

# EXECUTIVE OFFICE OF THE GOVERNOR



## OFFICE OF THE CHIEF INSPECTOR GENERAL



**Review of Actions of the  
North Broward Hospital District  
Board of Commissioners**

**REPORT NUMBER 201601280006  
JANUARY 25, 2021**

**TABLE OF CONTENTS**

INTRODUCTION ..... 1

BACKGROUND ..... 2

OBSERVATIONS RELATED TO THE BOARD ..... 7

OCIG CONCLUSIONS & RECOMMENDATIONS ..... 23

APPENDIX A – OBJECTIVES, SCOPE AND METHODOLOGY ..... 24

APPENDIX B – LIST OF INTERVIEWEES ..... 25

APPENDIX C – CONTRACTS REVIEWED IN DETAIL ..... 26

DRAFT

## INTRODUCTION

On January 28, 2016, officials from the Florida Department of Law Enforcement forwarded information to the Office of the Chief Inspector General (OCIG) regarding the appearance of fraud, waste, and abuse within various contracts or potential contracts with the North Broward Hospital District (NBHD/Broward Health). There was also information that the Board of NBHD/Broward Health was violating its charter and improperly involving themselves in day-to-day operations of the organization.

As background, NBHD/Broward operates four hospitals under the banner of Broward Health. Subsequently, the Office of the Chief Inspector General (OCIG) reviewed the issues and confirmed that NBHD/Broward Health was subject to the jurisdictional authority of the OCIG.<sup>1</sup> In support, the OCIG determined that the individual members of the NBHD/Broward Health Board of Commissioners (Board) are appointed by the Governor for terms of four years, and each may be removed by the Governor for cause.<sup>2</sup>

Based on the role of the OCIG outlined in sections 14.32 and 20.055, Florida Statutes (F.S.), the OCIG serves as the inspector general for the Executive Office of the Governor, and is tasked with the duty to initiate, supervise, and coordinate investigations; and carry out other activities designed to deter, detect, prevent, and eradicate fraud, waste, abuse, mismanagement, and misconduct in government.

On January 29, 2016, the OCIG initially sought to review all contracts executed within a certain period by NBHD/Broward Health to determine whether the board, individually or in aggregate, had violated federal or state law, rule, or regulation, or NBHD/Broward Health policies and procedures during the execution of all such contracts. Since then, circumstances dictated that the OCIG redefine the scope of its review on several occasions so as to avoid duplicating work of entities who were simultaneously conducting parallel reviews or investigations.

In February 2016, the OCIG refined the scope of this review after receiving additional information regarding the parallel scope of investigations or reviews conducted by the Florida Department of Law Enforcement (FDLE), Broward – Office of Inspector General (BOIG); Federal Bureau of Investigation (FBI); and United States Department of Health and Human Services – Office of Inspector General (HHS-OIG). Furthermore, the HHS-OIG had installed an Independent Review Organization (IRO) within NBHD/Broward Health to monitor and advise on various issues and circumstances that also fell within the scope of its review. Considering these factors, the OCIG limited the scope of its review to nine selected contracts and NBHD/Broward Health's system of governance. Specifically, the scope included the following: a review of Board meeting minutes; a review of the charter, bylaws, and procurement procedures; a review of available documentation for select contracts; a review of relevant emails and correspondence; interviews with key employees; interviews of current and former

---

<sup>1</sup> Sections 14.32(2)(b), (2)(k), and 20.055(7), Florida Statutes (F.S.)

<sup>2</sup> North Broward Hospital District Charter, Part I, Section 3, pg. 3.

Board members; interviews with select parties (See Appendix B); and a review of other relevant documents.

While the review team received complaints and reports of, or general concerns relating to, possible Board or Executive Staff misconduct and malfeasance, the team found no definitive support to validate the concerns that fell within the scope of review. However, other investigative entities with jurisdiction, may have been investigating those specific allegations. During the review, most of the Board Commissioners either resigned or were replaced, and NBHD/Broward Health's entire Executive Staff was replaced. These dramatic changes to the makeup of the Board and the Executive Staff complicated the review of actions taken by the Board, individual Board members, or the Executive Staff, because the changes had a substantial impact upon the conditions or conduct under review and the availability of evidence. The significance of these changes impacted the scope of this review and the OCIG's ability to publish a meaningful report. Considering these intervening factors and circumstances, this document memorializes the general scope of the OCIG's work and any findings and recommendations that may still be relevant.

## BACKGROUND

The NBHD/Broward Health is a special tax district which includes defined locations of Broward County, Florida, divided into seven sub-districts.<sup>3</sup> All real and personal taxable property located within these defined locations are taxed at a specific millage rate set annually<sup>4</sup> by the NBHD/Broward Health Board. Revenues generated by the millage rate are used in conjunction with other financial resources to operate four hospitals in Broward County (along with several other associated medical facilities and an administrative office) under the "NBHD/Broward Health" corporate name.

The four hospitals operating under the NBHD/Broward Health<sup>5</sup> corporate name are:

- NBHD/Broward Health Medical Center;
- NBHD/Broward Health North;
- NBHD/Broward Health Imperial Point; and,
- NBHD/Broward Health Coral Springs.

### Board of Commissioners (Board)

The Board provides oversight of NBHD/Broward Health and all of its facilities, common divisions, and wholly owned entities with the goal of providing effective and efficient quality health care, education, and research. The powers of the Board are to ensure the welfare and health of the patients and the best interests of the hospitals and facilities of the NBHD at all times.<sup>6</sup>

---

<sup>3</sup> Established in Chapter 2006-347, Laws of Florida.

<sup>4</sup> Section 13, North Broward Hospital District Charter.

<sup>5</sup> [www.browardhealth.org/locations](http://www.browardhealth.org/locations)

<sup>6</sup> Section I-4, bylaws of the North Broward Hospital District, revised November 17, 2011.

The seven-member Board is comprised of one representative from each of five designated sub-districts and two at-large members. The Governor of the State of Florida appoints individuals to serve as Board members for four-year terms. The Governor may remove Board members prior to the end of their term for cause.

According to the NBHD bylaws, the Board shall not operate in the perceived role of management while simultaneously exercising its charter oversight duties. The Board’s oversight function shall be exercised as a whole body and not through the actions of any one commissioner. Individual members may ask questions or request information from NBHD/Broward Health employees, agents and officers who are supervised directly or indirectly by the Chief Executive Officer (CEO)/President.

Since July 2012, nineteen (19) individuals have served as Board members (see Exhibit 1 below):

**Exhibit 1: Board of Commissioners during the period of July 2012 – April 2018 <sup>7</sup>**

Commissioner	Service Began	Service Ended	Served as Chair
Nancy Gregoire	December 2017	CURRENT	
Andrew Klein	August 2017	September 2019	April 2018 – August 2019
Steven Wellins	April 2017	November 2018	
Beverly Capasso	October 2016	May 2017	
Linda Robison	April 2016	June 2017	
Christopher Ure	October 2015	November 2020	March 2018 – April 2018
Sheela VanHoose	December 2014	January 2017	
Maureen Canada	December 2014	December 2016	
Darryl Wright	December 2013	March 2016	
Rocky Rodriguez	December 2013 October 2015	July 2015 March 2018	March 2016 – March 2018
David Nieland	August 2013	October 2015	
Kimberly Kisslan	July 2013	October 2013	
Debbie Kohl	March 2012	December 2014	
David DiPietro	September 2011	April 2016	November 2013 – March 2016
Joel Gustafson	January 2010	September 2016	October 2011 - November 2013
Jennifer O’Flannery-Anderson	January 2010	July 2013	
Richard Paul-Hus	January 2010	April 2013	
Clarence McKee	January 2010	February 2013	
Miguel Fernandez	September 2007	August 2013	

Board members are appointed for four-year terms but may be reappointed for additional terms or may serve shorter than a four-year term if serving as a replacement.

