Florida Department of Law Enforcement
Investigative Summary

CASE NUMBER: EI-14-0071

Date: July 6, 2005

CASE AGENT: Michael E. O’Connell

CASE ANALYST: Kara V. Anderson

PREPARED BY: Inspector Michael E. O’Connell
Inspector Mark S. Mitchell
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DATES COVERED: July 21, 2004 TO: July 6, 2005

CASE SUBJECT: FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES

CASE BACKGROUND

On July 21, 2004, FDLE received a letter from Chief Inspector General (CIG), Derry Harper, including a copy of the final report regarding a Whistle-blower Investigation (CIG #200403230002). The Whistle-blower investigation was predicated upon a complaint that top administrators of the Florida Department of Children and Families had allowed themselves to be influenced by individuals and entities that stood to profit from DCF. Specifically, the Whistle-blower complaint alleged that DCF Secretary Jerry Regier, DCF Deputy Secretary Ben Harris, and DCF Chief Information Officer Glenn Palmiere accepted gifts, travel, and other forms of compensation from a variety of entities, which were profiting from DCF.

During the subsequent review of the report, it was determined that some of the statements taken by CIG investigators were compelled and therefore could not be used in a criminal investigation. The entire CIG report was subsequently presented to FDLE Assistant Legal Counsel Craig Rockenstein. Rockenstein reviewed the CIG investigative reports and summary and returned a redacted copy of the reports to the Office of Executive Investigation. The redacted version of the reports withheld all compelled statements given by the principal subjects.

Upon receipt of the redacted CIG investigative summary, the Office of Executive Investigation conducted a preliminary inquiry to determine if the allegations warranted a criminal investigation. At the conclusion of the inquiry it was determined that of the various allegations, several contained enough evidence to warrant further inquiry by FDLE. On August 20, 2004, FDLE investigators met with Assistant State Attorney (ASA) Warren Goodwin of the Second Judicial Circuit of Florida, and ASA Goodwin concurred that the findings of FDLE warranted a criminal investigation.
FDLE’s criminal investigation used the redacted CIG Investigative Summary as a foundation to determine if the individuals involved had violated State or Federal statutes. Investigative steps taken by FDLE during this investigation included, but were not limited to, the interviews of numerous witnesses, analysis of thousands of emails sent to and from DCF computers, and various other contract and document analysis.

In addition to the CIG investigative findings, DCF Inspector General (IG) Sheryl Steckler notified FDLE of various other allegations. Between July 21, 2004, and January 3, 2005, FDLE received fourteen additional complaints regarding the procurement practices of DCF Officials.

**KIOSK PROJECT**

In December 2003, DCF management decided to develop a pilot study to determine the effectiveness of Kiosks being used by DCF Clients to obtain services. In February 2004, a procurement letter was sent to various Florida universities advertising for a feasibility study to be conducted regarding the Kiosks. On March 19, 2004, the Florida State University, Institute for Health and Human Services (IHHS), was contracted to perform the feasibility study for $449,350. FDLE’s initial review discovered information that DCF management might have involved themselves in inappropriate contact with IHHS Director Dr. James Bax and employee Elizabeth VanAcker, prior to IHHS being awarded the contract.

**TRAINING REQUEST FOR PROPOSAL**

The Florida State Statute establishing the method by which entities conducting training of Community Based Care (CBC) Agencies were selected, administered, and paid expired on December 31, 2003. As a result of the statute’s pending expiration, DCF developed a Request for Proposals (RFP) to replace the training system. The RFP solicited proposals from qualified vendors in furtherance of DCF’s outsourcing efforts. FDLE’s initial review discovered that DCF Management might have communicated inappropriately with James Bax and Elizabeth VanAcker of Edmetrics, Inc. regarding the DCF Training RFP.

**COBRIS**

During the course of this investigation, numerous DCF employee interviews indicated that the CoBRIS computer program may have been developed based upon code taken from the DCF program Unity One. Unity One was a program developed by DCF employee Glenn Palmiere, and CoBRIS was a computer system developed by Bax’s corporation, Edmetrics, Inc. Each program was designed to assist CBC agencies to access DCF computers. Additionally, each program was developed utilizing Cache®, a technology platform system sold by InterSystems Corporation.

Information developed by FDLE indicated that aspects of the Unity One program was on the Edmetrics computer server during the time that CoBRIS was being developed.

**INTERSYSTEMS**

FDLE’s initial review indicated that Harris and Palmiere developed personal relationships with, and accepted gifts and lodging from, InterSystems employees Clint Moon and Brian Fives. The alleged gifts and lodging were given at a time that InterSystems was bidding on DCF training contracts in the amount of $550,000. It appeared that Harris and Palmiere might have engaged in
social relationships with Moon and Fives that were unethical or gave the appearance of ethical
impropriety.

HOMESAFENET SYSTEMS INTEGRATOR CONTRACT

FDLE’s initial review determined that during the process of procuring a $21 million
HomeSafeNet (HSn) system integrator, DCF’s Harris and Palmiere might have engaged in
unethical practices by meeting with employees of American Management Services, Inc. (AMS)
Specifically, Harris and Palmiere met with AMS employees at the AMS headquarters in Fairfax
VA, prior to the release of the HSn RFQ. This meeting may have given AMS an unfair
advantage over competing companies.

In response to the October 2003 RFP to complete the DCF computer system HSn, DCF received
bids from three companies, Ciber, Inc., Unisys, and AMS, Inc. Included in the Best and Final
Offer (BAFO) submitted by the AMS Corporation were numerous references to CoBRIS. It was
alleged that inappropriate communications may have occurred among DCF Management,
employees of AMS and the developers of CoBRIS.

INVESTIGATIVE NARRATIVE

KIOSK PROJECT

On August 25, 2003, Interview USA, Inc. attempted to attract business from DCF by
demonstrating software technology specifically designed to conduct virtual interviews of DCF
clients. The demonstration was to show that the kiosks could conduct intake interviews of
Economic Self-Sufficiency (ESS) clients.

In November of 2003, DCF Chief of Staff, Samara Kramer, became involved in the Kiosk project
when Connie Reinhardt, ESS Program Director, brought several concerns to her attention.
Reinhardt advised Kramer that the ESS Program Office had been prevented from having input on
the Kiosk project and that funds for the Kiosk project were going to come from sources already
allocated for other purposes. In addition, Reinhardt stated that the Institute for Health and Human
Services (IHHS) was being lined-up for a non-competitive procurement to conduct the feasibility
study regarding the Kiosks.

Kramer stated to DCF investigators that she felt that FSU’s IHHS did not have the necessary
experience and expertise in feasibility studies or Kiosk development. Kramer felt that without the
credentials to perform the study, FSU should not be given sole source status for the Kiosk project.

In December 2003, the DCF Information Technology Office made its first attempt to develop a
feasibility study to determine if Kiosk usage was practical. This first attempt came in the form of
a Request for Quote (RFQ) that was released December 1, 2003. Two days later (12/03/03) the
RFQ was retracted at the direction of Ben Harris. According to DCF employee David Shepard,
Harris told him that Kramer was not happy with the methodology used to release the RFQ and
wanted time to review the RFQ before it went public.

According to Shepard, the Kiosk project lay dormant until January 2004. In January of 2004,
Harris provided Shepard with a document that was written by IHHS employee Elizabeth
VanAcker. Shepard stated that the document included all of the elements of the earlier RFQ.
Shepard further stated that Harris had asked Bax to participate in the project. During this period of time, Bax was the director of IHHS.

According to Shepard, at the same time he received the FSU document from Harris, Harris directed him to create another procurement document in order to solicit proposals. Shepard stated that he used the document written by VanAcker as the template for the procurement letter sent to the universities.

According to Shepard, he sent the procurement letter to various universities in February 2004, but did not send one to FSU. Shepard stated that since FSU had developed the procurement document, Shepard felt they were not eligible to bid on the project.

Shepard told DCF investigators that VanAcker contacted him a short time later and requested the procurement letter so that FSU could bid on the project. Shepard stated that he had no doubt that Harris intended to include FSU in the process and, as a result, Shepard provided VanAcker with the letter.

Ultimately DCF received bid proposals for the Kiosk study from FSU and Florida International University (FIU). Shepard stated that Harris directed him to include David Chaney, DCF Senior Operations Analyst, in the contract awarding process. Shepard told Chaney that the process for choosing a winning bidder could be conducted one of two ways: 1) Develop a set of scoring criteria based on the procurement letter and compare the two proposals based on that criteria; or 2) chose the least expensive bid.

Chaney told investigators that his first day at DCF was August 25, 2003, the same day Interview USA demonstrated the Kiosk project. Chaney stated that Jim Bax was in attendance at that demonstration. When questioned by investigators about the significance of Jim Bax’s presence during the demonstration, Chaney stated that the intent was always to do a feasibility study with FSU.

On March 19, 2004, DCF contract #QF4B4 regarding the feasibility study for Kiosk technology was awarded to the IHHS at Florida State University.

A DCF interview with Interview USA’s President, Raj Doraisamy, indicated that in March of 2004, an FSU representative and employee of Jim Bax (name unknown), contacted him and asked for a meeting where he demonstrated the prototype Kiosk to Bax and other FSU representatives. Doraisamy stated that from the time that Bax became involved, Bax indicated that he was in charge of the Kiosk project and that Interview USA would be working through him. Doraisamy stated that Bax entered into a subcontract with Interview USA where Interview USA would produce the software to be used with the Kiosks. Doraisamy stated that he believed Interview USA and DCF would be in business to build and implement Kiosks in DCF service centers. He further stated that the tasks became unclear once IHHS became involved. Doraisamy stated that while IHHS’s involvement was questionable in that they had no expertise that required their input in the Kiosks, he went along with the instructions of Bax because that was apparently the only way to do business with DCF.

According to the DCF report,

“Chaney’s testimony that the intent was to always contract FSU for the study was confirmed by email documentation dated prior to the February 2004 attempt to compete the project among the Universities. The documents show the contract deliverables,
budget, and performance specifications to be carried out by FSU for the project. The email senders and recipients include Jim Bax, Elizabeth VanAcker, David Shepard, David Chaney, Jim Clark and Ben Harris."

In furtherance of the award of the contract to IHHS, DCF SunCoast Region Deputy Director, Janet Gregory, approved the Kiosk contract with IHHS when it had not gone through the established review process as per DCF policy. Gregory stated that even though it was after the fact, she did not have a problem with the internal approval process not being followed.

Former DCF Deputy Secretary for Programs and Acting District Administrator James Clark stated that he attended a DA’s meeting on or about October 29, 2003 that was held at Jim Bax’s home. During the meeting Harris requested that Clark assist with the Kiosk study. Clark accepted the offer and took an OPS position with DCF effective January 2, 2004.

Clark stated that his responsibilities were to provide Harris and Chaney with programmatic knowledge in the field of Kiosk projects.

On December 15, 2003, Clark, who at the time was listed by DCF personnel records as Deputy Secretary and in an Acting District Administrator position, sent an email to Harris and Chaney recommending several policy ideas for ESS (Kiosk) related to the privatization of the ESS (Kiosk) program.

According to Clark, sometime in late March 2004, Harris informed him that funds for the DCF OPS position were running out. Harris recommended that Clark work for Jim Bax and the IHHS Institute. Clark stated that Bax offered him a position with IHHS, which he accepted in March 2004. An email sent by Clark to Harris on March 10, 2004 stated, “My arrangement with IHHS will allow me to continue to do work for you up to ten hours a week, I’d like to keep my office and cell for that purpose.”

Email analysis indicates that Clark’s association with IHHS began as early as January 8, 2004. On that date, Clark sent an email to VanAcker suggesting several outcome measures for IHHS to consider. Some of these outcome measures were used in the development of the Kiosk project procurement letter that VanAcker submitted to Shepard and that was ultimately used as the procurement document. As a result of his actions, Clark participated through rendering of advice for the Kiosk project, then later went to work for IHHS, the recipient of the Kiosk project.

FDLE investigators interviewed DCF Comptroller Otto Hough. Hough alleged that Jim Clark was an OPS employee with DCF and was also under contract for a project with DCF at the same time. The contract was for a study of the Kiosk project. Hough stated that the Kiosk project was an attempt by Harris to have Kiosks set up at various locations around the State. Each Kiosk would have a computer that DCF clients could use to obtain information on services being offered by DCF.

Hough stated that the IHHS was to administer the contract as well as the study. According to Hough, the contract was for $499,000 additional dollars. Hough recalled that the contract stated that there was not to be any hardware purchased as part of the study and yet the contract ended up with $160,000 in hardware. The Kiosk idea had been tried by DCF several years prior to Harris’ attempt to initiate the program. According to Hough, Harris was made aware of the past failure of the Kiosk idea. Hough stated that despite repeated advice from DCF administrators Harris continued to push the idea.
DCF Comptroller Otto Hough felt that Bax’s relationships with DCF management allowed him to gain inside information on DCF procurements and then use this information to bid on projects on behalf of Edmetrics or IHHS.

