

**FLORIDA  
DEPARTMENT OF  
BUSINESS  
AND PROFESSIONAL  
REGULATION**



OFFICE OF INSPECTOR GENERAL  
ANNUAL REPORT  
FISCAL YEAR 2017-2018  
September 27, 2018

RICK SCOTT  
Governor

JONATHAN ZACHEM  
Secretary

ERIC W. MILLER  
Chief Inspector General

LYNNE T. WINSTON, Esq., CIG  
Inspector General

**Jonathan Zachem, Secretary**

**Rick Scott, Governor**

September 27, 2018

Eric W. Miller, Chief Inspector General  
Office of the Chief Inspector General  
Room 1902 – The Capitol  
Tallahassee, FL 32399-0001

Jonathan Zachem, Secretary  
Department of Business & Professional Regulation  
2601 Blair Stone Road  
Tallahassee, FL 32399-6506

Dear Chief Inspector General Miller and Secretary Zachem:

It is with tremendous pride and pleasure that I present the Office of Inspector General's *Annual Report* for Fiscal Year 2017-2018. This report has been prepared in accordance with Section 20.055(8)(a), Florida Statutes. It describes and summarizes the activities carried out and performed by the Office of Inspector General (OIG) based on its statutory obligations and responsibilities. This report highlights the accomplishments, findings, and recommendations of significant audit and investigative activities completed throughout Fiscal Year 2017-2018.

The collaboration, support, and cooperation of your offices, DBPR's executive staff, senior managers, division directors, and employees have been instrumental in facilitating the OIG's efforts to detect, deter, and prevent fraud, waste, abuse, and mismanagement. I must also mention that the OIG could not have successfully accomplished its goals during the previous fiscal year without its dedicated and diligent staff members, who are to be commended for their professionalism, teamwork, expertise, and vigilance.

We are excited about the opportunities this new fiscal year will present to us as we continue to move forward with our department partners in ensuring greater accountability, integrity, efficiency, and effectiveness in fulfilling the department's vision, mission, values, and strategic goals.

Sincerely,



Lynne T. Winston, Esq., CIG  
Inspector General



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## OVERVIEW

Section 20.055, Florida Statutes, established the Office of Inspector General (OIG) to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency within the Department of Business and Professional Regulation. The section defines the duties and responsibilities of agency inspectors general and requires inspectors general to submit an annual report to the Chief Inspector General by September 30 of each year. The purpose of this report is to provide the Chief Inspector General, the Secretary of the department, and other interested parties with a summary of the accountability activities of the Office of Inspector General during the preceding fiscal year.

## OIG MISSION STATEMENT

The mission of the Office of Inspector General is to be a valuable partner in conducting independent and objective internal audits, reviews, and investigations of department activities and programs. Our services add value to department management by assisting the department in providing greater accountability, integrity, efficiency, and effectiveness in fulfilling the department's overall vision, mission, values, and strategic goals.

## EMPLOYEE CODE OF ETHICS

Office of Inspector General staff function as a team. We succeed by assisting each other to raise the level of our performance every day. Each of us has an obligation to make known our observations and suggestions for improving how we carry out our tasks and procedures. Our performance of duty, our dedication to our mission, and our daily attitude reflect upon how we are perceived by the other members of our department.

Every day we represent the Chief Inspector General, Secretary, and our department in each task. We are guided in the ethical performance of our duty not only by Florida's ethics laws, but also most especially by our adherence to the ethical standards enunciated by Governor Rick Scott. As such, we are held to a higher standard for moral behavior, faithful obedience to the law, and the principles of integrity, objectivity, and independence.



Office of Inspector General internal audit staff are also governed by the *Code of Ethics* of The Institute of Internal Auditors, Inc. This code establishes the values and expectations governing the behavior of individuals and organizations in the conduct of internal auditing. The *Code of Ethics* requires internal auditors to apply and uphold the principles of integrity, objectivity, confidentiality, and competency.