The Board also has the authority to select and employ three (3) distinct individuals of NBHD/Broward Health as follows:

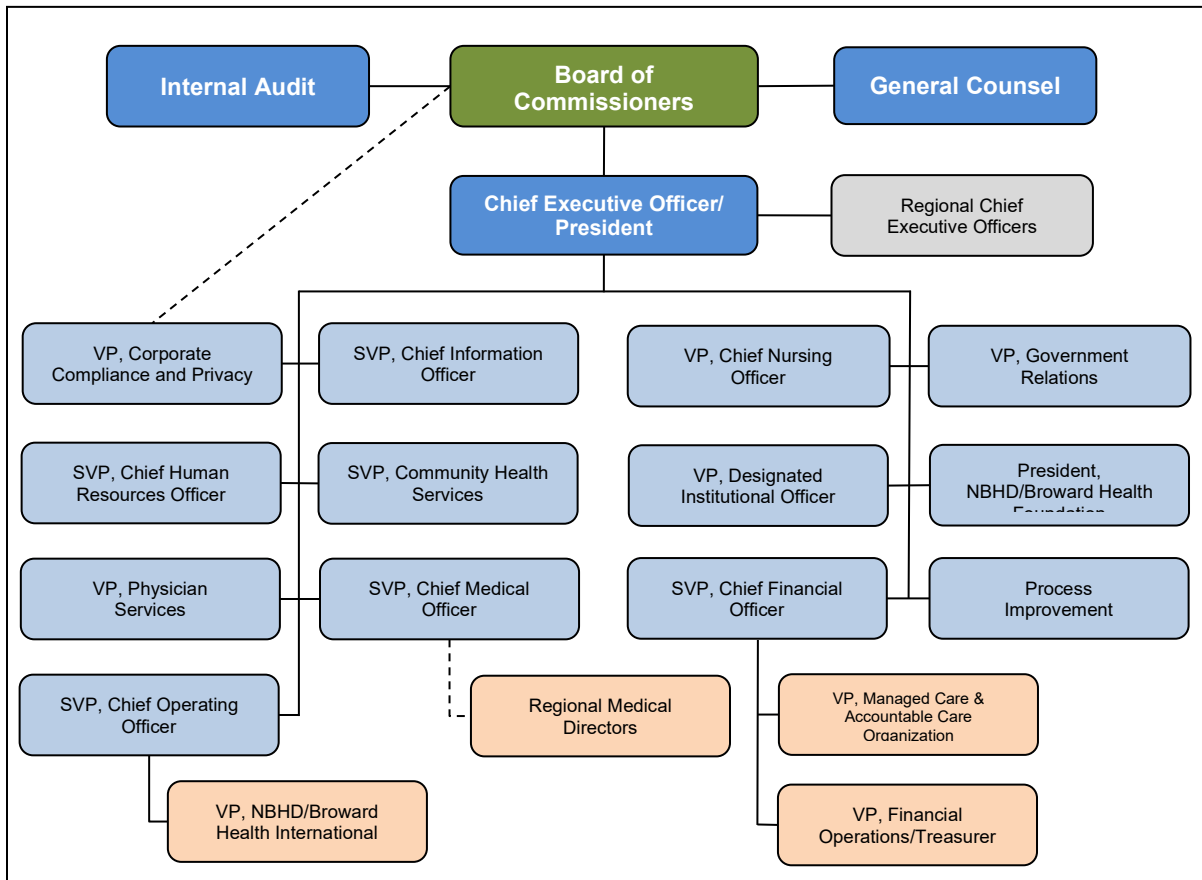
<sup>7</sup> As of April 30, 2018, the Board of Commissioners had three vacant positions.

- **President/Chief Executive Officer** - serves as the Board's direct representative in the management of all hospitals and other facilities owned or operated by NBHD/Broward Health;
- **Internal Auditor** - serves as the Board's direct representative in the audit and review of the various operations and facilities of NBHD/Broward Health. The Internal Auditor also serves as an ex-officio member of all committees created by the Board; and,
- **General Counsel** - serves to direct and control the administration of legal affairs of NBHD/Broward Health; assist the administration in the areas of finance, operations, and formulating policies; and submit information of legal matters to the Board. The General Counsel also serves as an ex-officio member of all committees created by the Board.

Additionally, the Board has the responsibility to appoint a medical staff comprised of qualified practitioners, who shall have general supervision and responsibility for the professional work of the hospitals.

The organizational chart below in Exhibit 2 provides an overview of the NBHD/Broward Health corporate structure during the initiation of our review. Direct reports of the CEO/President included several Senior Vice-Presidents (SVP) and Vice-Presidents (VP) over various aspects of NBHD/Broward Health operations.

**Exhibit 2: NBHD/Broward Health Corporate Organizational Chart as of May 2016**



Source: NBHD/Broward Health

**Corporate Integrity Agreement (CIA) and Independent Review Organization (IRO)**

In September 2015, NBHD/Broward Health reached a \$70 million settlement to resolve allegations that it violated the Stark Law<sup>8</sup> and False Claims Act<sup>9</sup> by allegedly paying physicians based on the number of referrals they made to NBHD/Broward Health hospitals. The settlement included a requirement that NBHD/Broward Health enter into a five-year Corporate Integrity Agreement (CIA).<sup>10</sup> The CIA required NBHD/Broward Health to correct deficiencies in its internal system of controls and compliance processes as well as engage an Independent Review Organization (IRO)<sup>11</sup> to conduct a comprehensive review of NBHD/Broward Health’s systems, processes, policies, and procedures related to contracts that could result in referrals to or from the hospital system.

<sup>8</sup> Title 42 United States Code (U.S.C.), Section 1395nn, “Limitation on certain physician referrals”.

<sup>9</sup> Title 31, U.S.C, Sections 3729-3733.

<sup>10</sup> [https://oig.hhs.gov/fraud/cia/agreements/North\\_Broward\\_Hospital\\_District\\_08312015.pdf](https://oig.hhs.gov/fraud/cia/agreements/North_Broward_Hospital_District_08312015.pdf)

<sup>11</sup> Baker Donelson was hired to serve as the Independent Review Organization (IRO) under the terms of a five-year CIA between NBHD and the U.S. Department of Health and Human Services in 2015.

For context, the IRO issued its initial 137-page report on October 7, 2016. In that report, the IRO reported multiple concerns related to the climate at NBHD/Broward Health. The IRO identified operational mismanagement and severe downgrades by Moody's and Standard & Poor's as evidence. The IRO also reported concerns regarding senior management transition, turnover, retention, and replacement, as well as overall low employee morale. The report went on to describe a lack of commitment to an effectively implemented compliance program by NBHD/Broward Health and a failure to perform mandatory internal audit functions. Furthermore, the IRO cited concerns regarding apparent inappropriate interference by former Board members into operational matters and heightened federal and state government scrutiny.

Specific to its review of contracts and focused arrangements<sup>12</sup>, the IRO identified nine key deficiencies at NBHD/Broward Health as follows:

- Failure to maintain a centralized tracking system for contracts and arrangements;
- Deficiencies in NBHD/Broward Health's systems, policies, processes, and procedures for tracking remuneration to and from all parties to focused arrangements;
- Insufficient controls over the process of tracking service and activity logs to ensure that parties to the focused arrangement are performing the required services;
- Failure to monitor the use of leased space, medical supplies, medical devices, equipment, or other patient care items sufficient to ensure that such use is consistent with the terms of the applicable focused arrangement;
- Deficiencies in the process for initiating focused arrangements;
- Deficiencies in the process and procedures for internal reviews and approval of focused arrangements;
- Deficiencies in the Compliance Officer's annual review of and reporting to the compliance committee;
- Failure to implement effective responses when suspected violations of the Anti-Kickback Statute and Stark Law are discovered, including disclosing reportable events and quantifying and repaying overpayments when appropriate; and
- Deficiencies in the systems, policies, processes, and procedures for ensuring that all new and renewed focused arrangements comply with the requirements set forth in the CIA.