**TRAINING REQUEST FOR PROPOSAL**

In spring of 2003, various DCF Administrators recognized that the Florida State Statute establishing the method by which entities doing training of CBCs were selected, administered and paid was due to expire December 31, 2003. As a result of the statute’s pending expiration, DCF Director of Training, Amy Peloquin, was tasked with developing a Request for Proposals (RFP) to replace the training system. The RFP solicited proposals from qualified vendors wishing to provide training to the CBCs in furtherance of DCF’s outsourcing efforts.

In an interview with FDLE, Peloquin alleged that from the beginning her attempts to develop the RFP were circumvented by Ben Harris and Peloquin’s immediate supervisor, Cathleen Newbanks. Peloquin alleged that the reason for Harris and Newbanks’ actions were to ensure that James Bax and certain companies would be selected to provide the training.

According to Peloquin, she met with IHHS Director Jim Bax and Liz VanAcker in December 2002. During the meeting Bax asked numerous questions regarding the current training contract that was due to expire on December 31, 2003. The current training contract was with Tallahassee Community College (TCC), Florida Atlantic University (FAU) and the University of South Florida (USF). All three schools provided child welfare training to the State of Florida and the CBCs through DCF contracts administered by TCC.

Bax told Peloquin that he had spent time with Representative Sandra Murman writing the statute that was to replace the one due to expire December 31, 2003. According to Peloquin, Bax stated that he would be the new training provider and offered Peloquin a position as Director. Peloquin advised that she was very surprised by the offer. Bax showed Peloquin some rough language in the law that removed TCC, FAU and USF as training providers and allowed other vendors to apply for the training provider position.

According to Peloquin, sometime in late March 2003, Celeste Putnam called Peloquin’s attention to part of the language in the proposed legislation to change the DCF training program. The proposed legislation included a $100,000 line item to conduct an evaluation and redesign of the Child Welfare Training Program. According to Peloquin, the evaluation was to be done by Bax through the IHHS (Senate Bill 1458). This evaluation would be used in the decision process for the development of the RFP to be issued in December of 2003.

Peloquin stated that as a result of the March 2003 discussion between Putnam and Peloquin, Putnam met with Representative Murman and voiced her concerns regarding Bax’s name being specifically mentioned as the person doing the study. According to Peloquin, Putnam went to Representative Murman because Murman was identified as the author of the legislation that included the line item for $100,000. Peloquin stated that if the IHHS (Bax) did the evaluation, then they could not bid on the RFP.

According to Peloquin, the language in the bill that identified the IHHS as the entity that would do the evaluation was taken out of the legislation and the evaluation was eventually awarded to Maximus.
According to Peloquin, in July of 2003, a presentation was made to DCF Secretary Regier regarding a proposed training system design that was modeled after one designed by the State of Kentucky. According to Peloquin, Secretary Regier approved the model and asked how quickly the plan could be implemented. As the result of Regier’s approval, two consultants from Kentucky were hired to write the Training RFP.

According to Peloquin, on February 7, 2004, two days before the RFP went public and after Regier’s approval, Harris again insisted that she change the criteria for evaluation of bidders on the RFP. Peloquin stated that Harris insisted that the criteria be based on the bidder's reputation, staffing and fiscal ability. Peloquin stated that the criteria offered by Harris took out all of the criteria that addressed experience with instructional system design, test development, reliability and validity.

On February 9, 2004, the Training RFP was advertised through normal methods employed by DCF. According to Peloquin, soon after the RFP was advertised there was a DA meeting held in Destin, Florida. Peloquin stated that she scheduled a bidder’s conference for February 15, 2004, to be held in Tallahassee. All of the potential bidders were notified and travel plans were made to attend the conference. On February 12, 2004, three days prior to the bidder’s conference, Ben Harris told Peloquin to re-schedule the conference because some of the CBGs wanted to attend the bidders conference and the DA meeting in Destin, both held at the same time. As a result of Harris’ directive Peloquin changed the bidders conference to February 18, 2004. Peloquin advised that when the bidder’s conference was held, no CBGs attended. Peloquin stated that the bidders were very angry over the change in conference dates and expressed their displeasure with the way the RFP was being handled by DCF.

According to Peloquin, during the DA meeting in Destin, held on February 16, 2004, Lee Johnson, a potential bidder on the RFP, announced that he did not like some of the provisions of the RFP. Johnson said the vouchers aspect of the RFP would not work. Peloquin stated that Secretary Regier was present during the meeting and did not defend the RFP he had already approved and advertised. As a result of the complaints made at the meeting, Peloquin was told by Kathryn Newbanks to change the RFP even though it had already been advertised. According to Peloquin, during the DA meeting, Johnson asked if he could make comments on the RFP and forward them to DCF. Johnson was allowed to make the suggested changes to DCF staff.

Peloquin stated that DCF did not receive proposals from IHHS, the Florida Coalition for Children (An association of CBGs) or the University of North Florida even though they had submitted documents indicating that they intended to bid on the RFP. Peloquin felt that it was unusual for these entities to not bid on the RFP because they were all qualified and derive a significant portion of their income from contracts with DCF. The Training RFP represented approximately $18 million to the winner of the bid.

According to Peloquin, on the day the bid proposals were opened (March 29, 2004) a man from University of Central Florida (UCF) hand delivered their proposals. UCF bid on the Central Area and the North Area. Peloquin stated that Upper Mohawk International (UMI) had partnered with UCF on the training bid. The proposal came in titled as UCF/UMI. UMI was not on state term contract and would have to compete for any project.

Peloquin stated that, Ron Harp, President of UMI, was Regier’s Deputy Secretary in Oklahoma. Harp previously had made it clear that they (UMI) had a special relationship with Secretary Regier. This relationship was further made clear by Harp’s comment to Peloquin that UMI wanted to obtain Florida contracts for training and that Regier was going to give them a contract.
DCF Assistant Staff Director for Contract Operations Walter Sachs stated that in the last year or so, there was discussion about UMI and the need to get them some business. Sachs identified Secretary Jerry Regier, Lynda Earls and Jean Elder as the persons pushing to get UMI/DCF contracts.

According to Peloquin, DCF staff member David Worley reviewed the proposal submitted by UCF/UMI. Worley stated to Peloquin that all of the training sites listed in the proposal were in the Central area; they didn’t identify any training sites or providers in the North Area. Worley questioned whether DCF could evaluate the UCF/UMI proposal because DCF staff viewed the proposal as incomplete.

Peloquin stated that DCF staff was concerned that a deal had been struck with IHHS, that the Florida Coalition for Children and IHHS would not compete for the bid and allow UCF/UMI to win both the Central Area and the North Area. UCF/UMI would then subcontract with IHHS and the Coalition to do the training in the North area. UCF/UMI would win the bid because of UMI’s close association with Secretary Regier and the fact that UCF was a state agency and did not have to compete for the award.

According to Peloquin, during this same time period, DCF Attorney Karen Kugell gave an opinion that the UCF/UMI proposal was not responsive to the RFP. After several meetings with unidentified members of the Administration and UCF/UMI, Kugell changed her evaluation and said that UCF/UMI was responsive.

On April 30, 2004, DCF awarded the training RFP as follows; UCF/UMI was awarded the North Catchment, UCF was awarded the Central Catchment and FIU was awarded the South Catchment.

Peloquin stated that in May of 2004, a conference call was held during which Regier reversed all of the decisions that had been made in early spring and reinstated the rules in the original RFP. Peloquin stated that these rule changes were made after the contracts had been awarded and the providers had begun to expend funds to meet the contract deliverables as they had been negotiated previously. Peloquin stated that the effect of the Regier’s changes was to force the CBCs to purchase training from within the area where they reside. Peloquin stated that by restricting the CBCs to purchase training from within their particular catchment, UCF/UMI and FIU were able to regain CBCs (customers) they had lost to USF during the negotiations.

According to Peloquin, in order to repair the damage that had been done because of the contract issues, all of the universities were asked to meet in Tallahassee on May 19, 2004. Peloquin stated that the meeting was designed so that DCF staff would meet with each university individually in the morning then all three universities and DCF would meet in the afternoon. Peloquin stated that the meeting had to be structured this way because of the animosity that developed between universities. Peloquin stated that the first meeting in the morning was with FIU. FIU expressed concerns regarding the reinstatement of certain criteria that had been negotiated over the previous months.

According to Peloquin, the second university DCF staff met with was UCF/UMI. Peloquin stated that UCF/UMI immediately made the allegation that the committee that evaluated the original proposals was tampered with. UCF/UMI further alleged that they should have been awarded the Central area rather than the North area. Peloquin stated that UCF/UMI representatives alleged that there was a coordinated effort within DCF to keep UCF/UMI from getting a training contract for the Central area. According to Peloquin, the meeting with UCF/UMI was halted and DCF
legal staff was brought in to respond to UCF/UMI’s concerns. Peloquin stated that during the afternoon meeting FIU and UCF/UMI banded together and presented themselves as the victims and USF stood alone. According to Peloquin, her supervisor, Kate Newbanks, negotiated a solution to the issues raised by UCF/UMI and FIU that was not enumerated in the RFP. According to Peloquin, the result of Newbanks negotiation placed DCF in the position of liability with other bidders who dropped out due to the requirements enumerated in the original RFP.

According to Peloquin, in June 2004 she began writing the amended contract for the training program. Peloquin stated that when Walter Sachs and Bob Fierro (DCF contract managers) reviewed the contracts, they refused to sign off because the contracts had different deliverables than the original RFP required. Peloquin stated that Sachs and Fierro took the contracts to a meeting with Secretary Regier and Ben Harris. According to Peloquin, during the meeting Sachs and Fierro explained the shortcomings of the contracts to Regier. According to Peloquin, Sachs and Fierro, Harris’ response to the issues raised was to say that Regier did not need their approval to approve the contract. Peloquin stated that subsequent to the meeting, Sachs, Fierro and Peloquin learned that the approval by the contract managers was an internal control created by DCF and was not a requirement of the State. As a result, the contracts were approved by Regier.

On July 23, 2004, DCF Attorney Karen Kugell released a third opinion e-mail saying that the UCF/UMI North proposal was responsive with minor irregularities that may be waived.

According to Peloquin and Robert Fagin, UCF legal staff became involved in issues concerning the training contract and determined that the UCF/UMI contract was a “passthrough” and caused UCF to withdraw from the project. Peloquin described a passthrough as a situation where one bidder, in this situation UCF, does not contribute to the deliverables enumerated in a contract and employs another entity, in this situation UMI, to see that all the deliverables enumerated in a contract are met. Peloquin stated that at one point UCF officials admitted to DCF that the contract was a passthrough and pulled out of the project. As a result of UCF pulling out of the project, UMI was not able to continue. The joint effort between UCF and UMI had allowed UMI to receive the contract without having to compete.

On August 4, 2004, the Office of the Governor advised DCF that it would be improper to go forward with the training contracts. As a result of the Governor’s Office determination, DCF withdrew the “Intent to Award” notification.

When questioned about Bax, DCF Deputy Secretary for Administration Robert Fagin, informed FDLE investigators that he was aware of a birthday party hosted by Jim Bax for Secretary Regier during the time the Training Curriculum RFP was advertised. Fagin stated that he was invited by Ben Harris but did not attend the party. Fagin stated that he was told that Mike Cusick, Director, Florida Coalition for Children, Kate Newbanks, DCF Deputy Secretary for Community Based Care (CBC) and Celeste Putnam, DCF Deputy Secretary for Substance Abuse were some of the people who attended the party.

Fagin stated that, in two conversations with Bax, he (Fagin) questioned Bax regarding his role as it related to DCF. Fagin stated that Bax became upset regarding questions pertaining to the birthday party and stated that he had resigned from IHHS, and was serving as an unpaid consultant to the Florida Coalition for Children.

Fagin stated that he was aware that James Bax owned a firm named Edmetrics and held several proprietary contracts with DCF for services. Fagin stated that, according to Bax, he (Bax) no
longer owned Edmetrics and had no remaining interest in the company. According to Bax, his son was running Edmetrics.

DCF Chief of Staff Samara Kramer was interviewed by FDLE. Kramer stated that she met with Ben Harris regarding moving the management of training contracts from TCC to IHHS. Kramer learned that there were problems with IHHS taking over the management of contracts. The problems centered on Bax’s involvement with providers and IHHS. Kramer felt that a conflict existed in which Bax could end up being the contractor and subcontractor on the same project.

Kramer then met with Secretary Regier and advised him of Harris’ plan to make IHHS contract manager. Kramer stated that she told the Secretary that he should not use IHHS.