## **RESPONSIBILITIES OF THE INSPECTOR GENERAL**

Section 20.055, Florida Statutes, directs the Inspector General to accomplish the following duties and responsibilities:

- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the agency's programs and operations.
- Conduct, supervise, or coordinate other activities carried out or financed by the agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, agency programs and operations.
- Keep the agency head informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the agency; recommend corrective action concerning fraud, abuses, and deficiencies; and report on the progress made in implementing corrective action.
- Review the actions taken by the state agency to improve program performance and meet program standards and make recommendations for improvement, if necessary.
- Advise in the development of performance measures, standards, and procedures for the evaluation of agency programs; assess the reliability and validity of the information provided by the agency on performance measures and standards and make recommendations for improvement, if necessary.
- Ensure effective coordination and cooperation between the Office of the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication.
- Maintain an appropriate balance between audit, investigative, and other accountability activities.



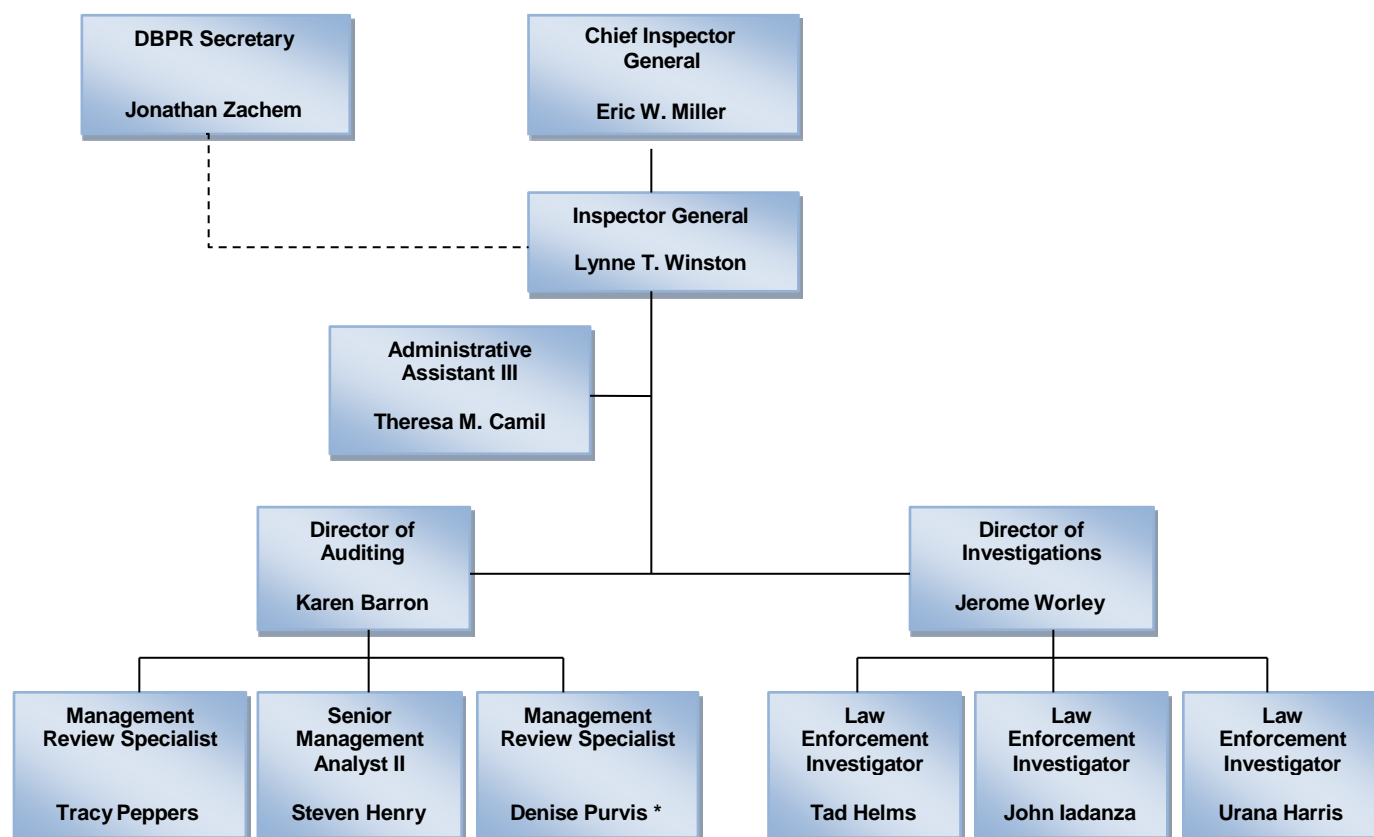
- Comply with the *General Principles and Standards for Offices of Inspector General*, as published and revised by the Association of Inspectors General.
- Initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in state government.
- Receive complaints and coordinate all activities of the department as required by the Whistle-blower's Act pursuant to Sections 112.3187 - 112.31895, Florida Statutes.
- Receive and consider the complaints that do not meet the criteria for an investigation under the Whistle-blower's Act and conduct such inquiries, investigations, or reviews, as the Inspector General deems appropriate.
- Conduct investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General's office. This shall include freedom from any interference with investigations and timely access to records and other sources of information.