NBHD/Broward Health hired a new law firm to act as its IRO until the mandated oversight agreement ends in 2020. It should be noted our review was conducted independent of the IRO's review and does not draw any conclusions from the work performed by the IRO.

---

<sup>12</sup> Based on the CIG, dated 8/31/2015. Between MBHD and the U.S. Department of Health and Human Services, the IRO must conduct an Arrangements Review of NBHD's "focused arrangements" (FAR), defined in the CIA as every arrangement that is (1) between NBHD and any actual source of health care business or referrals to NBHD and involves, directly or indirectly, the offer, payment, or provision of anything of value; or (2) between NBHD and any physician (or physician's immediate family member) if the physician makes a referral to NBHD for designated services (as defined in the Stark Law; i.e. hospital services, lab, home health, radiology services).



The following summarizes the findings of our review.

### OBSERVATIONS RELATED TO THE BOARD

Governance is the act or process of providing oversight or authoritative direction or control. In practical terms, it is what the board and executive management of an organization does in providing direction and oversight to the organization's affairs. Corporate governance is typically the domain of the board and effective governance ensures accountability, fairness, and transparency in the organization's relationships with its various stakeholders.<sup>13</sup> When establishing the organization's governance structure, not only does a board set the "tone at the top" for the organization, it also typically develops and approves the manner in which accountability, fairness, and transparency of the organization will be achieved.

Several key governance controls were put into place by the Board, such as establishing an internal audit function that reported directly to the Board, establishing committees to oversee operations, approving policies, and requiring Board approval for major policy decisions for the organization. However, while these controls were primarily developed to provide accountability over the operational staff and executive management of NBHD/Broward Health, there were inconsistencies in their applicability towards the individual Board members and the Board as a whole.

#### **Lack of Comprehensive Guidance for Actions of the Board or Individual Board Members**

The NBHD/Broward Health Charter in effect for the period of this review was created in 2006. The charter authorized the existence of the hospital district, the Board, and described the primary powers granted to each. It also established that the Board would consist of seven members and a majority of approval would be required on any major decisions.

The bylaws reiterated the general powers of the Board granted in the charter, defined the role and purpose of the Board, described the types of meetings the Board may conduct, identified the officers of the Board and their duties, described Board participation on committees, and defined the roles and responsibilities of key administrative staff members of NBHD/Broward Health.

The charter and bylaws provided general authority and responsibilities of the Board, but they did not provide detailed expectations like those often found in policies and procedures.

Board-approved policies existed to govern NBHD/Broward Health operations. All policies were applicable to NBHD/Broward Health management and operations staff.

---

<sup>13</sup> *How the COSO Frameworks Can Help*, Committee of Sponsoring Organizations of the Treadway Commission, February 2014.

However, only a few of the policies were specifically applicable to the Board and the committees (See Exhibits 3 & 4 below).

**Exhibit 3: NBHD/Broward Health Policies Applicable to Board/Committees <sup>14</sup>**

Policy #	Policy Title
GA-004-410	Fair Market Valuation and Commercial Reasonableness Policy 2015-2016
GA-004-441	Physician Financial Arrangement Review-Approval-Tracking and Monitoring
GA-004-442	Non-Physician Financial Arrangement Policy
	Code of Conduct
	Conflict of Interest

These are selected examples and not intended to be inclusive of all policies of NBHD/Broward Health.

**Exhibit 4: NBHD/Broward Health Policies NOT Applicable to Board/Committees <sup>10</sup>**

Policy #	Policy Title
GA-001-020	Contract Review, Approval and Signature Authority
GA-001-045	Supplier Diversity 2013-present
GA-001-086	Selection of Construction Contractors and Professional Design Services Providers
GA-001-120	Lobbying and Lobbyist Activities
GA-001-140	Selection and Approval of Professional Contractors and Physicians 2009-2016
GA-001-150	Procurement Code Policy
GA-004-015	Business Associate Agreements (2013-2014) (2014-2016)
GA-004-445	Physician Equipment of Space Leases
GA-004-455	Physician Agreements 2010-2016
GA-004-475	Medico-Administrative Services Agreements with Physicians Medical Directorships
GA-005-145	Insurance Requirements

These are selected examples and not intended to be inclusive of all policies of NBHD/Broward Health.

Many of the NBHD/Broward Health policies did not include the Board or Board committees as falling under the authority of the policy, procedures, or other directives. Absent specific policies for the Board and its committees afforded the Board great latitude in certain actions that would not have been afforded to NBHD/Broward Health management.

Additionally, there were no consequences for adverse actions on the part of individual Board members other than removal from the Board by the Governor “for cause”.<sup>15</sup> However, even the term, “for cause,” was not defined and there was no mechanism in place to evaluate the performance of Board members during their tenure. Short of a complaint against a Board member, we found no evidence of guidance in place that served to measure or monitor the accountability of Board member performance.

**Composition of the Audit Committee**

Exhibit 5 below lists the committees established by the Board and the number of Board members who were participating on each committee.

<sup>14</sup> As of July 2016.

<sup>15</sup> Section 3, Subsection 3, North Broward Hospital District Charter, June 23, 2006.

**Exhibit 5: NBHD/Broward Health Board Approved Committees as of May 2016**

Committee	# of Participating Board Members
Finance	7
Legal Affairs & Governmental Relations	7
Executive	3
Joint Conference	3
Pension & Investment	3
Quality Assessment & Oversight	3
Human Resources	3
Building/Facilities	3
Governance	3
Audit	3

During this review, the Audit Committee consisted of three Board members (including the Board Chair and Vice-Chair); the NBHD/Broward Health President/Chief Executive Officer; the NBHD/Broward Health General Counsel; two external members; and the Internal Auditor, who was a non-voting member.<sup>16</sup> The Audit Committee typically selects the outside CPA firm to audit NBHD/Broward Health’s financial statements. KPMG US LLP was serving as NBHD/Broward Health’s CPA firm for the period of our review. During the period of this review, the firm changed to Warren Averett, LLC.

During our review, we noted concerns regarding the composition of the Audit Committee. Best practices suggest the Audit Committee members generally should be separate from members of any other committee of the Board, especially from the Finance Committee. However, in accordance with the bylaws, we noted that all Board members serve on the Finance Committee, including the Chair and Vice-Chair of both the Board and the Finance Committee, which were also members of the Audit Committee. We also noted that, at that time, there were two external members of the Audit Committee who were paid by NBHD/Broward Health to participate on the Committee. The Board should evaluate the current composition of the Audit Committee and restrict the composition of the Audit Committee to better align its membership with those that are independent of day-to-day operations or other governance committees.

**Closed Non-Public Strategic Board Meeting**

Florida Statutes require all meetings of a governing board of a public hospital to be open and available to the public with specific exceptions exempt by law.<sup>17</sup> One of the exemptions are the records and information of a strategic plan.<sup>18</sup> Florida Statutes also define the term “strategic plan” and is very specific as to the actions or activities that

<sup>16</sup> Section IV-7 (E), bylaws of the North Broward Hospital District, revised November 17, 2011.

<sup>17</sup> Section 395.3035(1), F.S.

<sup>18</sup> Section 395.3035(2), F.S.

could be included in a strategic plan including the following: new or expanded health services; new or expanded facilities; changes to a facility; or acquisition, merger or consolidation with another facility or provider.<sup>19</sup>

Florida Statutes make it clear that only future actions or **activities tied to a specific service or facility endeavor** [emphasis added] would meet this definition of “strategic plan”. Records that describe current operations (such as hiring employees, purchasing equipment, placement of advertisements, and entering into physician contracts) along with actions and activities tied to non-specific endeavors (such as the overall healthcare environment) do not appear to meet the definition of a “strategic plan”.

