



**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2006	2007	2008	2009	2010
Capital Expenditures					
Operating Costs		25,000			
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT		25,000			
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included In Current Budget?      Yes \_\_\_ No x  
 Budget Account No.: Fund \_\_\_ Department \_\_\_ Unit \_\_\_ Object \_\_\_  
 Program Number \_\_\_\_\_ Revenue Source \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

Funds are available from reserves in the Tourism Fund account 1454-710-7395-9902.  
 Expenditures will be made from account 1454-710-7420-3201.

Department Fiscal Review:

\_\_\_\_\_

**III. REVIEW COMMENTS:**

**A. OFMB Fiscal and/or Contract Administration Comments:**

*Elizabeth Bless* 12/13/06  
 Budget/OFMB  
 12/13/06  
*John J. Jacoby* 12/14/06  
 Contract Administration  
 12-13-06  
 12/13/06

**B. Legal Sufficiency:**

*Paul F. J.* 12/15/06  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_

Department Director

**This summary is not to be used as a basis for payment.**



**CASS, LEVY & LEONE, L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
440 COLUMBIA DRIVE, SUITE 500  
WEST PALM BEACH, FL 33409

PHONE: 561.689.7888  
FAX: 561.689.0478  
WWW.CASSLEVY.COM

MARTIN CASS, CPA  
HOWARD S. LEVY, CPA  
MICHAEL S. LEONE, CPA

December 8, 2006

Mr. Joseph Bergeron  
Internal Auditor  
Palm Beach County Board of County Commissioners  
P.O. Box 1989  
West Palm Beach, FL 33401

Dear Mr. Bergeron:

As we previously stated in our engagement letter, fraud detection engagements often evolve as evidence is gathered and it is very difficult to estimate fees. Based on the work we have performed to date and the work to be performed, our revised fees for the fraud examination is an additional \$25,000. Therefore, our total fee for the fraud examination will be \$45,000.

The work that we have performed as part of our initial fee request includes:

- Various meetings and discussions with personnel, officers' and directors of the Palm Beach County Convention and Visitors Bureau (Bureau).
- Various meetings and discussions with representatives of the County and the Office of the Clerk and Comptroller of Palm Beach County.
- Obtaining an understanding of the systems and procedures of the Bureau.
- Proof of cash for operating account for 2003 and 2004.
- Proof of cash for membership account for 2001 through 2006.
- Detailed analysis and reconciliation of the general ledger for 2003 (in-process).
- Analysis and reconciliation of payroll for 2005 and 2006.

Additional work that needs to be completed is as follows:

- Proof of Cash for operating account for 2005 and 2006.
- Proof of Cash for board of directors' fee account for 2001 through 2006.
- Proof of Cash for special account for 2001 through 2006.
- Research various discrepancies and open items as a result of proof of cash and analysis of the general ledger.
- Analysis and reconciliation of payments to the retirement plan.
- Detailed analysis and reconciliation of the general ledger for 2003 through 2006.
- Analysis and reconciliation of payroll for 2003 and 2004.
- Various meetings and discussions with personnel, officers' and directors of the Bureau, and discussions with representatives of the County and the Office of the Clerk and Comptroller of Palm Beach County, as required.
- Preparation and submission of report.



Based on the work performed to date and our discussions with you, we have proposed to focus our scope of work for the period June 2003 through October 2006.

The work to be performed prior to issuing our report will include the analysis of payroll to determine which payroll tax returns for fiscal years 2003 and 2006 need to be filed and amended. We will not be preparing such payroll tax returns.

The proof of cash will include a detailed reconciliation of the bank statements to the books and records of Palm Beach County Convention and Visitors Bureau. We will also be analyzing the books and records for any suspicious entries. We will also analyze the deposits and withdrawals that were not properly recorded on the general ledger.

In the event you have any questions or comments, please contact me.

Very truly yours,

Martin Cass, CPA/EVA  
\* Regulated by the State of Florida

---

Mr. Joseph Bergeron  
Internal Auditor  
Palm Beach County Board of County Commissioners

---

Date



**CASS, LEVY & LEONE, L.C.**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

440 COLUMBIA DRIVE, SUITE 500

WEST PALM BEACH, FL 33409

PHONE: 561.689.7888

FAX: 561.689.0478

WWW.CASSLEVY.COM

MARTIN CASS, CPA

HOWARD S. LEVY, CPA

MICHAEL S. LEONE, CPA

November 2, 2006

Mr. Joseph Bergeron  
Internal Auditor  
Palm Beach County Board of County Commissioners  
P.O. Box 1989  
West Palm Beach, FL 33401

Dear Mr. Bergeron:

Thank you for the opportunity to submit our proposal to perform a fraud examination regarding certain allegations which have come to the attention of the Palm Beach County Convention and Visitors Bureau (the "Bureau"). The objectives of our engagement are to determine the following:

1. The period(s) in which the alleged fraud occurred.
2. The assets or accounts that are involved.
3. The dollar amount of the alleged fraud.
4. The party or parties that committed the alleged fraud.
5. The manner in which the alleged fraud was committed.
6. Any liabilities outstanding as a result of the alleged fraud.
7. Provide documentation in support of the prosecution of any alleged fraud and in support of legal action for recovery of any losses.

Our examination will include:

1. Obtaining an understanding of the systems and procedures of the organization.
2. Obtaining, inspecting and analyzing the financial records and documents of the Bureau.
3. Preparation of a formal report which discusses our conclusions, copies of which will be submitted to the Internal Auditor of the Palm Beach County Board of County Commissioners, the Clerk & Comptroller of Palm Beach County, and the Board of Directors of the Palm Beach County Convention and Visitors Bureau.