## ORGANIZATION, STAFFING, AND TRAINING

The Inspector General is appointed by the Chief Inspector General and is under the general supervision of the department Secretary for administrative purposes. The Office of Inspector General (OIG) is organized as shown on the following chart:



\* former employee

### Professional Designations

Collectively, OIG staff maintained the following professional designations and/or qualifications during Fiscal Year 2017-2018:

- Certified Inspector General (1)
- Certified Inspector General Investigator (4)
- Certified Inspector General Auditor (1)



- Certified Government Auditing Professional (1)
- Certified Internal Control Auditor (1)
- Florida Certified Contract Manager (2)
- Certified Law Enforcement Officer (3)
- Florida Crime Information Center/National Crime Information Center certified staff member (2)
- Employees who provide Notary Public services (2)
- Member of the Florida Bar (1)

In addition, members of the OIG hold degrees in criminology, criminal justice, business administration, accounting, political science, finance, sociology; in addition, two staff members hold juris doctor degrees.

### **Professional Affiliations**

OIG staff members belong to a variety of professional associations to maintain professional competence, establish and advance professional networks, and participate in professional community activities. Staff are affiliated with the following professional associations:

- Association of Inspectors General (AIG)
- Florida Chapter of the AIG (FCAIG)
- The Institute of Internal Auditors (IIA)
- Tallahassee Chapter of the IIA (TCIIA)
- Association of Government Accountants (AGA)

### **Continuing Professional Education and Staff Development**

Each OIG staff member has a personal responsibility to achieve and maintain the level of competence required to perform their respective duties and responsibilities. The OIG encourages staff members to remain informed about improvements and current developments in internal auditing and investigations.

Staff certified as an inspector general, investigator, or auditor through the Association of Inspectors General are required to complete 40 continuing professional education credits every two years.

As required by statute, the OIG performs internal audits in accordance with the *International Standards for the Professional Practice of Internal Auditing* published by The Institute of Internal Auditors, Inc., or government auditing standards, as appropriate. These standards require internal audit staff to maintain proficiency through continuing professional education and training. Pursuant to these standards, each





internal auditor must receive at least 80 hours of continuing professional education every two years.

In Fiscal Year 2017-2018, OIG staff participated in training sponsored by the Association of Inspectors General, Institute of Internal Auditors, Association of Government Accountants, Florida Department of Law Enforcement, the Florida Chapter of the Association of Inspectors General, the Tallahassee Chapter of the Institute of Internal Auditors, the Tallahassee Chapter of the Association of Certified Fraud Examiners, the Chief Inspector General's Office, the Institute of Police Technology and Management, and the Pat Thomas Law Enforcement Academy.