Kramer then met with Jim Bax and told him of the Secretary’s decision to not use IHHS. According to Kramer, Bax told her that the Secretary had asked him to do something for Upper Mohawk International (UMI). Kramer advised that she viewed the UMI proposal and found it to be non-specific. Kramer also confirmed that UMI’s Executive Director, Ron Harp, was one of the Secretary Regier’s Deputies in Oklahoma.

**Review Of Documents Related To Training RFP:**

The following is a summary of the documents that FDLE reviewed regarding the Training RFP:

- Hundreds of e-mails from DCF computer system.
- Hard Drives from computers assigned to DCF Administrators.
- Travel Vouchers representing travel by DCF Administrators.
- Recorded interviews of the following persons (from the Chief Inspector General’s Report):
  
  | Amy Peloquin | Josie Tamayo | Lucy Hadi | Walter Sachs |
  | Jane Wise | Bob Fagin | Otto Hough | Ed Miles |
  | Bob Fierro | Bob Williams | Bruce Thyer | Donna Carey |
  | Gregg Keller | Tonya Prince | Frenchie Yon |
  | Celeste Putnam | Cathleen Newbanks | Samara Kramer |
  | David DiSalvo | Corey Gerbrandt | Sheryl Steckler |

- Chief Inspector General Report #200403230002
- E-mails sent between Ben Harris and James Bax and other members of the DCF Administrative Staff.

At the time the below e-mails were sent, Harris was Deputy Secretary at DCF and Bax was employed by FSU’s IHHS. The e-mails span a period from August 14 to August 19, 2003 and discuss issues surrounding education and training at DCF. The training issues relate to the impending DCF RFP that was to be made public in January 2004. The RFP represented the eventual expenditure of approximately $18 million for training of Community Based Care Providers (CBC).

The following is a brief summary of the above-described e-mail conversation.

**08/14/03---11:38 AM**

Lynda Earls sent an e-mail to approximately 17 people including Harris but not including Bax. The e-mail states that each of the recipients were recommended to be a member of an Education
Curriculum Advisory Committee (Committee). The Committee was impaneled to recommend curriculum to be addressed by the RFP to be bid upon in early 2004.

08/16/03---6:08 PM
Harris forwarded the above e-mail to Bax and stated “Jim do you need me to be on this or appoint a representative to this?”

08/16/03---6:08 PM
Harris sent a reply to Earls and stated “Lynda I may appoint a representative on this for me, is that okay?”

08/16/03---8:25 PM
Bax sent a reply to Harris and stated “Ben-Someone ought to be there to keep things on track. Glenn (Palmiere) or Dawn might be good representatives from the technical delivery side.” Bax continues by critiquing Lynda Earls’ proposal and states that the training should be driven by the CBCs rather than DCF. Bax states that he is

“developing a success based, market driven integrated professional development system that identifies skill gaps and prescribes, delivers and assesses training on an ongoing basis. Let’s hope that this meeting is not an attempt to develop a supply before the demand has been identified and aggregated. The market will respond to the need once the needs are identified. The demand, service providers (CBC) should be given the funds to draw upon the best and most appropriate training providers. At all costs this should not become a supply, read School of Social Work, driven system. Competition really means that (training) providers who produce the best outcomes get the resources. A contract to any particular university to develop the courseware just gives them a monopoly to conduct business as usual. Let the market place rule.”

08/16/03---8:35 PM
Harris replied to Bax stating “Agreed. I will put Glenn (Palmiere) on it.”

08/19/03---11:51 AM
Lynda Earls replied to Harris’ 08/16/03 e-mail and stated that “yes, who?”.

08/19/03----10:02 PM
Harris replied to Lynda Earls e-mail by stating “Glenn Palmiere”

08/19/03---10:04 PM
Harris sent a second e-mail to Earls and stated that

“Also Lynda, with the e-bay style of training that will be done with the SkillNet project why do we need to develop content standards? Won’t this be done by the job task analysis? Are we preparing for procurement? I hope not, the whole point of the e-bay auction environment is you don’t have to procure you simply have a constant auction available to the customer (us/DCF) that allows users to pick the lowest price and the training that is a best fit to the job task analysis, it should give us the highest quality of training at the lowest prices. Happy to help, just wondering what the game plan was.”
09/22/03
E-mail from Bax to Harris discussing the use of an Assessment Driven Learning Management System formerly known as SkillNet. The e-mail is discussing a review of a contract between IHHS and DCF where in Bax proposed that IHHS would charge a fee for the use of the system that IHHS would create for DCF. The contract reviewer for IHHS points out, to Bax, that “How can we (IHHS) market something we do not own?”

The following is a description of additional e-mails sent between Harris and Bax and other members of the DCF Administrative Staff. The e-mails span a period from September 19 to October 2, 2003, and discuss issues surrounding the education and training RFP.

09/19/03
Lynda Earls sent an E-mail to Ben Harris and stated “Ben, the TCC contract for HSn is due to expire at the end of December. I am sure that you are contemplating the options for the future of the training for HSn; whether to contract with TCC or to competitively procure. Can you give Amy an update on your plans and how OSET may assist you?”

09/21/03
Harris replied to Earls, and copied Amy Peloquin. “Thanks for the reminder, we will probably procure, Liz let’s discuss and put together an action plan for Amy, give me a call. Amy could you kind of tell me how the process would work on both options?”

09/30/03
Amy Peloquin replied to Harris, “Hi Ben, I’d like to get on your calendar to discuss options for HSn training contract. I understand the Anne Nolan—with HSn—has been working on a white paper to present options for consideration. A few things to keep in mind as we discuss options—The current contract is held by TCC – they serve as an FTE and HR provider, the program is run by the HSn office, in coordination with OSET. The contract is a fixed cost contract that expires on 12/31/03. The trainers were carefully and rigorously selected by a team from the district, representing the district administration and the HSn staff to ensure that all stakeholders are in agreement with the trainer who was selected to serve the geographic area.

Please let me know what looks good for you……..”

10/02/03
Harris forwards the above described e-mail conversation to Bax and stated “You interested?”

DEVELOPMENT OF COBRIS

During the course of this investigation, FDLE investigators received information that Edmetrics had used a DCF owned computer program platform to develop CoBRIS. It was alleged that the Unity One computer code was downloaded to the Edmetrics server and used to create CoBRIS. Both the CoBRIS and the Unity One programs were written on Cache’ and Ensemble software developed by InterSystems, Inc. The following is a summary of the investigative findings.

In 1993 the state of Florida became a part of a Federal program to create a Statewide Automated Child Welfare Information System (SACWIS). The purpose of SACWIS was to give States the guidance and funding necessary to develop a single data processing system that would link all human services providers and identify those clients being served.
Florida’s program to develop SACWIS was named HomeSafenet (HSn) and has been in development, by DCF, for approximately ten years. One of the areas of concern within the HSn system has been the need to develop an information system that would link the DCF computer system to the existing computer systems belonging to Community Based Care (CBC) providers. CBCs are private (non-governmental) agencies that provide direct services to approximately 2 million DCF clients.

In response to the disappearance of Rilya Wilson, Governor Jeb Bush appointed a Blue Ribbon Panel to “review the safety of children in Florida’s child welfare system within Miami-Dade County and the adequacy of oversight and accountability within the Department of Children and Families (DCF).” The final report, written by Maximus Inc., was issued in late May of 2002. One of the core findings of the panel was the lack of centralized records and the lack of procedures and / or systems for determining the status of DCF clients.

The panel identified DCF’s failure to complete HomeSafenet (HSn) as a contributing factor in the Rilya Wilson case. The report stated that:

“HSn is scheduled to be fully operational in 2005 at a cost of $230 million. Its DCF champions herald HSn as a vast improvement over the paper-clogged present system of record keeping. The panel supports DCF’s efforts to deploy computerized information systems that cross agency lines so that pertinent information can be shared appropriately by schools, law enforcement, provider agencies, the courts and the Guardian Ad Litem program.”

During the panel’s hearings a demonstration was given of a computer software developed by DCF employees on DCF equipment and in a DCF facility. The software, identified as Unity One, met much of the criteria necessary to address SACWIS and HSn requirements. The panel was impressed with the demonstration and encouraged further development of the software.

The following is the genesis of Unity One and details its conversion to a software program identified as CoBRIS. CoBRIS is privately owned and operated by a company now identified as Five Points Technology Group (Five Points). Five Points charges a fee to CBCs to use the system to communicate with DCF and HSn.

In 1998, Glenn Palmiere, while working as a Data Processing Administrator at DCF’s G. Pierce Wood Memorial Hospital (GPW), was involved in the development of computer software using InterSystems' Cache’ Software Platform. On May 6, 1998, the GPW Information Services (IS) Team, led by Palmiere, received the 1998 Innovator Award from Application Development Trends Magazine. The award was presented for a software program built on the InterSystems' Cache’ post-relational database management for use at GPW. The Innovator Award established Palmiere as an authority in the use of Cache’.

On December 21, 2001, 6 weeks prior to the closing of GPW, Palmiere demonstrated the computer application used at GPW to Randy Niewenhous, DCF Chief Information Officer (CIO). Niewenhous then sent an e-mail to other DCF Administrators making them aware that he located computer software that would address the requirements of SACWIS, HSn and the CBCs. Niewenhous' e-mail stated, in part, “In my view this is the total solution answer for enabling Community Based Care Providers” on DCF’s HSn system. Niewenhous suggested a second demonstration in January 2002 and stated, “The State owns the hardware and software. There is a significant strategic opportunity here.”
On February 8, 2002, Palmiere, via e-mail to Senyoni Musingo, DCF Children and Family Services, referred to the demonstration of the GPW software to Niewenhouse. Palmiere stated that the software demonstrated for Niewenhouse was “Unity One.”

On February 14, 2002, GPW officially closed. On February 15, 2002, Palmiere started work for the DCF Information Systems (IS) Department as a Data Processing Manager. The Unity One software program was transferred to the DCF Northwood facility and became a primary software development issue within DCF.

After the closing of GPW, Palmiere’s staff Robert Reed and Daniel Reed were retained by DCF and continued to work in Information Technology (IT). Numerous e-mails and background documents indicate that Glenn Palmiere continued to develop Unity One with the goal of incorporating Unity One into the existing HSn network.

Four days after Palmiere started work for DCF IS, on February 18, 2002, Palmiere presented to Niewenhous, via e-mail, a Unity One Project Planning guide. Palmiere stated, “it appears the Unity One umbrella will touch the following databases: Home Safe Net; Mental Health; Substance Abuse; Developmental Services; Medicaid and Economic Self-Sufficiency.”

On April 25, 2002, Palmiere, via e-mail to DCF Management, submitted a Unity One Business Plan that detailed how the software would expand and provide for the needs of the CBCs. In the Business Plan, Palmiere specifically addressed Unity One as a DCF owned solution that would be stored on department owned facilities and equipment.

On May 9, 2003, Ben Harris provided Regier with a decision memo through Robert Fagin, DCF Deputy Secretary. The memo requested approval for funds to purchase Cache’ software licenses from InterSystems, Inc. Additionally, the memo addressed a separate purchase of a computer server for the Cache’ software. Regier approved the expenditures on May 20, 2003. This purchase was necessary because Cache’ was not used by DCF except at GPW. Without Cache’ software Unity One could not be used by DCF.

On June 30, 2003, DCF contracted with InterSystems, Inc. (DCF Contract #LU 440) for the sole source purchase of unlimited Cache’ licenses, software and maintenance. The contract was for a term of three years at a purchase price of $550,000.00

According to DCF General Counsel Josefina Tamayo, Unity One computer application program was experiencing funding difficulties in the Florida Legislature. Because of these difficulties, Unity One’s name was changed to “OneFamily”. Additionally, in sworn testimony, DCF Comptroller Otto Hough, stated that the Legislature did not embrace Unity One because it was not on the Federal Allocation system (SafeNet). Hough confirmed that Unity One’s name was changed to OneFamily.

On December 10, 2003, Harris wrote a decision memo to Regier, referring to “Unity One/OneFamily.” In the decision memo, Harris stated in part, “Eighteen months ago, the Federal Government agreed that OneFamily (then piloted as Unity One) would be an acceptable means for bridging HSn and the CBC systems.” Furthermore, Harris described the function of OneFamily and used graphics depicting the Community Based Care Information System as the solution to the dual data storage function prohibited by Federal SACWIS guidelines.
In December 2003, Edmetrics, Inc’s. Internet Website Products page advertised that CoBRIS was developed for the Florida Coalition for Children Foundation (FCCF). Edmetrics purported that CoBRIS would link to the DCF databases.

In a December 10, 2003 e-mail, Edmetrics Programmer Michael Jackman sent two Microsoft Word documents with information about FCCF’s “Client Information System” to the CBCs that were to lease the use of CoBRIS. Jackman was employed by both IHHS and Edmetrics and was one of the developers of CoBRIS. In the e-mail Jackman stated, “I believe we are going to call the system CoBRIS.”