Florida Statutes also states that a “closed meeting shall be restricted to discussion, reports, modification, or approval of a **written** [emphasis added] strategic plan.”<sup>20</sup> Additionally, “documents that are submitted to the hospital’s governing board as part of the board’s approval of the hospital’s budget, and the budget itself, are not confidential and exempt.”<sup>21</sup>

During an October 30, 2015, “*Shade Meeting*” involving the Board and NBHD/Broward Health executives, the meeting was closed to the public and classified as “strategic” in nature. This meeting focused on how to maximize potential through NBHD/Broward Health’s new emphasis on marketing and advertising. However, at no time during our review were we able to determine that a written strategic plan was discussed, reported on, modified, or approved during this meeting. Additionally, the meeting failed to address specific future endeavors that met the definition of strategic, such as new, expansion, or changes to a health care service or facility.

Without evidence of a defined, written strategic plan, we question whether this meeting should have been conducted in a closed, non-public manner.

Matters involving Public Meetings of NBHD/Broward Health may have been addressed by the Broward State Attorney’s Office. If not, we recommend that the NBHD/Broward Health discontinue the use of “*shade meetings*” except for those expressly permitted by Florida Statutes. Information supports that the NBHD requested an Attorney General Opinion in February 2016 regarding this matter.<sup>22</sup>

### **Appearance of Voting by the Board during a Closed Non-Public Meeting**

Section 395.3035(8), F.S. specifically requires that a hospital may not approve a binding agreement to implement a strategic plan at any closed meeting of the board. Florida Statutes also states the following in pertinent part:

---

<sup>19</sup> Section 395.3035(6), F.S.

<sup>20</sup> Section 395.3035(4)(b), F.S.

<sup>21</sup> Section 395.3035(2)(b), F.S.

<sup>22</sup> <http://www.myfloridalegal.com/ago.nsf/Opinions/BD8C081A4DD4E35985257F61004D8D55>

*“All meetings of any board or commission of any state agency or authority or of any agency...at which official acts are to be taken are declared to be public meetings open to the public at all times...”<sup>23</sup>*

During the October 30, 2015, “*Shade Meeting*” mentioned above, Zimmerman Advertising made a presentation regarding advertising strategies for NBHD/Broward Health, followed by what could be viewed as a vote by members of the Board to proceed with the Zimmerman Advertising strategy.

Minutes of the October 30, 2015, “*Shade Meeting*” document that at the end of the Zimmerman Advertising presentation, then Board Chairman David DiPietro ended the meeting by stating, “I think – let’s do this, because we can’t vote, because we’re in the shade, let’s just have everybody express their support, and I’ll start with saying, I fully [endorse] it.”

Then Chair DiPietro then asked each of the other Commissioners in the room whether they “support” moving forward with the direction of the discussions that took place during the “*Shade Meeting*.” DiPietro states, “I know we can’t vote”, but then asked everyone “to be on the record” for their support. One-by-one, five other Commissioners voiced their “approval” with Zimmerman Advertising’s strategy. There was no record of then Commissioner Maureen Canada either supporting or not supporting the strategy. NBHD/Broward Health eventually contracted with Zimmerman Advertising for up to \$1.9 million.

Matters regarding the Public Meetings of NBHD/Broward Health may have been addressed by the Broward State Attorney’s Office. If not, we recommend that the NBHD/Broward Health discontinue the use of “*shade meetings*” except for those expressly permitted by Florida Statutes. Information supports that the NBHD requested an Attorney General Opinion in February 2016 regarding this matter.<sup>24</sup>

### **Closed Non-Public Meeting Not Recorded by a Certified Court Reporter**

All meetings of a governing board of a public hospital and all public hospital records shall be open and available to the public in accordance with s. 286.011, F.S. and s. 24(b), Article I of the State Constitution and chapter 119, F.S. and s. 24(a), Article I of the State Constitution, respectively, unless made confidential or exempt by law.<sup>25</sup>

Additionally, “[a]ll portions of any board meeting which are closed to the public shall be recorded by a certified court reporter.”<sup>26</sup> Furthermore, “A complete recording shall be made of any portion of an exempt meeting. No portion of the exempt meeting may be held off the record.”<sup>27</sup>

---

<sup>23</sup> Section 286.011(1), F.S.

<sup>24</sup> <http://www.myfloridalegal.com/ago.nsf/Opinions/BD8C081A4DD4E35985257F61004D8D55>

<sup>25</sup> Section 395.3035(1), F.S.

<sup>26</sup> Section 395.3035(3), F.S.

<sup>27</sup> Section 286.0113(2)(c)(1), F.S.

During a review of Board minutes, we determined the Board held a closed, non-public meeting without a certified court reporter present. At the conclusion of a January 28, 2015, Board Meeting, the Board entered into a closed “Security and Public Buildings” meeting with all Board members present. According to the minutes of the Board, the Board was advised by the General Counsel that this meeting would not require a court reporter because of the confidential nature of the subject matter.<sup>28</sup>

Even when discussing matters that are defined in Statute to be confidential in nature, all closed, non-public portions of Board meetings are to be recorded by a certified court reporter. The recordings will still be held in a confidential manner and are not to be released, except where authorized. Therefore, we recommend that the Board ensure they properly record with a certified court reporter the complete nature of all portions of Board meetings including those portions deemed to be of a confidential nature. Information supports that the NBHD requested an Attorney General Opinion in February 2016 regarding this matter.<sup>29</sup>

### **Questionable Board Actions Overlapping with Operations**

As previously mentioned, the Board shall not operate in the perceived role of management while simultaneously exercising its charter oversight duties. Selection and awarding of contracts for marketing and advertising appears to be an operational aspect of NBHD/Broward Health and thus should be the decision of NBHD/Broward Health management with the final approval by the Board of contracts over certain dollar thresholds.

As early as February 2015, discussions were taking place between the Board and NBHD/Broward Health executives regarding a desire to increase their marketing efforts. Discussions continued during a “*Strategic Planning Meeting*” in March 2015.<sup>30</sup> At some point, Zimmerman Advertising began to emerge as the company that was at the center of handling these increased marketing efforts.

Doris Peek, who was NBHD/Broward Health’s Senior Vice President of Information Technology and Chief Information Officer, was asked by then Chief Executive Officer (CEO)/President Dr. Nabil El Sanadi, to serve as the acting executive for NBHD/Broward Health’s Marketing and Communications Department. Ms. Peek stated during interviews that because she was involved with marketing efforts, she was asked to prepare the scope of work for an upcoming contract with Zimmerman Advertising. However, while Ms. Peek may have been NBHD/Broward Health’s representative for the scope of work, we found that staff from Zimmerman Advertising actually prepared the initial scope of work and sent it to Ms. Peek on April 21, 2015.

---

<sup>28</sup> January 28, 2015 Board of Commissioners Meeting Minutes.

<sup>29</sup> <http://www.myfloridalegal.com/ago.nsf/Opinions/BD8C081A4DD4E35985257F61004D8D55>

<sup>30</sup> NBHD/Broward Health Board of Commissioners Meeting of February 25, 2015; and Board of Commissioners Strategic Workshop of March 18, 2015.

We noted that Ms. Peek later edited the scope of work document before it was included as part of the final contract.

On May 5, 2015, NBHD/Broward Health entered into a one-year contract with Zimmerman Advertising for up to \$1.9 million to address “the Client’s strategic marketing communications needs in the areas of brand planning as it pertains to communications, media planning and buying, creative, and social media services.” With this new contract, Zimmerman Advertising was taking on more and more marketing responsibilities for NBHD/Broward Health. As a result, Ms. Peek confirmed in her interview, she started letting in-house marketing staff go in July or August of 2015. Ms. Peek then explained there was an undocumented discussion in August 2015 between Ms. Peek, Dr. El Sanadi, and Mr. Chip LaMarca at a local restaurant centered around increasing the advertising budget even further. Ms. Peek explained that this was the first time she was introduced to Mr. LaMarca. Ms. Peek said that during this time, Mr. LaMarca, who was a Broward County Commissioner, also served as Zimmerman Advertising’s liaison with NBHD/Broward Health to identify and develop new business for Zimmerman Advertising.

