from his written contracts with East Coast Taxi and USA Taxi, such as additional amounts for wait times and lengthy trips.
- This practice of billing Mr. Boiton at rates that exceeded the rates in the written contracts ceased when Ms. Ocampo left employment with the taxi vendors.
- Mr. Boiton paid East Coast Taxi and USA Taxi for the amount invoiced, not Ms. Ocampo.
- USA Taxi deposited monies into Ms. Ocampo's personal bank account to disburse to East Coast Taxi when East Coast handled transportation on behalf of USA Taxi.
- Although each of the Agreements required Mr. Boiton to submit monthly reimbursement detail reports for the Vital Transportation Program, the methodology for billing changed during the period subject to this Report. The agreements for CY 2014/2015 and 2015/2016 authorized Mr. Boiton to bill CSC monthly at 1/12 of the total contract funding allocation for Vital Transportation

⁶ For the investigative period, East Coast Taxi had a contract with Mr. Boiton for one year. The total amount billed in excess of the rates in the written contract totaled \$5,327.31, which has been repaid to CSC.

Program, instead of reimbursing him for actual costs. The 2013/2014 agreement stated that Mr. Boiton could invoice CSC on a reimbursement basis. During CY 2014/2015 and 2015/2016, the methodology used for billing was inconsistent with the terms of the Agreement.

- Mr. Boiton accepted and paid invoices throughout the term of his contracts with the taxi vendors that did not include an itemization justifying the amounts requested for payment.
- Mr. Boiton's contracts with the taxi vendors did not require taxi vendors to provide him with an itemization of amounts requested.
- Mr. Boiton submitted unverified reimbursement detail reports to CSC, and CSC reimbursed Mr. Boiton for the amounts he actually paid the taxi vendors.
- CSC's Agreements with Mr. Boiton did not require him to provide CSC with an itemization of amounts request, and two of the Agreements said Mr. Boiton could invoice CSC for 1/12 of the amount allocated for the services, instead of actual costs.
- Neither East Coast Taxi, USA Taxi, nor Ms. Ocampo submitted invoices to CSC for payment.

As a result of Mr. Boiton failure to obtain, review, and validate itemized invoices from the taxi vendors, it could not be determined whether Boiton paid the taxi vendors amounts that exceeded the sums he contractually agreed to pay them, either orally or in writing. . During the period relevant to this Investigative Report, CSC did not require Mr. Boiton to submit itemized invoices or supporting documentation with this requests for payment. Thus, we could not conclude that CSC paid Mr. Boiton more than the amounts CSC agreed to pay him under the terms of their Agreements. Therefore, we cannot conclude with certainty that fraud or misappropriation of funds occurred.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Identified Costs: \$0

Questioned Costs: \$0

Avoidable Costs: \$0

ACKNOWLEDGEMENT

The Inspector General's Investigations Division would like to thank the Children's Services Council staff, Tomas Boiton, and both taxi vendor owners for their cooperation during this investigation.

RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends that CSC:

1. Require transportation consultants to include itemized expense statements and/or other specified supporting documentation with monthly Reimbursement Detail Reports.
2. Require transportation consultants to provide CSC with copies of any and all subcontracts relating to performance of deliverables.
3. Review and reconcile invoices and supporting documentation against the information in the monthly Reimbursement Detail prior to approving payments to transportation consultants.
4. Ensure that its transportation contracts identify disallowable costs that will not be reimbursed.

RESPONSE FROM MANAGEMENT

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, on August 31, 2018, the Children's Services Council 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. CSC provided a written response, which is attached to this report.

CSC concurred with the OIG's recommendations and advised the following:

- CSC's contract with the new transportation provider contains language that explicitly guides the provider to "include documentation reflecting all expenditures...in such form as may be reasonably requested by Council."
- The current CSC transportation provider/consultant supplies all of the direct transport service needs of the CSC provider agency clients and does not subcontract the services out.
- The contract for the current CSC transportation provider/consultant expressly details all of the elements to be included in the provider review and reconciliation of invoices alongside supporting information, both prior to submission for CSC reimbursement consideration, and again as part of the reimbursement approval analysis conducted by CSC staff prior to approving payment.
- The contract for the current CSC transportation provider/consultant details the only allowable reimbursement CSC will consider for transportation services and stipulates all non-allowable and non-reimbursable expenses.

RESPONSE FROM MR. TOMAS BOITON

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, on August 31, 2018, Tomas Boiton 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. Mr. Boiton did not provide a response.