On page 1 of the e-mail, Jackman specifically described development of the Common Data Dictionary comprised of data from HSn, OneFamily and from Foundation member (CBC) input. The dictionary data would be used by CoBRIS to “talk” to HSn and OneFamily.

Page 1 of the first attached document was titled “Community Based Care Information System.” Jackman described the purpose of the system as a single information system (SACWIS requirement) to be used by all CBs to connect with DCF. Additionally, Jackman states, “The Foundation will own the resulting Client Information System software and CBC Providers will license and pay for implementation of the system.”

On January 7, 2004, Jackman e-mailed Mike Gardner and copied the e-mail to Palmiere and Mike Cusick, Director of the Florida Coalition for Children. The e-mail was a “CBC Request for Tables in HSn Online Data Store.” (ODS) The e-mail contained a request to have specific HSn tables and data available on the ODS to expedite development and implementation of CoBRIS.

On January 26, 2004, Harris wrote a letter to Dr. Susan Orr, Associate Commissioner of the Federal Administration for Children and Families. The purpose of the letter was to describe how Unity One/OneFamily would connect with the existing DCF software named FLORIDA. In the letter, Harris used the software name Unity One/OneFamily. Harris stated that the “CBC Solution” will provide tracking, financial management and ancillary services. Harris also stated that the CBC solution would allow HSn (FLORIDA) to be maintained together with Unity One/OneFamily.

February 3, 2004, Palmiere, via e-mail to Beth Anne Posey stated, “CoBRIS will be the information system used by CBC Providers for ancillary functions related to SACWIS.” By so stating, Palmiere ensured that any CBC wishing to do business with DCF would have to have the capability of “talking” to the DCF information system. The DCF information system would be utilizing the Unity One software that would link with CoBRIS. Both Unity One and CoBRIS would be operating on Cache’ software.

On February 25, 2004, Dr. Orr responded to Harris’ January 26, 2004 letter, but addressed the response to Secretary Regier and copied the document to Harris. Dr. Orr denied approval for the use of OneFamily and cited the SACWIS guidelines that prohibit the maintenance of a dual record keeping system. Furthermore, Dr. Orr stated,

“The SACWIS rules specifically allow states to build a system that is used by and supports the business needs of private providers that are performing SACWIS-related functions. This was done in order to allow states that follow this type of child welfare business model the opportunity to develop single statewide SACWIS systems.”
Dr. Orr suggested that if the State of Florida wished to proceed with OneFamily, Florida should consider becoming a non-SACWIS state and may be subject to repayment of Federal SACWIS funding.

On March 5, 2004, Palmiere, via e-mail to Daniel Reed, provided the entire Cache’ system architecture of Unity One/One Family. Reed had been an employee of Palmiere’s at the G. Pierce Wood hospital, however he was no longer employed by DCF and was working at Edmetrics. It was necessary for Reed to have the Cache’ architecture, also known as the “codes,” in order to ensure that the CoBRIS software he was developing would be able to communicate with Unity One/One Family.

On March 10, 2004, Beth Englander, DCF Director of HSn, was told by Harris that, “the Feds would not have a problem with use of OneFamily and/or COBRIS as the platform to allow extraction of data from HSn to populate local (CBC) tracking reports for the purpose of assisting management overview of cases.” Harris, as Deputy Secretary for DCF, told Englander exactly the opposite of what the Federal representative, Dr. Orr, had said in her February 25, 2004 letter to Harris and Secretary Regier.

As a result of her conversation with Harris, Englander authorized CBC access to the HSn database on March 11, 2004. Englander later documented that she learned that DCF had a letter from Dr. Orr that specifically prohibited OneFamily/COBRIS under the SACWIS Program. Englander stated, “I am concerned about continuing CBC access to HSn through what now appears to be CoBRIS, rather than One Family.”

On March 17, 2004, Palmiere stated, via e-mail, that Michael Jackman, Edmetrics, Inc. needed a meeting with Dave Warfel’s DCF programming team to discuss the process of getting CoBRIS moved to the DCF OneFamily computer server.

On March 18, 2004, via e-mail; Palmiere acknowledged receipt of a certificate and password from Robert Reed, Edmetrics, Inc. This e-mail was forwarded to Palmiere from Cal Heusdens, DCF IS. According to Heusdens, the password allowed Palmiere access to the CoBRIS application program being developed at Edmetrics.

On March 18, 2004, Palmiere was copied on an e-mail sent from Robert Reed, Edmetrics, Inc. to Dennis Fouche, DCF. Reed requested assistance with the replication of the HSn security system for use in the CoBRIS program application.

On April 20, 2004, Palmiere attended a videoconference with the Statewide DCF/CBC IT Leadership Team. Palmiere presented the CoBRIS system, as a solution for the CBC’s to better share data required for their tasks. Palmiere stated, “DCF would provide hardware and software at no cost for this project.”

On May 4, 2004, Karl Schuder, DCF, asked Palmiere, via e-mail, about development of visual aids to address CoBRIS users in a presentation to the User Advisory Group on how CoBRIS will interface with HSn.

On May 5, 2004, Beth Anne Posey asked Palmiere, via e-mail, “Do change orders go to the Feds? Would not want to make the interface to CoBRIS overtly apparent.”

On May 7, 2004, Palmiere, via e-mail, authorized access to the OneFamily server for Michael Jackman and stated; “Robert Reed already has access.” At the time Jackman was privately
employed and his access to the HSn / OneFamily server would be in violation of SACWIC rules. The access would, however, allow Jackman and Reed to fine-tune the OneFamily / CoBRIS interface.

In an e-mail dated May 15, 2004, Palmiere told Michael Gardner, DCF, that he is concerned about the progress of the Ensemble/Cache’ and has contacted Edmetrics requesting that they remove the Solitaire Game from the Personal Computers at Edmetrics. Palmiere also stated that any problems concerning programming code synchronization between CoBRIS and Ensemble/Cache’/OneFamily should be blamed on the Reed brothers, who were employed by Edmetrics at the time. The development of the software would allow CoBRIS (privately owned) to communicate with DCF software. Once the software was able to communicate, the CoBRIS software would be highly marketable to the CBCs.

October 28, 2004, a DCF document titled *Answers for the Technology Review Group regarding CoBRIS* indicated that six DCF lead CBC providers had purchased the CoBRIS computer program. The document further named Edmetrics, Inc. employee Robert Reed as the primary contact.


Between May 14, 2003 and May 14, 2004, DCF issued eight Purchase Orders (PO) to Edmetrics for Cache’ Training. This Cache’ training was in actuality training on how to use the CoBRIS / OneFamily / Florida computer systems. According to David Shepard, Palmiere approached him several months prior to issuing the first PO and stated that he (Palmiere) wanted Cache’ training for DCF and wanted Edmetrics to conduct the training. Shepard then told Palmiere that Edmetrics was not on the state contract list; Palmiere responded that they would be soon. This training was necessary to ensure that DCF personnel would have the skills to use the Unity One/One Family/CoBRIS interface. The effect of this training was to ensure that CoBRIS would be the software used by the CBCs to communicate with DCF.

**Review Of Documents Related To The Development Of CoBRIS**

- 12/22/2001 e-mail from Niewenhous to DCF Management discussing the demonstration of the GPW software.
- 02/08/02 e-mail from Palmiere to Musingo discussing the software demonstration to Niewenhous and identification of the demonstrated software as Unity One.
- 02/18/02 e-mail from Palmiere with attached spreadsheet for planning purposes on the Unity One Project.
- 04/25/02 e-mail from Palmiere to DCF IS Management with attached Unity One Business Plan.
- 2003 Edmetrics, Inc. web page. [www.edmetrics.com](http://www.edmetrics.com)
• 12/10/2003, Decision Memo from Harris to Regier pertaining to SACWIS requirements. The memo is a request by Harris for Regier to determine the direction to proceed concerning DCF technology.

• 01/28/2004, letter to Dr. Susan Orr, Associate Commissioner, Federal Administration for Children and Families, from Harris explaining the use and operation of the OneFamily computer application.

• 02/03/2004 e-mail from Palmiere to Posey indicating that CoBRIS will be the information system used by CBC Providers.

• 02/25/2004, letter from Dr. Orr to Secretary Regier denying the use of OneFamily under the SACWIS guidelines and indicating that SACWIS is already setup to accomplish what Harris requested in the 01/28/2004 letter to Dr. Orr.

• 03/05/2004 e-mail from Palmiere to Daniel Reed with attachment providing the Cache’ system architecture as used by DCF.

• 03/17/04 e-mail from Palmiere to Dawn Carey, DCF IS regarding a meeting with Jackman and Dave Warfel discussing the process necessary to move CoBRIS to the OneFamily server.

• 03/18/04 e-mail string between Palmiere, Dennis Fouche and Robert Reed discussing the duplication the HSn security protocols for the CoBRIS application.

• 03/18/2004 e-mail from Palmiere via Heusdens regarding a password issued to Palmiere from Edmetrics for access to CoBRIS.

• 03/31/2004 e-mail string between Palmiere and “Liz’ and “Jim” at Edmetrics discussing a DCF contract with Edmetrics for Dan Reed to work for DCF as a contract employee.

• 04/20/2004, Video Teleconference Meeting Minutes from the Statewide Information Technology Leadership Team Meeting. Palmiere is recorded in the minutes as describing COBRIS’ as the solution to the CBCs data sharing problems and states “DCF will provide the hardware and software at no cost for this project.”

• 05/02/2004 e-mail from Palmiere to Warfel discussing the use of a server to move development of OneFamily onto and questioning the status of getting CoBRIS on the One Family server.

• 05/07/2004 e-mail from Warfel to Palmiere discussing access to OneFamily for Jackman.

• 05/15/2004 e-mail from Palmiere to Gardner discussing distractions affecting programming progress at Edmetrics and the placement of blame on the Reed brothers for any problems in code synchronization.

• 10/28/2004, DCF document providing answers for the Technology Review Group on CoBRIS’ issues and documents those CBCs that are currently using CoBRIS.
• 11/18/2004, Five Points Technology Group, Inc. Internet web page explaining the purchase of Edmetrics, Inc. and the effective date of Edmetrics, Inc. name change to Five Points Technology Group. Five Points Technology Internet Web Site: www.5.fiveptg.com

• 05/30/2003 through 05/14/2004 the following DCF purchase orders to Edmetrics for Cache’ training to be conducted at the Southeast Regional Training Center for Cache’. Located at 612 Copeland St. Tallahassee, FL.

05/30/2003, #S 6002 HD0478, $25,000.00.
12/16/2003, #S 6002 JJ0191, $8,250.00.
02/20/2004, #S 6002 JJ0221, $12,000.00.
02/20/2004, #S 6002 JJ0222, $13,000.00.
04/19/2004, #S 6002 JJ0263, $10,700.00.
05/11/2004, #S 6002 JJ0274, $8,250.00.
05/11/2004, #S 6002 JJ0276, $8,000.00.
05/14/2004, #S 6002 JJ0280, $11,650.00.

Total value: $96,850.00

INTERSYSTEMS

The FDLE preliminary inquiry determined that Harris and Palmiere may have developed inappropriate relationships with InterSystems, Inc. employees Clint Moon and Brian Fives.

FDLE investigators determined the following:

In 1998, Synertech, Inc., and InterSystems, Inc., both computer software development companies, announced a partnership. This partnership allowed Synertech, Inc. to merge its Database Management System (DMS) with InterSystems, Inc’s Software Products. The partnership between Synertech and InterSystems resulted in a product marketed by InterSystems as Cache’.

In 1998, Glenn Palmiere, while working as a Data Processing Administrator at DCF’s GPW, was involved in the development of computer software using InterSystems' Cache’ Software Platform.

Prior to contracting with InterSystems for the purchase of Cache’ Software licenses, discussion on price negotiations took place within DCF. In support of Palmiere’s relationship with InterSystems, in an April 19, 2003, e-mail conversation, Palmiere stated to Shepard, “I have had a relationship with the company (InterSystems) for 10 years so I cannot negotiate in a bad guy mode.” Palmiere copied the e-mail to Harris and on April 22, 2003, Harris responded, “Use me as a bad guy, we can’t afford not to be brutal.”

On June 30, 2003, DCF contracted with InterSystems, Inc. (DCF Contract #LU 440) for the sole source purchase of unlimited Cache’ licenses, software and maintenance. The contract was for a term of three years at a purchase price of $550,000.00. Regier had approved the purchase on May 20, 2003.