At a Tax Hearing on September 24, 2015, a meeting required to approve the 2015-2016 millage rate, then Chair DiPietro asked then Commissioner David Nieland if he would like to address the budget. Then Commissioner Nieland made a motion to “amend the 2015-2016 budget to include an accelerated mark[et]ing plan budget with no dollar amount affixed to it.” Then Commissioner Rocky Rodriguez seconded the motion. It appeared that Dr. El Sanadi tried to defer discussion of the topic to a future, planned Strategic Planning Session to allow for further research to be conducted by staff.

During this meeting, Ms. Peek said, “Since Zimmerman is new to the healthcare industry, the past six months has yielded a slow ramp-up and a low output as Zimmerman learns the emotional side of advertising healthcare as opposed to non-healthcare marketing and ad placement, which is their recognized expertise.”

Then Chair DiPietro said the budget did not have a lot of cushion, with only a \$1.2 million surplus. After some discussion at this meeting, then Chair DiPietro asked then Commissioner Nieland to restate his motion to include a monetary amount to comply with Florida Statutes. Then Commissioner Nieland amended his original motion to add \$6 million to the advertising budget. Then Commissioner Darryl Wright seconded the motion. Then Commissioners Sheela VanHoose and Joel Gustafson voted against the proposal. However, then Chair DiPietro, along with then Commissioners Nieland, Rodriguez, and Wright voted in favor of the spending increase and ultimately approved increasing the advertising budget by \$6 million, which placed NBHD/Broward Health’s overall budget at a deficit of \$4.8 million. Then Commissioner Maureen Canada was not present at the meeting and did not vote on the motion. Following the vote, then Commissioner Gustafson stated he was not clear on why the Board would vote on a motion that would place the overall budget in the negative.<sup>31</sup>

---

<sup>31</sup> Second and Final Public Tax Hearing Minutes, September 24, 2015.

On October 30, 2015, the Board held a non-public "*Strategic Planning Meeting*" where Zimmerman Advertising made a presentation regarding advertising strategies to increase utilization of NBHD/Broward Health facilities, followed by then Chair DiPietro surveying the members of the Board as to whether they supported proceeding with the Zimmerman Advertising strategy. During Zimmerman Advertising's presentation, two plans were presented. One plan appeared to address the \$7.9 million originally approved by the Board for advertising and marketing while the other plan would require \$10 million and an additional approval by the Board.

The minutes of the October 30, 2015, "*Shade meeting*" document that at the end of the Zimmerman Advertising presentation, all board members except then Commissioner Canada pledged to "support" the strategy presented by Zimmerman Advertising. Then Chair DiPietro later stated, after the "approval" by the other Board members of the Zimmerman strategy, "I would suggest that we commit to \$10 million."

At the December 16, 2015, Board meeting, the Commissioners discussed authorizing the NBHD/Broward Health CEO/President [Dr. El Sanadi at that time] to enter into a new contract with Zimmerman Advertising not to exceed \$10 million annually for a period of three calendar years (with an annual renewal up to six years once the contract is executed) plus an annual \$1.9 million retainer fee, for a \$11.9 million total per year, beginning July 1, 2016.

Also during this meeting, the Board discussed and approved a motion to provide \$5 million to Zimmerman Advertising as part of the current year budget since they were already approximately six months into the current budget year, which would be half of the ultimate \$10 million that was being considered starting July 1, 2016. Further, the motion would include a breakdown of \$1.5 million for the remaining two weeks of 2015 and \$3.5 million to be provided in early 2016. A specific contract with scope of work details and any metrics would be developed at a later date. The motion carried 5-2 with then Commissioners VanHoose and Gustafson opposed.

During interviews, then Commissioner VanHoose commented on the Zimmerman Advertising contract stating the reasoning behind her opposition to the increase was because she was being asked to approve additional spending authority and a larger fee without any specific contract terms or metrics in place, and she felt Zimmerman Advertising's projected forecast for increased revenues could not be met.

Then Commissioner VanHoose added that then NBHD/Broward Health General Counsel Lynn Barrett told her that Dr. El Sanadi was "pressured" by representatives from Zimmerman Advertising, including then Broward County Commissioner LaMarca, who was working for Zimmerman Advertising at this time. Then Commissioner VanHoose also stated Ms. Barrett commented to her that Mr. LaMarca and another Zimmerman Advertising employee went to Dr. El Sanadi's home to push for approval of the contract and further made contact with Dr. El Sanadi while he was hospitalized following surgery, continuing to push for his support of the Zimmerman



Advertising contract. It was then Commissioner VanHoose's understanding that Mr. LaMarca had powerful influence over operations at NBHD/Broward Health because he recommended many of the appointees to the Board.

An interview with Ms. Barrett supported that Dr. El Sanadi was pressured regarding the Zimmerman Advertising contract. Ms. Barrett stated during the week between Christmas and New Year's Eve 2015, Dr. El Sanadi told her he had to support the Zimmerman contract expansion because then Chair DiPietro said he had enough votes to terminate or get a vote of "no confidence" from the Board pertaining to Dr. El Sanadi and Ms. Barrett.

Also, in an interview with Myla Reizen, an attorney for Foley & Lardner who represented NBHD/Broward Health at that time on legal matters, Ms. Reizen stated she felt then Chair DiPietro was too involved with operational management by having multiple meetings with Dr. El Sanadi regarding the Zimmerman contract. Ms. Reizen stated she was concerned at the level to which then Chair DiPietro was involved, including discussions during a closed, non-public meeting that was attended by Jordan Zimmerman, President of Zimmerman Advertising, and Mr. LaMarca.

Our review noted that there was an appearance of improper involvement by members of the Board with the Zimmerman contract that included the following: lack of competitive procurement, questions surrounding who was executing the contract and developing the scope of work, involvement of Zimmerman representatives in a "*Shade Meeting*", "polling" that took place during that "*Shade Meeting*", rapid escalation of the contract amount with little to no public discussion, and lack of new contract terms or metrics tied to the revised contract amount.

### **Unilateral Actions by Board Members Without Full Board Knowledge or Approval**

As previously mentioned, the Board's oversight duties must be exercised as a whole body and not through the actions of any one commissioner.<sup>32</sup> During the course of our review, we identified several instances where actions on behalf of one commissioner occurred without full Board knowledge or approval. Examples include:

*Board Member Unilaterally Instructed a NBHD/Broward Health Employee to Cancel Efforts to Proceed with an Action Previously Approved by the Full Board.*

The finding below shows how the \$5 million amendment to the Zimmerman Advertising contract was stopped before it was ever executed. The original Zimmerman Advertising contract, originating on May 4, 2015, came to an end on May 3, 2016.

Following the passing of Dr. El Sanadi in January 2016, acting CEO/President Kevin Fusco was instructed by then Chair DiPietro to discontinue proceeding with

---

<sup>32</sup> Section I-4, Role and Purpose, bylaws of the North Broward Hospital District

development of the new Zimmerman Advertising contract related to the \$5 million approved at the December 16, 2015, Board meeting.