Palm Beach County Board of County Commissioners  
Fraud Examination  
November 2, 2006  
Page 2 of 4

The fraud examination is being performed on behalf of Palm Beach County. Cass, Levy & Leone, L.C. will report its findings to Palm Beach County through a committee consisting of Joseph Bergeron, Internal Auditor of the Palm Beach County Board of Commissioners and Alan L. Bray, Manager, Audit Services of the Clerk & Comptroller of Palm Beach County.

In addition, Cass, Levy & Leone, L.C. is authorized to have discussions concerning this matter with Jeff Koons, County Commissioner, the Board of Directors of the Bureau, the officers and legal counsel of the Bureau, Sharon Bock, Clerk & Comptroller of Palm Beach County, Bob Fagin, Chief Financial Officer for the Clerk & Comptroller of Palm Beach County, and the Audit Services Staff of the Clerk & Comptroller of Palm Beach County.

Communication with these individuals regarding work under the engagement is specifically authorized within applicable law and standards of conduct.

This consulting engagement will be conducted in accordance with Statements on Standards for Consulting Services established by the American Institute of Certified Public Accountants, subject to the terms and conditions set forth herein. This consulting engagement will not constitute an audit made in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion on the elements, accounts, or items of a financial statement. Therefore, Cass, Levy & Leone, L.C. will not be in a position to express, and will not express an opinion, or any other form of assurance, with respect to any matters, as a result of such consulting engagement.

Cass, Levy & Leone, L.C. will perform the consulting engagement independent from all parties enumerated herein.

Our fraud detection engagement cannot be guaranteed to determine all fraud that exists in an organization.

Our fee for this service will be billed at our standard hourly rates in effect at the time services are rendered. These rates are currently as follows:

Director	\$250
Managers	\$140 to \$175
Staff	\$ 80 to \$125

We will reduce these fees by a courtesy discount of 10%.

The engagement will be under the direct supervision of Martin Cass. Harris Newman will act as the field supervisor.

Palm Beach County Board of County Commissioners  
Fraud Examination  
November 2, 2006  
Page 3 of 4

Because fraud detection engagements often evolve as evidence is gathered, it is very difficult to estimate fees. Based on our initial analysis, we estimate our fees for the fraud examination will be approximately \$15,000 to \$20,000. As we further analyze the records, we may find it necessary to revise our estimate for the work to be performed.

In order to maintain our fees at this level, it is important that we receive assistance from the Bureau's staff in receiving the necessary financial records and documents in a prompt and organized fashion.

All services and expenses will be billed monthly and shall be payable upon the issuance of our report. In the event it is necessary for us to incur attorney's fees and costs to collect outstanding fees, you agree to pay such fees and costs of collection.

The working papers prepared in conjunction with our work are the property of Cass, Levy & Leone, L.C., constitute confidential and proprietary information and will be retained by us in accordance with our policies and procedures.

We will provide a complete copy of all workpapers obtained or generated both hardcopy and/or electronically to Joseph Bergeron, Internal Auditor for the Palm Beach County Board of County Commissioners and Alan L. Bray, Manager, Audit Services of the Clerk & Comptroller of Palm Beach County.

If any provision of this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way, unless such partial invalidity materially affects the intent of the parties.

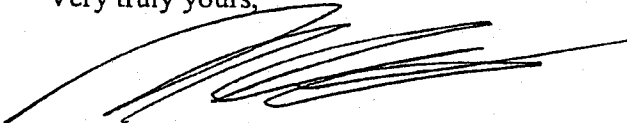
This agreement contains all the understandings between the parties and supersedes all prior offers, negotiations and agreements relating to the subject matter hereof.

Please indicate your agreement with the contents of this letter by signing the enclosed copy and returning it to us.

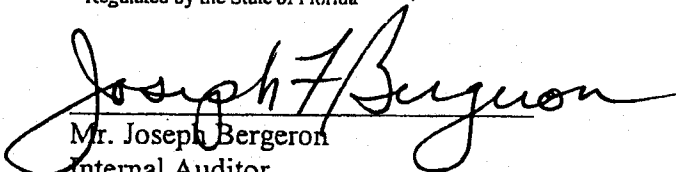
Palm Beach County Board of County Commissioners  
Fraud Examination  
November 2, 2006  
Page 4 of 4

We are grateful for the opportunity to assist you and look forward to a mutually satisfactory relationship. In the event you have any questions or comments, please contact me.

Very truly yours,



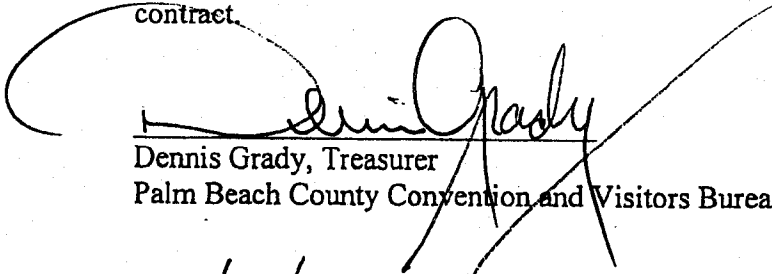
Martin Cass, CPA/CVA  
\* Regulated by the State of Florida



Mr. Joseph Bergeron  
Internal Auditor  
Palm Beach County Board of County Commissioners

2 Nov 2006  
Date

The Palm Beach County Convention and Visitors Bureau is in full agreement with this contract.



Dennis Grady, Treasurer  
Palm Beach County Convention and Visitors Bureau

11/3/06  
Date