On June 22, 2005, FDLE obtained expense account reports via subpoena from InterSystems employees, Clint Moon, Brian Fives, and Trevor Matz. These documents reflect business trips, business lunches, dinners, and entertainment paid for by InterSystems, or its employees. In addition to expenditures that were made for Harris and Palmiere, InterSystems included all expenditures related to DCF. The following is a summary of those expenses:
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<td>Palmiere</td>
<td>JW Marriott Hotel</td>
<td>$589.46</td>
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<td>Palmiere</td>
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<td>06/17/2004</td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$37,231.93</strong></td>
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According to InterSystems Attorney Howard Berloff, Palmiere initially paid for the March 10, 2004, hotel room and other expenses in Palm Springs. Palmiere then submitted the expenditures for reimbursement from InterSystems, in which he received check number 25530 from InterSystems Corporation, dated May 14, 2004, in the amount of $589.46. Palmiere endorsed the check on May 24, 2004 at the Bank of America. Moon advised that he could not recall ever being reimbursed by Glenn Palmiere for any expenditure that Moon paid for related to business lunches, dinners or golf games. Moon advised FDLE that Palmiere did provide him with a check for $387.05 for reimbursement of the room and spa charge in Palm Springs, California. Moon advised that since he did not authorize the expenditure, he forwarded the Palmiere’s check to InterSystems accounting office.

**Review Of Documents Related To InterSystems**

- 01/08/2001 e-mail from Palmiere to Dan Reed containing instructions for a Cache` issue.
05/05/2001 e-mail string between Palmiere, Moon and Rebecca Fisher discussing fees for a Cache’ licensing and maintenance purchase for GPW.

04/22/03 e-mail string between Palmiere, Harris and Shepard regarding negotiations for the purchase of Cache’ from InterSystems.

05/09/2003 Decision Memo from Ben Harris to Secretary Regier requesting the purchase, from InterSystems, Inc. of unlimited licenses and software for the expansion of Unity One. The memo also requests the purchase of a computer server for the software. The request is for a total of $670,000.00. Regier approved the decision memo on 05/20/2003.

06/30/2003, DCF contract #LU440. This contract was executed with InterSystems for an unlimited number of Cache’ licenses and software maintenance. The contract price was $550,000.00 and was approved in the 05/09/2003-decision memo approved by Regier.

HOMESAFAENET (HSn) UPGRADE

On June 10, 2003, a meeting was held at the office of the American Management Systems Corporation (AMS). The meeting was attended by Bax, Harris, Palmiere, Gregory L Coler and representatives of AMS. At the time of this meeting DCF was in the process of creating the Request For Quote (RFQ) for a Systems Integrator that was to be released in late 2003. One the topics of discussion between the above listed attendees was AMS’ desire to have DCF use a “Wisconsin program” as the model for the RFQ. The “Wisconsin program” was developed by AMS and was integrated into the State of Wisconsin’s SACWIS.

On October 31, 2003, DCF issued the RFQ for a Systems Integrator. The RFQ required that the DCF Office of Information Systems receive all inquiries by November 13, 2003. The Systems Integrator would complete the HSn, which had been in the developmental stages since 1993. In response to the RFQ, DCF received bids from three companies; Unisys, AMS and Ciber. Ultimately the contract to develop the system integrator was awarded to the AMS Corporation on April 14, 2004, to complete the systems integrator for the amount of $20,987,750.

Included in the Best and Final Offer (BAFO) submitted by the AMS Corporation were numerous references to CoBRIS. Specifically, the AMS BAFO stated

“...we met extensively with CBC and DCF representatives. As result of these meetings, we gained a strong appreciation for the important role that the CBC System – CoBRIS – will have in helping CBC’s coordinate and deliver effective services to their clients.”

Additionally, the AMS BAFO stated that included in the offer would be 500 hours to explore integration between HSn and CoBRIS.

At the conclusion of the procurement process, AMS was awarded the contract to complete the HSn. As result of the DCF Inspector General and the CIG investigations, the contract was repealed, and has yet to be reissued.

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Additional Interviews

Interview of Ben Harris

On June 15, 2005, FDLE conducted a sworn, recorded interview of Ben Harris. The interview took place at the office of his attorney, Chuck Richardson, in Tulsa, Oklahoma. FDLE subsequently asked Harris a series of questions regarding the IG investigations and Harris’ tenure at DCF. The following is a summary of the statements made by Harris.

Kiosk

Harris advised that he initiated the Kiosk Project because he felt that the community service centers were highly ineffective. Harris stated that if the process of dealing with clients were automated, millions of dollars could be saved. Harris stated that there was opposition to the Kiosk Project by veteran members of DCF who told him that the project had been tried before and failed. Harris stated that the system that he envisioned was different from anything that had been attempted in the past and that veteran DCF members never supported him in this effort.

In regards to the feasibility study, Harris stated that he consulted with Bax on numerous occasions regarding IHHS conducting the study. Harris added that because DCF can sole source contracts to state universities, he was doing nothing wrong in these consultations. Harris stated that FSU’s IHHS was one of the most qualified universities to conduct the study, and being located in Tallahassee made IHHS the logical choice.

When asked if at anytime Bax expressed a preference of Interview USA to obtain the Kiosks, Harris replied no. Harris added that the final IHHS report indicated that Kiosk’s would not be the best choice. The study demonstrated that personal computers (using web-based programming) would be the best method to render services to DCF clients. Harris stated that he and Bax had no financial interest in Interview USA, and stood to gain nothing by Interview USA obtaining a contract from DCF.

Training RFP

Harris was then asked a series of questions regarding the February 2004, CBC Training RFP. Harris was presented with a series of emails that Harris had forwarded from DCF to Bax asking questions regarding the pending Training RFP. Harris stated that he and Bax held very similar feelings regarding the training of CBCs in that they felt the CBCs should be given money to purchase their own training, rather than DCF contracting the training. Harris stated that while he and Bax attempted to have the training policy changed, they faced opposition.

Harris stated that due to Bax’s involvement with DCF, and his attempts to change the training policy, rumors began to circulate that the procurement process for the DCF training was rigged to favor Bax, through IHHS. Harris stated that because of the rumors, and the RFP going against the opinion of Bax, IHHS withdrew from contention. Harris again stated that because DCF was allowed to sole source contracts to state universities, any contact he had with Bax was legal.

When asked if he was aware of any agreement for IHHS to subcontract parts of the contract deliverables from UCF/UMI, Harris stated that there was no such agreement. Harris added that
Bax informed him, after a meeting between Bax and Ron Harp of UMI, that Bax was not impressed with Harp and UMI.

Harris stated that Bax is very knowledgeable in the human services field, and Harris respected Bax’s opinion. Harris then reinforced his prior statements that at no time did he ever improperly steer a contract to IHHS. Harris added that Bax was a salaried employee of IHHS and that Bax did not profit by IHHS obtaining DCF contracts. Harris stated that as result of the positions that Bax held in various DCF related entities, Harris was at times confused as to what entity Bax was representing.

**CoBRIS**

Harris was then asked to discuss the Unity One and CoBRIS computer programs. Harris provided a brief description of the qualities of each program. Harris then added that the Unity One program is owned by DCF, and was provided to the CBCs free of charge. Numerous CBCs have purchased the CoBRIS program from Edmetrics. Harris stated that if the programs were the same, or provided the same services, Edmetrics would not be able to compete with a free product.

FDLE then presented Harris with a letter dated January 26, 2004, which he sent to Dr. Susan Orr of the United States Department of Health and Human Services (HHS). In the letter, Harris explains the HomeSafeNet (HSn) and One Family computer programs. Harris was then presented a response from Dr. Orr dated February 25, 2004, stating that the HSn and One Family did not meet the standards which the federal government required.

FDLE then advised Harris that during a previous interview, investigators learned that on March 10, 2004, Harris advised Beth Englander that the Federal government would have no problem with the use of One Family and CoBRIS within HSn. Harris responded that he was in constant negotiation with the HHS. Harris stated that he was very confident that he would persuade HHS to allow One Family, and that is likely the reason that he would make such a comment to Englander.

Harris stated that when he was appointed CIO, and then Deputy Secretary of DCF, he faced very strong resistance from numerous veteran DCF officials. Harris stated that this was due in part to him being twenty-seven years old, aggressive, and, at times, very direct.

Harris stated that while some DCF veterans were afraid to challenge HHS, Harris was of the opinion that if a policy is wrong, steps should be taken to correct the problem. Harris stated that this included numerous issues where DCF veterans told him, “that can’t be done, Washington will never approve it.” Harris stated that he would state his opinion to HHS, and attempt to persuade HHS to change the policy.

**InterSystems**

Through the course of this investigation, it was determined that Harris and Glenn Palmiere developed a personal relationship with two InterSystems employees, Clint Moon and Brian Fives. It was also determined that Harris and Palmiere allowed the InterSystems employees to pay for hotel rooms and on one occasion, a massage. According to Harris, each time that InterSystems paid for his hotel rooms, Harris immediately reimbursed InterSystems. The exception was a July 2004 trip to technology conference in Australia. Harris stated that he received approval for this trip from the Ethics Commission. Additionally, Harris stated that he felt very strongly that his attendance at the conference benefited DCF in that he was promoting the One Family program.
Harris stated that each day that he was in Australia he worked ten to twelve hour days and that his only regret was that he did not get approval from the Office of the Governor prior to the trip.

**HomeSafeNet**

Harris was asked a series of questions regarding the HSn Upgrade. This contract was awarded to, then repealed from, the AMS Corporation. Harris stated that during the procurement process of the HSn Upgrade, he met numerous times with AMS employees, as well as employees of the other two bidding companies, Unisys and Ciber. Harris added that all three companies were provided the same information regarding the needs of DCF.

When asked about a specific meeting which occurred at the AMS headquarters in Fairfax, Virginia, Harris stated that he, Bax and Palmiere were in Washington D.C. for a meeting with HHS and they were invited to AMS by AMS lobbyist Greg Coler. Harris stated that the meeting was held for AMS to demonstrate the software that would be used in the HSn upgrade if AMS were awarded the contract. Harris stated that AMS provided a far superior Best and Final Offer than Unisys and Ciber. Harris added that in his opinion the greatest tragedy of the IG investigations is that the AMS contract was repealed based upon false allegations of improprieties.

When asked if he would do anything different if he had the opportunity to work at DCF again, Harris stated that he would be more careful in dealing with vendors and lobbyists. Harris stated that he would require all meetings with vendors and lobbyists be held in Harris’ office during office hours. Harris also stated that he would not allow meals and other items to be purchased for him.

**Interview of Jerry Regier**

On June 17, 2005, FDLE conducted a sworn, recorded interview of Jerry Regier. The interview was conducted at the office of Steve Sellers in Tallahassee, Florida. Also present during the interview were Steve Sellers and David Healey, attorneys representing Regier.

Regier was asked a series of questions regarding the IG investigations and Regier’s tenure at the DCF. The following is a summary of the statements made by Regier.

Regier stated that after hearing of difficulties that DCF was having surrounding the disappearance of Rilya Wilson, he contacted the Office of Governor Jeb Bush and offered his assistance. Regier stated that Governor Bush welcomed his assistance and ultimately appointed Regier Secretary of DCF. Regier stated that his marching orders from Governor Bush were to move forward with the privatization of DCF services and to resolve the Rilya Wilson situation.

Regier stated that Ben Harris had worked for Regier in Oklahoma, and when appointed to DCF, Regier asked Harris to join his team. Regier wanted Harris to complete the HomeSafeNet computer program.

In regards to Bax, Jerry Regier told FDLE investigators that, while he valued Bax’ advice and expertise, he did not consider Bax a close friend. Regier stated that because Bax was a former Secretary of HRS and had years of experience in social services it made sense that Regier would discuss policy issues with him. Regier denied favoritism toward Bax. Regier added that he, Harris and Palmiere created some positive changes at DCF, and did not feel that he would change the way that he led the agency.
Kiosk Project

Regier stated that the Kiosk Project was part of the re-engineering of the Economic Self-Sufficiency program. Regier stated that he knew that there was a pilot program done by IHHS to determine the feasibility of the program, but had little or no details of the procurement process. Regier stated that he was aware that state agencies were allowed to contract with universities without following the normal procurement procedures. Regier added that any questions regarding the legality of contracts were referred to the procurement section of DCF.

Regier stated that he met James Bax approximately one month after being appointed DCF Secretary. Bax was on the advisory committee Regier assembled to assist in his transitional period.

Training RFP

In regards to the RFP that was issued to Florida Universities, Regier advised that it was an attempt to obtain training that would overt another situation like the Rylia Wilson case. Regier stated that he was aware that the Upper Mohawk, Inc. (UMI) had teamed with the University of Central Florida (UCF) to bid on the Training RFP. Additionally, Regier stated that he was aquatinted with UMI President Ron Harp. Regier added that he knew no details of the agreement between UCF and UMI.

Regier stated that Harp advised Regier that UMI was attempting to obtain contracts in Florida, and Regier encouraged Harp to do so. Regier added that he requested that one of his DCF employees assist Harp in having UMI placed on the State Vendor List. Regier stated that at no time did he ever offer to assist Harp or UMI in obtaining a contract in Florida.