During an interview with Mr. Fusco, he stated then Chair DiPietro asked about the Zimmerman Advertising contract. Mr. Fusco replied that he did not think it was the right time to move forward with the Zimmerman contract, especially since Mr. Zimmerman was touting then Chair DiPietro as trying to “push” the contract. Mr. Fusco added that he was later asked by then Chair DiPietro to cancel the pursuit of the \$5 million Zimmerman Advertising contract amendment. Mr. Fusco stated then Chair DiPietro gave this directive unilaterally and in direct contradiction to the Board’s 5-2 vote to move forward with preparation of the amendment. Our review found no record of the Board as a whole ever discussing or voting to reverse their decision to move forward with the \$5 million amendment.

During an interview with then Commissioner VanHoose, she stated she also felt then Chair DiPietro’s decision to direct Mr. Fusco to cancel the \$5 million amendment that increased the Zimmerman Advertising contract was inappropriate because then Chair DiPietro did not have the authority to unilaterally cancel a decision approved by the full Board. She said she felt this way even though she was one of two dissenting votes against the increase.

In this instance, our review found no available evidence the Board was allowed to have input or vote as a body regarding the cancelling of a contract previously approved by the entire Board.

*Board Member Requested NBHD/Broward Health CEO/President Engage in Contract Without Full Board Knowledge or Approval.*

Based upon limited information provided during our review, Chair DiPietro, without full Board approval, directed Dr. El Sanadi to engage Wayne Black to investigate possible corruption and allegations of kickbacks at NBHD/Broward Health. Two contracts were executed with Mr. Black. The first contract, dated March 19, 2015, stated the scope of work was “risk and security consultant services.” The second contract, dated August 31, 2015, stated the scope of work was “consultant services” which included assessment for risk and security services; the procurement Request for Proposal process for security; and “any other assignments directed by the CEO/President.”

In an interview with then NBHD/Broward Health Senior Vice President and Chief Human Resources Officer Dionne Wong, she stated Dr. El Sanadi stopped by her office one day and told her that he needed a contract template for a consultant agreement. Ms. Wong stated her former assistant, Rosanna Beltres, contacted the Contract Administration Unit to obtain the template. Ms. Wong added, Dr. El Sanadi mentioned the name of Wayne Black because his name had to be added to the template. When asked about the scope of work that needed to be added to the template, Ms. Wong stated Dr. El Sanadi told her that Mr. Black does investigative review work. According to Ms. Wong, Ms. Beltres filled in the template, and Dr. El

Sanadi got two copies. Ms. Wong also stated she recalled the amount of the contract was for \$22,000, but she did not know how Wayne Black was referred to Dr. El Sanadi.

Then NBHD/Broward Health Corporate Security Director and Chief Ethics Officer Carlos Perez-Irizzary stated during interviews that then Chair DiPietro recommended Wayne Black to Dr. El Sanadi because Mr. Black had previously investigated a procurement fraud case in Broward County that led to a federal indictment of a high-ranking official.

During our review, NBHD/Broward Health provided a single document that summarized the results of Mr. Black's work related to these two contracts. The document, dated May 25, 2016, only covered risk and security issues and the security procurement Request for Proposal at NBHD/Broward Health. It did not address the possible corruption and allegations of kickbacks at NBHD/Broward Health. Our review was unable to determine if another document or report was prepared that addressed the corruption and kickback allegations.

The full Board did not become aware of this engagement until a January 29, 2016, email was sent by Mr. Black to all Board members, stating, "David DiPietro directed Nabil El Sanadi to engage me to investigate his (Nabil's) information and allegations of corruption at [NBHD/Broward Health]."

In another email dated January 31, 2016, from Wayne Black to David Ashburn, Greenberg Traurig, LLC, it states, "Dr. El Sanadi, at the direction of the Board Chair, engaged me to conduct [the internal corruption investigation]."

During a February 10, 2016, special meeting, Commissioner Christopher Ure asked who actually engaged Wayne Black and who prepared the contract. Then General Counsel Barrett answered his question by stating the two contracts with Mr. Black had been prepared by Human Resources.

Also, during the March 16, 2016, Special Audit Committee Meeting, the Commissioners discussed the hiring of Wayne Black and who executed his contract. Meeting minutes state, "Commissioner DiPietro went on record to state that he received a call from a friend in the healthcare business, (he believed it was back in about March 2015), regarding troubling allegations of kickback schemes and other crimes that may be occurring. Commissioner DiPietro stated that he relayed these allegations to Dr. El Sanadi and recommended Mr. Black because he had successfully investigated the CFO of the District about a decade prior."

During his interview, Commissioner Ure stated he felt then Chair DiPietro was actually more involved in the decision to hire Mr. Black. Commissioner Ure said it was then Chair DiPietro who had Ms. Wong prepare the agreement that engaged Mr. Black. Commissioner Ure added then Chair DiPietro did not involve the other Board members during the process of hiring Mr. Black. Commissioner Ure added, "What I

can say with absolute certainty is that [Dr.] El Sanadi would not have gone to Dionne Wong to prepare an agreement to sign Wayne Black for any engagement.”

In this instance, we could find no evidence then Chair DiPietro obtained full Board approval to direct Dr. El Sanadi to have Mr. Black conduct an investigation. However, given the nature of the procurement, circumstances may have warranted a special procurement, but the bylaws, charter, and policies do not allow for such a procurement.

#### *Board Member Unilaterally Appointed a Liaison with the OCIG*

On January 29, 2016, the OCIG sent a letter addressed to then Chair DiPietro stating the intent of the OCIG to conduct a review of NBHD/Broward Health’s contracts since July 1, 2012. The letter requested the following: “Please identify a person in your organization to act as liaison for this body of work and provide that person’s contact information...”

Later that same day, then Chair DiPietro responded to the OCIG advising that Vinnette Hall, NBHD/Broward Health’s Internal Auditor at that time, had been identified as the person to act as liaison as was requested.

During interviews, the OCIG received conflicting statements regarding the events that led to the selection of the liaison from NBHD/Broward Health who would serve the OCIG during the review. In an interview with then General Counsel Barrett, she stated that Chair DiPietro unilaterally appointed Ms. Hall to liaison with the OCIG in their request for information without consulting with the full Board. Ms. Barrett also stated then Acting CEO/President Fusco wanted her as General Counsel to serve as liaison, but then Chair DiPietro overruled, stating, “I pick, and I pick Vinnette.”

Mr. Fusco stated during interviews he contacted then Chair DiPietro after receiving a copy of the letter sent by the OCIG and requested he (Mr. Fusco) be appointed the liaison for the OCIG request with the assistance of Ms. Barrett. However, according to Mr. Fusco, then Chair DiPietro told him that communication had already taken place with Ms. Hall and she was going to serve as liaison. Mr. Fusco stated he felt as interim CEO/President it should have been his decision to appoint the liaison but then Chair DiPietro made the appointment of Ms. Hall unilaterally without bringing it to the full Board. Mr. Fusco added he felt then Chair DiPietro’s decision was probably a violation of the charter as his actions amounted to operational management. Mr. Fusco further stated he initially asked Ms. Hall to copy him on everything she sent to the OCIG, but then Chair DiPietro subsequently sent an email that directed Ms. Hall not to copy Mr. Fusco on any items sent to the OCIG.

Ms. Hall stated during interviews that then Chair DiPietro appointed her as the liaison with the OCIG at the onset of the OCIG review. She added she did not know if Chair DiPietro consulted the rest of the Board before her appointment. She further added she did not feel qualified to draw a conclusion as to whether or not this action violated

NBHD/Broward Health's charter by unilaterally appointing her as the liaison. Ms. Hall did acknowledge receiving an email from then Chair DiPietro stating that she did not need to copy Mr. Fusco on her responses to the OCIG request. Ms. Hall stated she was concerned with this directive and brought her concerns to Commissioner Wright, who was the Audit Committee Chair at the time. Ms. Hall explained that the final decision (from either then Chair DiPietro or then Commissioner Wright) was that she did not need to copy Mr. Fusco on her responses to the OCIG. She also recalled getting a directive from then Chair DiPietro to issue a "litigation hold" to all staff. Ms. Hall concluded this to be the only action taken by then Chair DiPietro that she would have considered possible involvement with operational management.