Regier stated that he was aware of rumors that the Training RPF was being rigged in the favor of IHHS. In addition, Regier stated that he only laughed at the rumors because he knew they were not true. Regier stated that he had no discussions with Bax in regards to the method in which the CBC training should be contracted. Regier stated that it was his opinion that the CBCs should be allowed to contract their own training, with DCF maintaining oversight.

FDLE asked Regier why IHHS did not bid on the Training RFP, Regier stated that he did not know. Regier added that he was surprised that DCF did not receive a bid from IHHS. When asked if Regier was troubled by the communications between Harris and Bax prior to the release of the RFP, Regier responded that he did not know.

Regier stated that due to the fact that Bax was involved in a number of different entities, he could understand how some may become confused as to what role Bax was playing at any given time. Regier stated that he and Bax are socially acquainted, but would not consider them to be friends. Regier added that he was unaware of what Bax’s businesses interests were.

CoBRIS

Regier stated that the Unity One computer program was demonstrated to him on one occasion, and that was the extent of his knowledge. Regarding the CoBRIS program, Regier stated that he knew that it was developed by the CBCs, but was unaware of what service the program provided. Regier stated that he was unaware that Unity One was developed by Palmiere until reading the CIG report.
InterSystems

Regier stated that he had heard of the InterSystems, and the Cache’ computer program, but had not dealt with any InterSystems employees.

HSn Upgrade

Regier stated that he would get periodic updates from Harris regarding the progress of the HSn Upgrade, and the upcoming RFQ. Regier stated that when DCF began the development of the RFQ, DCF enlisted the assistance of the State Technology Office, Department of Management Services and the Office of the Governor. Regier stated that he was involved in high level meetings with officials from the outside agencies to ensure that the RFQ was legally sound. Regier stated that he met with no vendors regarding the RFQ.

Regier stated that he was unaware that Harris, Palmiere and Bax met with employees of AMS, and AMS lobbyist Greg Coller.

Regier stated that as DCF Secretary, he attempted to drive change and paid a price for his attempts. Regier added that he, Harris and Palmiere created some positive changes at DCF, and did not feel that he would change the way that he led the agency. Regier stated that at no time during his tenure at DCF did he make any money outside of his DCF salary.

Interview of James Bax

On June 21, 2005, FDLE conducted a sworn, recorded interview of Dr. James Bax. The interview took place at the FDLE office located in Tallahassee, Florida. Also present during the interview was Bax’s attorney, John A. Grant.

FDLE subsequently asked Bax a series of questions regarding the IG investigations and Harris and Regier's tenure at the DCF. The following is a summary of the statements made by Bax.

Bax stated that he has spent most of the past thirty years working in various child welfare leadership positions. Bax stated that in 2000, he began working for the IHHS. Bax worked as a Professor and then a Research Associate as Other Personal Services (OPS). Bax stated that at no time did he hold the authority to approve contracts with DCF or any other agency. Bax stated that he was paid a fixed salary, then a hourly salary, but his pay was not affected by the amount of money he raised for the university. Bax added that when employed in the OPS position, he was paid for only 20 hours per week while working 50 hours. Bax stated that he provided his own office, phone and computer to IHHS free of charge. Bax stated that he made no outside money from any entities that were doing business with DCF or IHHS.

Bax reported that when Jerry Regier was appointed Secretary of DCF, the agency was in total chaos. Bax added that through is involvement with the Florida Coalition for Children Foundation (FCCF), he felt that he could assist in turning the agency around. Bax stated that he was very impressed with Jerry Regier, and found him to be a good man with strong ethics. The following is a summary of Bax’s statement on specific issues:
Kiosk Project

Bax stated that he was asked by DCF Deputy Secretary Samara Kramer to serve on the DCF Economic Self-Sufficiency (ESS) privatization committee. During a meeting of this committee, a presentation was made by Raj Doraisamy, President of Interview USA. Bax stated that Doraisamy presented kiosk technology that could be used to make the delivery of ESS services more efficient. Bax stated that he felt that the statistics being used by Doraisamy were flawed and that the kiosk program would not succeed.

Bax stated that IHHS then presented DCF with an unsolicited opinion that the expectations of the Kiosk program were unrealistic.

Bax was asked about statements made by Doraisamy that in order for Interview USA to obtain business from DCF, he had to follow the recommendations of Bax. Bax did not dispute this statement but stated that during the feasibility study he had to hold Interview USA’s “feet to the fire.” Bax stated that IHHS had been contracted to perform a feasibility study for DCF, and DCF would likely follow IHHS’s recommendations.

Bax was asked about DCF using a model written by IHHS employee Elizabeth VanAcker as a guide to develop the procurement document for the Kiosk Feasibility Study. Bax stated that DCF looked to IHHS for advice on the procurement of the study and that this was a very common practice. Bax added that DCF could have sole sourced the study directly to IHHS.

Bax stated that at the conclusion of the feasibility study, the IHHS recommended that DCF not use the kiosks, but rather a personal computer, web-based approach. Bax stated that he held no financial interest in Interview USA or any other company involved in the Kiosk Study. Bax stated that he did not make any money from outside his IHHS salary from the Kiosk Study.

Training RFP

Bax stated that the training of CBCs was in total chaos prior to the Training RFP. Bax stated that he had met with Representative Sandra Murman regarding the upcoming CBC training legislation, however, the conversation was brief. Bax advised Rep. Murman that the state was wasting $18 million per year and that the system was ineffective. Bax added that to this day the CBC training issue has not been resolved.

Bax stated that the IHHS did not bid on the Training RFP because he saw the whole process as “stupid.” Bax stated that the CBCs needed the authority to contract their own training curriculum. This would allow the CBCs to evaluate their needs and purchase the necessary training. Bax stated that if the CBCs did not have input on the training, IHHS would not bid on the contract.

Bax described the problems surrounding the training of CBCs as caused by a clash of individuals wanting change with those who wanted “to protect their turf.” Bax thought that it was a matter of control.

Bax stated that Ron Harp from Upper Mohawk, Inc. came to Bax’s office on one occasion in an attempt to have IHHS front a training contract for UMI. Bax advised that he denied Harp’s request. Bax stated that he advised Deputy Secretary Samara Kramer that Harp was dropping Secretary Regier’s name.
Bax stated that he had no specific knowledge of the proposal that the University of Central Florida and UMI submitted in response to the Training RFP. Bax added that IHHS stayed clear of the Training RFP.

When presented with a series of emails sent between Bax and Harris, Bax stated that he was a CBC advocate that felt that the CBCs should control the CBC training. This was an opinion that Harris shared with Bax. Bax stated that while he was very much involved with the Florida Coalition for Children Foundation (FCCF), at no time was he ever compensated for his efforts. Bax added that his work for FCCF was a “labor of love.”

CoBRIS

Bax stated that CoBRIS was developed by Edmetrics for the CBCs in an attempt to save money by developing one computer system rather than each CBC developing their own. Bax added that while he agreed to allow Edmetrics develop CoBRIS, this was a decision that he came to regret. Bax stated that he lost approximately $150,000-$200,000 due to the development costing much more than expected.

Bax stated that CoBRIS does everything that HSn does with the exception of the data warehouse. Bax stated that they (Edmetrics) accomplished more in one year developing CoBRIS than DCF accomplished after spending $200 million on HSn.

Bax stated that the only commonality between CoBRIS and Unity One was that they both use InterSystems software. Bax stated that InterSystems software allows users to generate reports and pull information from various databases. Bax reported that Unity One accessed approximately twenty-eight DCF databases, and CoBRIS accessed other databases that CBC caseworkers needed. Bax added that the programs were totally different, other than being built on the InterSystems software.

Bax was presented with an email sent from a DCF employee to Glenn Palmiere stating: “Do change orders go to the Feds? Would not want to make the interface to CoBRIS overtly apparent.” Bax responded that he had no idea why someone would write the email because there was nothing that prohibited the interface.

Bax added that he had completely divested himself with Edmetrics during any procurement with DCF. When asked if he had any influence upon Edmetrics after divesting himself, Bax stated that he gave advice to anyone who asked for it, including VanAcker.

Bax stated that he did not personally profit from any of his dealings with DCF. Bax stated that he lost a considerable amount of money in the development of CoBRIS. Bax stated he was never confused regarding what “hat he was wearing” when dealing with DCF on various issues.

InterSystems

Bax stated that he had no involvement in the $550,000 sole source contract between DCF and InterSystems. Bax was asked about a trip to Las Vegas when he and Glenn Palmiere played golf with InterSystems employees Brian Fives and Clint Moon. Bax stated that he recalled the trip, and that he did not pay for his golf fees or the meal at the golf course. When asked if observed Palmiere reimburse anyone for his golf and meal, Bax stated that he did not.
HSn Upgrade

In regards to the HSn Upgrade, which was awarded to AMS, Bax stated that he met AMS, Ciber and Unisys prior to the contract being awarded. When asked who Bax was representing when he spoke to representatives of the companies, Bax advised that speaking on behalf of “Jim Bax”. Bax stated that to his knowledge each company was given fair and equal information regarding what DCF was looking for in the proposal.

Bax was then asked about a June 10, 2003, meeting at the offices of AMS in Fairfax, Virginia. Bax stated that numerous AMS employees, Bax, Harris, and Palmiere attended the meeting. When asked why he would be in attendance at a meeting with AMS who was bidding on a $21 million contract with DCF, Bax reported that he expected that there would be an interface with the HSn. Bax stated that Edmetrics did not stand to profit by AMS being awarded the contract rather than Ciber or Unisys. In addition, Bax stated that this meeting took place after the procurement was complete, and AMS had been awarded the contract.

It should be noted that it was later determined that the Best and Final Offer (BAFO) was submitted April 8, 2004, approximately ten months after the meeting with AMS.

When asked why the AMS BAFO contained references to CoBRIS, and the BAFO’s of Ciber and Unisys did not, Bax attributed this to AMS “doing their homework.” Bax added that the development of CoBRIS was common knowledge and was not withheld from anyone. Bax stated that it was a smart move on the part of AMS to include CoBRIS in their BAFO.

Interview of Glenn Palmiere

June 22, 2005, FDLE conducted a sworn, recorded interview of Glenn Palmiere. The interview took place at the Law Office of Andrews and Moye located in Tallahassee, Florida. Also present during the interview was Palmiere’s attorney, Steve Andrews. The following is a summary of the statement provided by Palmiere.

Kiosk Project

Palmiere advised that he had very little involvement in the procurement process that led to the Kiosk project, or the Kiosk Feasibility Study. Palmiere’s understanding was that the Economic Self-Sufficiency program of DCF was in need of modernization, which would make the delivery of services more efficient.

Palmiere stated that he attended a meeting during which Interview USA President Raj Doraisamy gave a demonstration of software, which Interview USA was selling. Palmiere added that the product demonstrated by Doraisamy was no where near completion.

Palmiere stated that he had no role in the bidding process, or selection of an entity to complete the feasibility study. Palmiere knew no one who held any financial interest in Interview USA.

Training RFP

Palmiere stated that he had no involvement in the procurement process for the CBC and DCF training. Palmiere stated that he attended a March 2003 meeting in Tampa, regarding the future training of the CBC’s. Also in attendance at the meeting were Representative Sandra Murman,
Bax and Harris. Palmiere stated that there was quite a difference in opinion as to how the CBC’s should be trained. Palmiere advised that he had no future involvement in the Training RFP.

Palmiere was presented with an email dated August 13, 2003, in which Harris advised that he would assign Palmiere to a training curriculum committee. Palmiere stated that he did not recall the email and that he did not participate in the committee.

**CoBRIS**

Palmiere stated that he designed the concept of the Unity One computer program, which was used to gather many forms of data on a specific person. Palmiere stated that the intended user of the program was the field workers who delivered services to DCF clients.

Palmiere stated that Bax, through Florida Coalition for Children Foundation and Edmetrics, agreed to develop the program in an attempt to save each individual CBC from having to develop separate programs.

Palmiere was asked about the data tables of Unity One that were downloaded to the Edmetrics server so that the CoBRIS computer program could access data on the HomeSafeNet computer. Palmiere added that this was in no way inappropriate.

Palmiere was presented with a statement that he made during the CIG investigation that Palmiere was unaware of any involvement that Bax held with Edmetrics. Palmiere stated that this was an untruthful statement, and that he made it because he felt that the CIG investigators were harassing, and attempting to confuse Palmiere. Palmiere added that the CIG investigators were asking questions that had no relevance, and that because he did not know the exact dates of Bax’s involvement with Edmetrics, he made the untruthful statement.

In regards to Bax, Palmiere stated that employees at DCF voiced concern that they never new “what hat” Bax was wearing. Palmiere added that due to Bax’s involvement with IHHS, FCCF, and Edmetrics, DCF employees were not sure what information should be given to Bax. Palmiere stated that it was a known policy at DCF that when dealing with the CBC’s, Bax would be involved.

Palmiere stated that at no time had he ever held any financial interest in Edmetrics.

**InterSystems**

Palmiere stated that he began using InterSystems software in 1987 while working at the G. Pierce Wood Hospital, and due to his use of InterSystems software, developed friendships with InterSystems employees Clint Moon and Brian Fives.

Palmiere stated that Unity One was very successful during a pilot program, and DCF moved towards the development of a statewide system that would provide the services of Unity One. The Unity One pilot program was developed on a free trial of InterSystems software.

In August 2002, DCF hosted a vendor’s conference to identify a company that could provide the software for the statewide program. During the vendor’s conference, Palmiere demonstrated the Unity One program and informed vendors as to what DCF needed in terms of software. Palmiere stated that the vendors were then afforded the opportunity to return to DCF with an example of how their software could fulfill the needs of DCF. Palmiere advised that InterSystems was the
only company to respond with a proposal and was therefore given a sole source contract for the InterSystems software.

Palmiere stated that his only involvement in the procurement of the sole source contract was on the technical side, providing InterSystems with the specific needs of DCF. Palmiere stated that this was due to his long-standing relationships he had developed with InterSystems employees. Palmiere stated that DCF made a recommendation to the State Technology Office (STO) that the InterSystems technology be purchased. The STO subsequently approved the sole source purchase of $550,000 in InterSystems software.

Palmiere acknowledged that while working for DCF, he took numerous trips that were paid for by InterSystems. Palmiere stated that each time that InterSystems paid his travel expenses to conferences, Palmiere would speak at the conference. Palmiere stated that Secretary Regier wanted him to take every opportunity to promote the products and services of DCF, and that is what Palmiere was doing each time he spoke at InterSystems conferences.

When questioned about meals that Palmiere allowed InterSystems to pay for, Palmiere stated that he would often pay the bar tab for InterSystems employees. Palmiere added that for every two meals that InterSystems paid for Palmiere, he would pay for one bar tab.

Palmiere stated that at no time did he ever discuss with Harris or Regier that meals or travel should not be paid for by vendors. When asked if Palmiere would do anything different in his dealings with vendors, Palmiere stated that he would. Palmiere stated that in 1999, Governor Jeb Bush released an Ethical Code List which outlined how state employees were to deal with vendors. Palmiere stated that he was not provided this document, or notified of its existence until after he had been terminated in July 2004. When asked if Palmiere understood the concerns surrounding Palmiere accepting trips and food from a company, who was doing business with DCF, Palmiere stated that he did. Palmiere stated that if he knew the rules and regulations existed, he would not have accepted travel expenses, food or any other compensation from InterSystems or any other vendor.

*It should be noted that FDLE received documents from Palmiere's Personnel File. The records contained in the file revealed that he had been with state government for seventeen years and on February 13, 1987 and October 12, 1994, Palmiere acknowledged (by his signature) that it was his responsibility to review DCF’s employee handbook that contains a section on employee standards of conduct.*

**HomeSafeNet**

Palmiere stated that he had no involvement in the writing of the RFQ, or any other aspect of the HSn procurement. However, Palmiere continued by stating that he did sit on the BAFO meetings where AMS, Ciber and Unisys demonstrated their proposals to DCF. Palmiere added that he and the other participants of the meeting, including non-DCF employees, voted unanimously that AMS had developed the superior proposal.

Palmiere acknowledged meeting with Harris, Bax, and employees of AMS on June 10, 2003 in Fairfax, Virginia. Palmiere stated that he could not recall what the purpose of the meeting was, but he, Harris and Bax were in Washington DC on another issue and had traveled out to Virginia to meet with AMS employees. Palmiere stated that he did not recall ever discussing CoBRIS, but recommended that each bidder should meet with the CBC’s to determine what needs they held and include that in their BAFO.
Palmiere stated that to the best of his knowledge, AMS, Ciber and Unisys were each provided equal and fair information regarding the needs of DCF. Palmiere again stated that AMS provided a far superior proposal than that of Unisys or Ciber. Palmiere stated that during each BAFO, the bidders were asked the same questions, and that AMS was the only bidder that met with CBC’s prior to the BAFO.

**Interview of Clint Moon**

On June 22, 2005, FDLE conducted a sworn taped interview of Clint Moon at InterSystems Corporation World Headquarters, located in Cambridge, Massachusetts. Clint Moon is an Account Manager with InterSystems Corporation. Also present during the interview was Howard Berloff, corporate counsel for InterSystems. The following is a summary of the pertinent information provided by Clint Moon.

Moon stated that he is an account manager within the sales department of InterSystems. Moon advised that he is responsible for managing existing sales accounts and developing new business opportunities. Moon advised that he primarily conducts business with private companies and the only government entity he has personally dealt with is the State of Florida. Specifically the Florida Department of Children and Families (DCF) and the Florida Department of Health (DOH).

Moon advised that he has personally known Glenn Palmiere since approximately 1996 and had business dealings with Palmiere while he was employed at the G. Pierce Wood Memorial Hospital. Moon advised that during Palmiere’s tenure as DCF’s CIO, DCF purchased the Ensemble integration technology from InterSystems. Moon advised that this transaction occurred in June 2003.

Moon stated, “the pricing for the contract was circulated through um, um, Glenn Palmiere, um, and I believe a couple of other people down there. I can’t recall exactly who.”

Moon advised that while soliciting business from DCF, he met with individuals from DCF in a variety of settings; meetings at DCF offices in Tallahassee, meetings at out of town technology conferences, business lunch/dinners, and while playing golf at conferences.

Moon advised that he documented his business-related expenses, such as lunch/dinner meetings with clients, on expense reports he filed with InterSystems Corporation. Moon confirmed that he paid for business related lunch/dinners, that he had with DCF employees. Moon described “entertainment expenses” as drinks with client and expenses other than lunch/dinner.

Moon recalled that Palmiere spoke at conferences and/or meetings in Washington, DC, Austin, Texas, Los Angeles, CA and Australia. However, Moon advised that he was not directly involved in coordinating the conferences/meetings that Palmiere attended. Moon advised that he did not travel or attend the conference held in Australia with Palmiere and Harris.

Moon advised that he knows James Bax, and believes that Bax was affiliated with Florida State University and was also affiliated with a company named Edmetrics. Moon advised that InterSystems has worked with Edmetrics, providing training related to InterSystems’ technology. Moon advised that he was “under the belief” that Bax was the president of Edmetrics. Moon advised that Edmetrics was not “certified” to provide training on behalf of InterSystems. Moon
advised that InterSystems employees had worked in conjunction with Edmetrics to provide training on InterSystems’ technology.

Moon stated,

“...in my opinion, that they [Edmetrics] were not qualified to answer and to present a course curriculum regarding Ensemble or Cache’, uh, anywhere near the level that should be delivered to DCF. So therefore, we took full control over the delivery of those, ah, educational programs. They were just a, ah, sight in Tallahassee that was enabled by ah, having enough computers, uh, and a, and a white board and a projection, that we could actually do training for DCF.”

Moon advised that he recalled a trip to Bonita Springs, Florida in the Spring of 2003. Moon advised that he and Brian Fives were invited by Palmiere to stay at a beach house in Bonita Springs. Moon advised that Palmiere, Harris and their female acquaintances were also present at the beach residence. Moon advised that a family friend of Palmiere’s owned the residence. Moon advised that trip to the Bonita Springs residence was a “mixture” of a personal and business-related trip. Moon recalled discussing business-related matters, regarding Unity One with Palmiere.

Moon recalled that he had initially dealt with Randy Niewenhous, who was the previous Chief Information Officer (CIO) at DCF, regarding information technology matters. Moon advised that he had a business relationship with DCF prior to Glenn and Harris’s employment. Moon advised that during this time he had business-related interactions with Randy Niewenhous. Moon recalled that the business-related interactions he had with Niewenhous were only meetings at Niewenhous’s office at DCF and that he did not have business-related lunch/dinners with Niewenhous.

Moon advised that he has conducted business with other State of Florida agencies, specifically the Department of Health (DOH). When Moon was asked if his business dealings with DOH employees were similar to those he had with DCF employees regarding the frequency or amount of expenditures made for business-related lunches/dinners, Moon stated, “no.”

Moon advised that Palmiere, Harris, or Jerry Regier did not solicit him directly or indirectly for any trips, meals or expenditures in return for preference to InterSystems regarding contracts from DCF.

When asked why he or other individuals from InterSystems expended approximately $30,000 in business-related expenditures (lunches/dinners/entertainment) to certain DCF employees, Moon stated,

“...it wasn’t certainly with the intent to, ah, illegally procure a contract. Ah, it was the course of just, ah, engagements over a period of what, three plus years. Um, and working with them on building this prototype. Which they took, ah, complete control of the development on, we were just a supporting role.”
When Moon was asked if he could offer a reason why Bax or representatives from Edmetrics and/or IHHS were present during a majority of the occasions he took DCF employees to business-related lunches/dinners, Moon stated, “No, not that I can recall. I mean no necessary business reason.”

On June 23, 2005, FDLE received the following email from Berloff:

"I received two checks from Ben Harris today, one for $812.76 (covers round-trip air from Sydney to Melbourne, 2 night stay in Sydney(443.94), bridge climb ticket (118.62) ) and a second check, for $680.97 that covers meals on 5/2/5/4(50.97,15.21,133.33) Dinner on 5/3 (110.42), dinners on 9/25 and 9/26/03 (114.10 and 158.19) and a golf outing of 211.94 on 3/7/2004. I have no expense reports from Ben Harris or anyone else covering the trip to Australia. Possibly he might have filed documentation with the Australian office directly."

**INVESTIGATIVE FINDINGS**

On March 23, 2004, The Chief Inspector General of the State of Florida initiated a Whistle-blower investigation, which was predicated upon allegations that a birthday party for DCF Secretary Jerry Regier had been hosted by a vendor. In addition, the complainant alleged that the party may have compromised DCF’s procurement of child welfare training curriculum development.

During the subsequent CIG Whistle blower investigation, numerous additional complaints were alleged regarding Secretary Regier, Deputy Secretary Ben Harris and Chief Information Officer Glenn Palmiere. Upon conclusion of the CIG investigation, the DCF administrators were found to have failed to safeguard their ability to make objective, fair, and impartial decisions in conjunction with DCF contracting actions leading to the appearance of ethical impropriety as required by the Governors Code of Ethics.

As result of the CIG findings, the FDLE’s Office of Executive Investigations conducted a criminal inquiry to determine if the findings of the CIG reached the threshold of criminal violations. During the course of this investigation, FDLE conducted numerous witness interviews and analyzed thousands of documents including emails, travel records, purchase orders and contracts.

Just prior to June 10, 2005, FDLE Investigation did not find sufficient evidence to establish a criminal violation. As a result, members of the Executive Investigations reviewed the previously protected CIG Investigative Summary. The Investigative Summary had been withheld from the FDLE investigation because the statements contained compelled testimony.

The following is a summary of the investigative findings for each of the five criminal allegations:

**Kiosk Project**

- FDLE’s investigation revealed that there was significant opposition within DCF to conduct this pilot study. DCF had previously tested this technology in 2000-2001 and it had not been successful. Ben Harris stated that he wanted to improve client services and that his concept was considerably different than the one previously tested by DCF.
• In December 2003 the DCF Technology Office made its first attempt to develop a feasibility study to determine if Kiosk usage was practical. The initial RFQ was written by David Shepard, DCF Contract Manager, and released on December 1, 2003. On December 3, 2003, the RFQ was retracted at the direction of Ben Harris. Shepard told FDLE that Harris was not happy with the methodology and wanted time to review the RFQ before it went public.

• Shepard told FDLE that in January 2004 Harris provided him with a document that had been written by FSU’s Institute for Health and Human Services. Shepard stated that Dr. Bax’s employee, Elizabeth VanAcker, wrote the document. At the time both Bax and VanAcker worked for FSU. Harris then directed Shepard to create another RFQ based on the document written by VanAcker. Shepard sent this procurement document to various universities in February 2004. Shepard stated that he did not send the document to IHHS since IHHS had assisted in the document’s development and Shepard felt that IHHS was not eligible to bid on the project.

• Shepard told FDLE investigators that shortly after sending the procurement document to the universities VanAcker contacted him and requested the procurement letter so IHHS could bid on the project. Shepard stated that he had no doubt that Ben Harris wanted IHHS to participate in the project so he provided VanAcker with the procurement letter.

• In March 2004, IHHS was awarded the bid on the Kiosk Study. FIU also bid on the Kiosk Study but IHHS’s bid was slightly less expensive.

• The results of the pilot study (released on June 29, 2004 and written by Jim Bax) revealed that kiosks were not the most effective way to deal with clients but rather the use of a PC based web application would greatly improve efficiency and save money.