Then NBHD/Broward Health Vice President of Compliance and Privacy Donna Lewis, confirmed during interviews that then Chair DiPietro unilaterally appointed Ms. Hall to liaison with the OCIG in their request for information without consulting the full Board. Additionally, then Commissioners VanHoose, Rodriguez, and Commissioner Ure also confirmed that then Chair DiPietro unilaterally appointed Ms. Hall to liaison with the OCIG without consultation with the entire Board. Commissioner Ure said he recalled then Chair DiPietro apologized for unilaterally appointing Ms. Hall at a meeting or via email.

Although circumstances were unusual, there was no policy allowing for the Board Chair to unilaterally appoint a point of contact or liaison for the review.

*Board Member Unilaterally Sought Involvement into the Selection of the Interim CEO/President at NBHD/Broward Health*

Mr. Fusco was selected on January 14, 2016, to serve as Acting CEO/President by Dr. El Sanadi due to Dr. El Sanadi's upcoming scheduled surgery.

Following Dr. El Sanadi's passing on January 23, 2016, Ms. Wong recalled during interviews that the following morning there was an executive meeting to discuss how NBHD/Broward Health should move forward. Sometime after the meeting, Ms. Wong got a call from then Chair DiPietro who indicated the only person he could think of that had a proven track record and credibility was Pauline Grant, who had been serving as CEO at Broward North since March 16, 2003, but does not any longer.

Ms. Wong further added then Chair DiPietro stated he had become aware that Mr. Fusco was also interested in remaining in the position. Ultimately, then Chair DiPietro asked Ms. Wong to reach out to both Ms. Grant and Mr. Fusco to gauge their interest. Both gave indications to Ms. Wong they may be interested and would be willing to talk to then Chair DiPietro about it. Ms. Wong relayed the feelings of Ms. Grant and Mr. Fusco back to then Chair DiPietro. Ms. Wong stated she suggested then Chair DiPietro should talk with both individuals, despite then Chair DiPietro's preference for Ms. Grant.

In an interview with Ms. Grant, she stated that then Chair DiPietro first contacted her in late January 2016 to inquire if she would be interested in the Interim CEO/President position. Ms. Grant told then Chair DiPietro she was not sure and she did not want to go up against Mr. Fusco for the position.

Over the next two months there were several discussions between Ms. Wong, then Chair DiPietro, Ms. Grant, and Mr. Fusco regarding the CEO/President position. In addition, Ms. Wong, Ms. Grant, and Mr. Fusco all confirmed that some discussions took place in then Chair DiPietro's office with Ms. Wong also attending some of these meetings herself.

Then Commissioner VanHoose stated during interviews that then Chair DiPietro's unilateral decisions to have Ms. Wong contact Ms. Grant to gauge her interest in the CEO position and conducting interviews with Mr. Fusco and Ms. Grant at then Chair DiPietro's law office could be considered inappropriate.

Shortly after Dr. El Sanadi's passing, the Board ratified a motion to recognize Mr. Fusco as Acting CEO/President for the foreseeable future during a January 27, 2016, Board meeting. Mr. Fusco no longer serves in that role.

However, then Chair DiPietro continued to pursue Ms. Grant for the position. Ms. Grant stated she recalled having "maybe one or two" more conversations with then Chair DiPietro regarding the CEO/President position, including the night before a March 16, 2016, Board meeting. Ms. Grant stated she eventually agreed to serve but did not know it was going to happen the next day until she arrived at the Board meeting and saw the agenda.

During the March 16, 2016, Board meeting, there was much discussion among the Commissioners about the CEO/President position and whether replacing Mr. Fusco was the best choice. During the discussion, then Chair DiPietro advocated for both Ms. Grant and Mr. Mark Sprada, even though our review found no evidence of prior discussions with Mr. Sprada leading up to this meeting. Mr. Fusco was not in attendance and unable to comment to the Board on this matter due to an illness.

Ultimately, then Chair DiPietro made a motion to replace Mr. Fusco with Ms. Grant. Then Commissioner Wright asked whether anyone had spoken to Ms. Grant and asked if she would take the position. Then Chair DiPietro made no mention of the previous discussions held with Ms. Grant but said "she's a gracious woman and she's not asking for the job but if the Board asks her, she will do whatever they ask her to do for the system."

Later the Board split the decision into two votes, with a vote of 4-3 to replace Mr. Fusco as Acting CEO/President and soon after a unanimous vote to appoint Ms. Grant as Interim CEO/President. Ms. Grant stated during interviews she did not know ahead of the meeting Mr. Fusco was being removed from the position and did not know if then Chair DiPietro's actions were proper.

### Some Contracts Were Not Competitively Bid

Section IV-7(H) of the bylaws provides that the Legal Affairs and Governmental Relations Committee's duties include, "...reviewing contracts for physician services, major employment contracts, and other major contractual commitments to be presented to the Board..."

Policy GA-001-140, *Selection and Approval of Professional Contractors and Physicians*, states, "Unbudgeted operational expenditures for professional services greater than \$250,000 within a single physical year requires approval from the Board of Commissioners prior to contract execution."

Policy GA-001-140 also covers relationships with these two types of professions and contains specific language regarding exemptions from competitive bidding. It states, "Every effort shall be made, provided doing so, would not subject NBHD/Broward Health to undue financial or operational risk, to promote competition by obtaining proposals from at least two (2) qualified contractors providing reasonably similar services. Only President/CEO, Senior Vice President/CFO or his/her designee can waive the quote requirement."

Additionally, Policy GA-001-140, adds, "Professional Services that are strategic in nature, as determined by the President/CEO or his/her designee, in writing, will be exempt from the requirement to obtain at least two (2) proposals from qualified contractors providing reasonably similar services[.]" This language allows management discretion to exempt whatever he/she chooses to be considered "strategic" from an open Request for Proposal process.

During the course of our review, we noted the following significant professional services contracts were not competitively bid in accordance with NBHD/Broward Health policy:

➤ Patient Engagement Advisors (PEA), LLC

This contract was signed on April 10, 2013, to run five consecutive years from December 5, 2013, to December 4, 2018. The \$1.4 million contract was procured primarily for PEA staff to provide bedside delivery of medication for patients prior to discharge. The contract was presented for approval at the March 13, 2013, Board Meeting by Calvin Glidewell, CEO of NBHD/Broward Health Medical Center (f/k/a Broward General).

We were not provided documentation detailing how this contract was procured or awarded. We were also not provided documentation that supported the procurement of this professional service contract would be exempt from the requirement to obtain at least two proposals from qualified contractors, or any documentation that supported an appropriate NBHD/Broward Health executive waived the minimum quote requirement or that they were "strategic" in nature.

Wayne Black & Associates, Inc.

Two separate Professional Services contracts were signed with Wayne Black & Associates, Inc., one on March 19, 2015, for \$20,000 and a second on August 31, 2015, for \$215,000. The contracts called for Wayne Black & Associates to provide assessment of NBHD/Broward Health's security services, review of NBHD/Broward Health's procurement process, and any other assignments as directed by the NBHD/Broward Health CEO/President. These two contracts were signed by Dr. El Sanadi.

We were not provided documentation detailing how this contract was procured or awarded. We were also not provided documentation that supported the procurement of these professional service contracts would be exempt from the requirement to obtain at least two (2) proposals from qualified contractors, nor documentation that supported an appropriate NBHD/Broward Health executive waived the minimum quote requirement or that they were "strategic" in nature. The Board was not required to approve these contracts since they collectively fell under the \$250,000 minimum threshold mentioned in Policy GA-001-140. It was suggested by several individuals the two contracts with Mr. Black were prepared outside of the typical contract preparation process by Ms. Wong at the direction of Dr. El Sanadi and/or then Chair DiPietro.