• The Kiosk Study was competitively bid and IHHS was the low bid at $449,350. FDLE’s investigation revealed no evidence of any quid pro quo as a result of the project. FDLE’s investigation revealed no evidence that any DCF employee, specifically including Secretary Regier, Ben Harris, or Glenn Palmiere, profited from this study.

• FDLE’s investigation revealed that FSU and the IHHS had significant impact on the development of the procurement document for the Kiosk Study. This involvement may have resulted in FSU having an unfair advantage in this bid process. While State Statute exempts universities from the competitive bidding process, nonetheless, no university is entitled to an unfair advantage in obtaining a contract.

• FDLE found that from July 21, 2003 and May 30, 2004, DCF paid approximately $640,000 to entities Bax was affiliated with; Edmetrics or IHHS.

Training RFP

• The Florida State Statute establishing the method by which entities doing training of CBCs were selected, administered and paid expired on December 31, 2003. As a result of the statute’s expiration, DCF Director of Training, Amy Peloquin, was tasked with developing a Request for Proposals (RFP) to replace the training system.
On February 9, 2004, DCF advertised a RFP to obtain training for Community Based Care agencies.

DCF did not receive proposals from IHHS, the Florida Coalition for Children (An association of CBCs) or the University of North Florida even though they had submitted documents indicating that they intended to bid on the RFP.

This was unusual for these entities to not bid on the RFP because they were all qualified and derive a significant portion of their income from contracts with DCF. The Training RFP represented approximately $18 million to the winners of the bid.

On March 29, 2004, a man from University of Central Florida (UCF) hand delivered proposals for the RFP. UCF had partnered with Upper Mohawk International (UMI) to bid on the Central Area and the North Area. UMI was not on state term contract and would have to compete for a contract.

Ron Harp, President of UMI, was Secretary Regier’s Deputy Secretary in Oklahoma and Harp previously had made it clear that UMI had a special relationship with Secretary Regier. This relationship was further made clear by Harp’s comment to Peloquin that UMI wanted to obtain Florida contracts for training and that Regier was going to give them a contract.

April 30, 2004, DCF awarded the training RFP as follows; UCF/UMI was awarded the North Catchment, UCF was awarded the Central Catchment and FIU was awarded the South Catchment.

According to Peloquin and Robert Fagin, UCF legal staff became involved in issues concerning the training contract and determined that the UCF/UMI contract was a “passthrough” and caused UCF to withdraw from the project. As a result of UCF pulling out of the project, UMI was not able to continue. The joint effort between UCF and UMI had allowed UMI to receive the contract without having to compete.

FDLE’s investigation revealed that there was a significant disagreement among all parties regarding how this training should be conducted. The CBCs wanted the training dollars given directly to them and in turn they would be responsible for training their own employees. DCF training employees felt that this approach was too decentralized and it would be difficult to measure the effectiveness of the training. This philosophical rift resulted in an acrimonious procurement process.

On August 4, 2004, as result of the CIG investigation, and at the recommendation of Governor Jeb Bush, DCF withdrew all three training contracts.

FDLE’s investigation revealed no evidence of a quid pro quo during this procurement process. The aforementioned acrimony resulted in several rumors and allegations that the process was slanted toward Bax and FSU. FDLE’s investigation revealed numerous e-mail correspondence between Bax and Harris that indicated Bax had significant input in the early stages of DCF’s conceptual development of the Training RFP.

Bax’s intense involvement in the early stages of the RFP development helped to fuel these rumors.
• Harris advised investigators that he and Bax agreed that the training methodology should have been changed to a decentralized system, allowing CBCs to select their own training.

• According to Bax and Harris, they were unable to successfully change the CBC training methodology. Because of this, Bax and IHHS subsequently withdrew his intent to bid on the Training RFP.

• In his sworn statement to FDLE, Regier denied any favoritism toward Harp or UMI.

• UMI’s President, Ron Harp, made statements and provided information to DCF employees, which reasonably raised questions concerning UMI’s qualifications for the Training RFP and his relationship with Secretary Regier. However, no evidence was found that Secretary Regier had personal knowledge of such statements or that he unduly influenced the Training RFP contract.

CoBRIS

• In late 2001, Unity One became a priority within DCF. Glenn Palmiere developed Unity One while he was a DCF employee in Sarasota. Unity One is written on Cache’ technology which is a product of InterSystems. A December 21, 2001, e-mail by former DCF Chief Information Officer Randy Niewenhous described Unity One as, “the total solution answer for enabling the CBCs. There is significant strategic opportunity here.” Niewenhous went on to state that DCF owned the hardware and software related to Unity One.

• In subsequent years, individual CBCs developed several programs that allowed them to communicate with HSn and Unity One via a common data dictionary. Bax told FDLE investigators that the CBCs, through the Florida Coalition for Children, wanted to take the best of these individual programs and develop one communication software system that would allow the CBCs to communicate with HSn and Unity One.

• Bax was part owner of Edmetrics, a training/technology company based in Tallahassee. Bax told FDLE investigators that he sold his share of Edmetrics in December 2003.

• In early 2003, DCF changed the name of Unity One to OneFamily.

• Mike Cusick, Director of the Florida Coalition for Children, told FDLE that Bax acted as an “Ambassador” for the Coalition and provided valuable input on behalf of the CBCs. Cusick stated that one of the major problems in the privatization of social services to the CBCs was the difficulty the CBCs were having in communicating with HSn. Cusick stated that Bax assisted the Coalition in resolving this communication problem.

• CoBRIS is now privately owned and operated by Five Points Technology Group. (Five Points). Five Points was formally known as Edmetrics. Edmetrics developed CoBRIS in late 2003 and early 2004. In December 2003, Edmetrics’ website advertised that CoBRIS was developed for the Florida Coalition for Children, an association of CBCs. Edmetrics went on to purport that CoBRIS would link to DCF databases (HSn and OneFamily).

• In early 2004, a series of emails between Edmetrics and DCF management (primarily Glenn Palmiere) documented DCF downloading the OneFamily data tables to Edmetrics to enable
Edmetrics to complete the development of CoBRIS. These data tables allowed the architects of CoBRIS to develop a program that could communicate with DCF programs, specifically HSn. On March 17, 2004, Palmiere stated Michael Jackman (Edmetrics Programmer) needed a meeting with DCF’s programming team to discuss the process of getting CoBRIS moved to the OneFamily computer server.

- DCF had not obtained permission from the US Department of Health and Human Services (HHS) for the use of either OneFamily or CoBRIS on HSn. HHS provides substantial funding for the development and expansion of HSn and any violation of federal policy risks the loss of future funding. Ben Harris told FDLE that he was always confident that he could convince HHS that CoBRIS and OneFamily did not violate federal policy. FDLE contacted HHS on June 22, 2005 and was advised that HHS had still not approved the use of OneFamily/CoBRIS on the HSn server.

- The FDLE Computer Crime Center conducted a comparison of the codes for OneFamily and CoBRIS. This comparison revealed that although both programs are written in Cache’, the codes are significantly different.

- Currently, approximately fifteen CBCs are utilizing CoBRIS and have licensing agreements with the Five Points Group. The cost of each licensing agreement is approximately $25,000 set up fee, and $5,000 annual maintenance fee.

- Ben Harris, Glenn Palmiere and Jim Bax told FDLE investigators that CoBRIS provides the CBCs with additional tools that exceed and build upon those provided by OneFamily.

- The facts show that Bax was affiliated with Edmetrics, which developed CoBRIS by downloading intellectual property owned by DCF. Edmetrics has marketed CoBRIS to the CBCs charging approximately $25,000 in setup fees, plus a $5,000 annual maintenance fee.

- Secretary Regier was not involved in the CoBRIS allegation.

**InterSystems**

- Glenn Palmiere has been a user of InterSystems computer technologies since 1987, when he first began working for DCF at the G. Pierce Wood Hospital.

- Palmiere developed a personal relationship with InterSystems employees Clint Moon and Brian Fives.

- InterSystems markets the computer technology known as Cache’, which is a platform technology utilized in both the Unity One and CoBRIS computer programs.

- On May 9, 2003, Ben Harris provided Secretary Regier with a decision memo through Robert Fagin, DCF Deputy Secretary. The memo requested approval for funds to purchase Cache’ licenses from InterSystems. Regier approved the purchase on May 20, 2003. On June 30, 2003 the sole source contract with InterSystems (DCF Contract #LU440) was executed. The contract was for three years use of CACHE’ at $550,000.

- Palmiere stated that his only involvement in the procurement of the sole source contract was on the technical side, providing InterSystems with the specific needs of DCF. Palmiere stated
that this was due to his long-standing relationships he had developed with InterSystems employees.

- Clint Moon advised FDLE: “the pricing for the contract was circulated through um, um, Glenn Palmiere, um, and I believe a couple of other people down there. I can’t recall exactly who.”

- The justification provided by DCF for the sole source contract was that InterSystems was the only company that could provide software needed by DCF to complete Unity One on a statewide level.

- FDLE investigators found that between December 14, 2002 and June 17, 2004, there were forty-five occasions where InterSystems purchased meals, lodging or travel expenses for Harris, Palmiere, Bax or Robert Reed. The total amount of money expended by InterSystems on the forty-five occasions was $37,231.93. There were no expenditures made by InterSystems involving Secretary Regier during this same period.

- Moon advised that Palmiere, Harris, or Secretary Regier did not solicit him directly or indirectly for any trips, meals or expenditures in return for preference to InterSystems regarding contracts from DCF. Likewise, Secretary Regier, Harris and Palmiere, during sworn statements, denied any such solicitation.

- Clint Moon advised FDLE that Harris and Palmiere’s predecessors at DCF accepted no meals, lodging or other expenses from InterSystems.

- Moon advised that he also has had business dealings with the Florida Department of Health (DOH). Moon advised that no DOH officials accepted any meals, lodging or other expenses from InterSystems.

- Both former Deputy Secretary Harris and former Chief Information Officer Palmiere received monetary benefits from InterSystems before, during or after this contract. However, there is insufficient evidence that such expenditures were linked to decisions made by DCF regarding the contract. There is no evidence that Secretary Regier received any benefit from this contract.

**HomeSafeNet Upgrade**

- In an interview with FDLE investigators, Ben Harris stated that when Secretary Regier hired him in January 2003, his top priority was the completion of HSn. Harris described the existing HSn technology as antiquated. HSn is comprised of several different databases that contain key client information.

- Mike Cusick, Florida Coalition for Children, stated that the CBCs were having a difficult time accessing data from HSn. Cusick further stated that an upgrade to HSn was long overdue and critical to the privatization efforts within DCF. Cusick stated that AMS (one of companies interested in bidding on the HSn upgrade) spent a great deal of time asking the CBCs what their needs were regarding HSn.
• Both Harris and Palmiere stated that they had several meetings with each vendor who expressed interest in bidding on the HSn procurement. Harris, Palmiere and Regier all denied any favoritism toward AMS, the eventual bid winner.

• On June 10, 2003 a meeting was held at the Fairfax, Virginia offices of AMS. Harris, Palmiere and Bax were in attendance along with Greg Coler a Tallahassee lobbyist for AMS. Harris told FDLE that he, Palmiere and Bax were in Washington DC to meet with HHS officials on separate issue. Harris advised that Bax and Coler were friends and Coler knew of the meeting with HHS officials. Coler invited Bax, Harris and Palmiere to meet with AMS for a demonstration of services AMS could provide to DCF. There was no information indicating that Secretary Regier was invited to, attended or was aware of this meeting.

• FDLE investigators asked Bax who he was representing at the AMS meeting and Bax responded, “I was representing Jim Bax.” Harris and Palmiere denied that the AMS meeting in Fairfax provided AMS with an unfair advantage in the procurement process. Secretary Regier had no direct role in this procurement process.

• The RFQ for the HSn upgrade was posted on November 21, 2003. The procurement process resulted in bids from three companies: AMS, Unisys and Ciber.

• All principals interviewed by FDLE stated that the AMS provided a superior Best and Final Offer (BAFO) and that this was the reason AMS won the award on April 4, 2004. FDLE found no evidence of wrongdoing in the bid evaluation process.

• The AMS award was eventually withdrawn and DCF is currently conducting another procurement process for the HSn upgrade.

**INVESTIGATIVE CONCLUSIONS**

Based upon the above stated findings, it was determined that there was insufficient evidence to establish a criminal intent or a quid pro quo between DCF management and any vendors involved in the questioned procurements and/or contracts.

While the relationships between DCF management and their vendors may have given the perception of impropriety, this investigation revealed no evidence that former DCF Secretary Regier profited financially from policy decisions regarding several contract procurements made by DCF. Moreover, there was insufficient evidence that former Deputy Secretary Ben Harris or former Chief Information Officer Glenn Palmiere illegally profited financially from policy decisions regarding several contract procurements made by DCF.