➤ Zimmerman Advertising, LLC

On May 4, 2015, NBHD/Broward Health entered into a one-year contract with Zimmerman Advertising up to \$1.9 million to address "the Client's strategic marketing communications needs in the areas of brand planning as it pertains to communications, media planning and buying, creative, and social media services."

Other than meeting minutes of the previously discussed "shade meeting", we were not provided documentation detailing how this contract was procured or awarded. We were also not provided documentation that supported that this contract (or the subsequent discussions to increase the contract amount) was competitively bid. Additionally, we were not provided documentation that supported the procurement of this professional service contract would be exempt from the requirement to obtain at least two (2) proposals from qualified contractors, including no documentation that supported an appropriate NBHD/Broward Health executive waived the minimum quote requirement. Furthermore, we were not provided documentation that supported this contract was reviewed by the Legal Affairs and Governmental Relations committee or approved by the full Board.

There were additional discussions by the Board throughout the remainder of 2015 and into early 2016 to increase the original contract amount in return for additional advertising services. However, we found no evidence of any further contract amendments or new contract approvals related to Zimmerman Advertising.



**OCIG CONCLUSIONS & RECOMMENDATIONS**

During this review, we noted several instances where Commissioners' actions crossed over into the role of day-to-day operational management of NBHD/Broward Health in violation of the organization's charter. Additionally, we found that the policies were not sufficient to address the Board members or the Board's actions as a whole.

Therefore, we recommend the following:

- The Board should have comprehensive policies to address detailed expectations of the Board as a whole and as individual Board members.
- The Board should develop a specific policy to address the conduct and execution of "*shade sessions*" that complies with s. 395.3035, Florida Statutes.
- The Board should amend bylaws and/or the charter to enhance current language regarding the role of the Board, which should not operate in the perceived role of management and all actions taken should be addressed by the Board as a whole.
- The Board should amend bylaws and/or the charter to address accountability for actions by the Board or individual Board members when their actions fall outside of their authority.
- The Board should take steps to enhance the independence of the audit committee from operational and financial activities.
- Board members should receive annual refresher training on all significant NBHD/Broward Health policies.

**APPENDIX A – OBJECTIVES, SCOPE AND METHODOLOGY**

The objective of this review was to determine any possible improprieties or inappropriate actions including violation of law, rule, regulation, charter, bylaws or procedures associated with contracts entered into by NBHD/Broward Health from 2012-2016. This review also addressed additional issues that came to our attention during the course of our review.

To achieve the objective, OCIG reviewers performed the following methodology:

- Researched and reviewed applicable governing statutes, rules, and regulations pertaining to NBHD/Broward Health;
- Researched and reviewed applicable bylaws, charters, and policies and procedures of NBHD/Broward Health;
- Reviewed contract documentation, and associated correspondence, related to select contracts entered into or being considered by NBHD/Broward Health between 2012-2016;
- Reviewed minutes of Board meetings, certified court reporter recordings of “*shade*” meetings/workshops, minutes of committee meetings, and other available documentation;
- Interviewed select NBHD/Broward Health Board members, management, and staff; and,
- Evaluated compliance with internal policies regarding awarding of NBHD/Broward Health contracts.

The initial scope of this review included all contracts entered into by NBHD/Broward Health from July 1, 2012 to 2016, and all related correspondence. During the course of the review, the project team narrowed their focus to nine contracts (or potential contracts) to determine the circumstances surrounding the awarding of the contract and whether requirements and/or best practices for its award were followed. These contracts were specifically chosen based upon concerns raised to OCIG staff from law enforcement officials, discussions with NBHD/Broward Health staff and management, and contemporaneous media interest. The contracts chosen included those listed in Appendix C.

This review was conducted in accordance with *Principles and Standards for Offices of Inspector General*, published by the Association of Inspectors General.

**APPENDIX B – LIST OF INTERVIEWEES**

The following is a list of individuals who agreed to be formally interviewed during the course of our review. It should be noted that some of these individuals only agreed to be interviewed once and declined or did not respond to our request for a follow-up interview. It also should be noted that most of these individuals have separated from their role with NBHD/Broward Health.

- Kevin Fusco
- Lynn Barrett
- Myla Reizen
- Donna Lewis
- Doris Peek
- Dionne Wong
- Maria Panyi
- Vinnette Hall
- Mary Ann Wing
- Rocky Rodriguez
- Linda Roberson
- Christopher Ure
- Sheela VanHoose
- Joel Gustafson
- Carlos Perez-Irizzary
- Pauline Grant
- Zachariah Zachariah, MD

The following is a list of individuals who were provided an opportunity to be formally interviewed but either declined, did not respond to our request, or were not available during our interview time period. It also should be noted that most of these individuals have separated from their role with NBHD/Broward Health.

- David DiPietro
- Wayne Black
- Maureen Canada
- Daryl Wright
- David Nieland
- Kenneth Herskowitz, MD

**APPENDIX C – CONTRACTS REVIEWED IN DETAIL**

<b>Contracted Entity</b>	<b>Contract Period</b>	<b>Contract Value</b>	<b>Purpose of Contract</b>
Enesco North Broward, LLC	July 1, 2013, through June 30, 2016.	\$7,112,252 per year.	Anesthesiology Department Professional Care Services including management services, in-hospital physician staffing and supervision required to provide medical service to patients.
Aramark Healthcare Support Services, LLC	October 7, 2009, through June 30, 2017.	Not determinable	Food and nutrition management services.
G4S Secure Solutions, Inc.	June 1, 2010, through August 31, 2015, with additional extensions.	Approximately \$3,564,887.	Security services.
Dr. Kenneth Herskowitz, MD	January 1, 2016, through December 31, 2017.	\$945,000 maximum.	Clinical, administrative, and medical director services.
Patient Engagement Advisors, LLC	March 26, 2013, through December 4, 2018.	Signed for \$1,400,004 (\$280,000 per year for five years), for services to begin at NBHD/Broward Health Medical Center (Broward General). Total payments to PEA for the contract, travel and living reimbursement expenses through June 21, 2016 totaled \$2,395,336.	Bedside delivery of medication for patients before being discharged.
Wayne Black & Associates, Inc.	Contract #1 - March 19, 2015, through September 18, 2015.  Contract #2 – August 31, 2015, through August 30, 2016.	\$20,000.  \$215,000.	Risk and security consultant services.  Risk and security services, procurement RFP processes, and any other assignments as directed by the CEO/President.

Contracted Entity	Contract Period	Contract Value	Purpose of Contract
Dr. Wilson DuMornay, MD	February 1, 2015, through January 31, 2017.	\$75,000 maximum.	Physician Payment for Uncompensated Care Inpatient Fee for Service NBHD/Broward Health Medical Center.
	February 1, 2015, through January 31, 2017.	\$50,000 maximum.	Physician Payment for Uncompensated Care Inpatient Fee for Service NBHD/Broward Health North.
	February 1, 2015, through January 31, 2017.	\$657,000 maximum.	On Call Coverage NBHD/Broward Health Medical Center.
	February 1, 2015, through January 31, 2017.	\$657,000 maximum.	On Call Coverage NBHD/Broward Health North.
Dr. Zachariah P. Zachariah, MD	February 1, 2016, through January 31, 2018.	\$867,000 maximum.	Clinical, administrative, and medical director services
Zimmerman Advertising, LLC	May 4, 2015, through May 3, 2016.	\$1,899,996.	Strategic marketing communication needs in the areas of brand planning as it pertains to communications, media planning and buying, creative, and social media services.



Executive Office of the Governor  
Office of the Chief Inspector General  
The Capitol, Room 1902  
Tallahassee, Florida 32399-0001

Office Phone Number – (850) 717-9264  
Fax Number – (850) 921-0817  
Whistle-blower's Hotline – 800-543-5353