### **OIG OUTREACH AND EDUCATION**

During Fiscal Year 2017-2018, OIG investigative and audit staff provided monthly training at New Employee Orientation. This training outlines the OIG's role in audits and investigations. Other topics discussed include fraud awareness and employee misconduct. OIG staff will continue to participate in this program in Fiscal Year 2018-2019.



## INTERNAL AUDIT SECTION

The goal of the Internal Audit Section (IAS) is to bring a systematic, disciplined approach to evaluating and improving the adequacy and effectiveness of the department's governance, risk management, and control processes. To accomplish this goal, the IAS conducts internal audits of department programs, activities, and functions. These audits evaluate the department's exposure to fraud, risk, and the adequacy and effectiveness of internal controls established to:

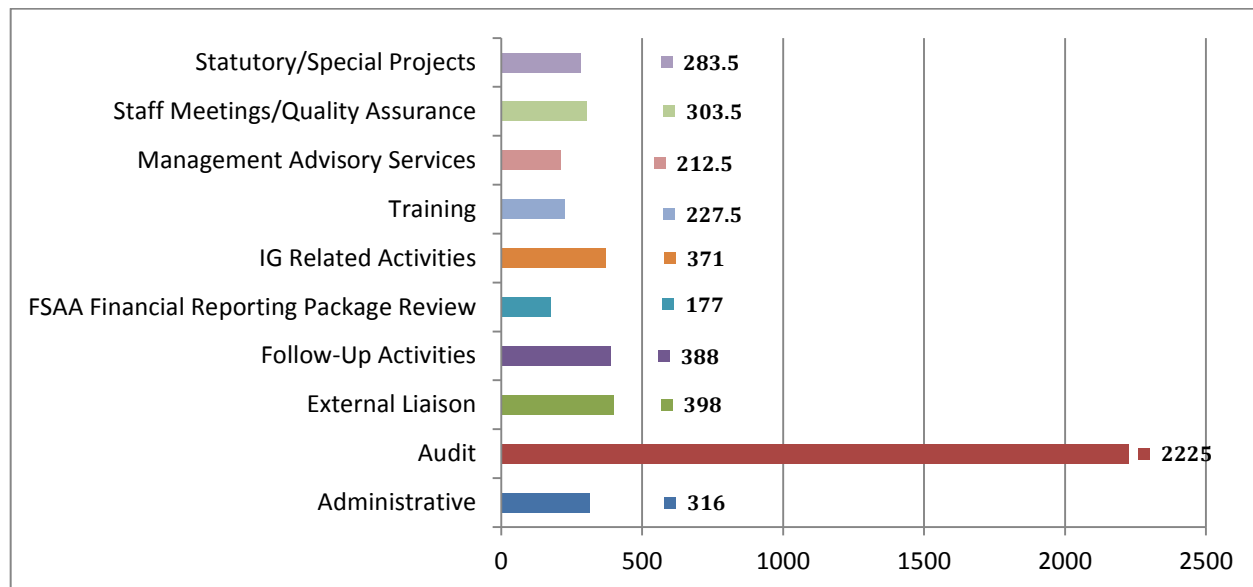
- Achieve the department's strategic objectives.
- Maintain the reliability and integrity of financial and operational data and information.
- Optimize operational effectiveness and efficiency.
- Safeguard assets, including information and information technology resources.
- Ensure compliance with laws, rules, regulations, policies, procedures, and contracts.

The IAS also conducts consulting engagements at management's request and provides advisory/technical assistance services to management on issues that do not require more extensive audit or consulting services. The IAS serves as the liaison between the department and external review entities and monitors and reports to the Secretary, via the Inspector General, on the status of action taken to correct deficiencies reported in external and internal audits. The IAS carries out the OIG's statutory responsibilities regarding performance measure development and assessment and provides technical assistance and administrative guidance on state single audit act matters.

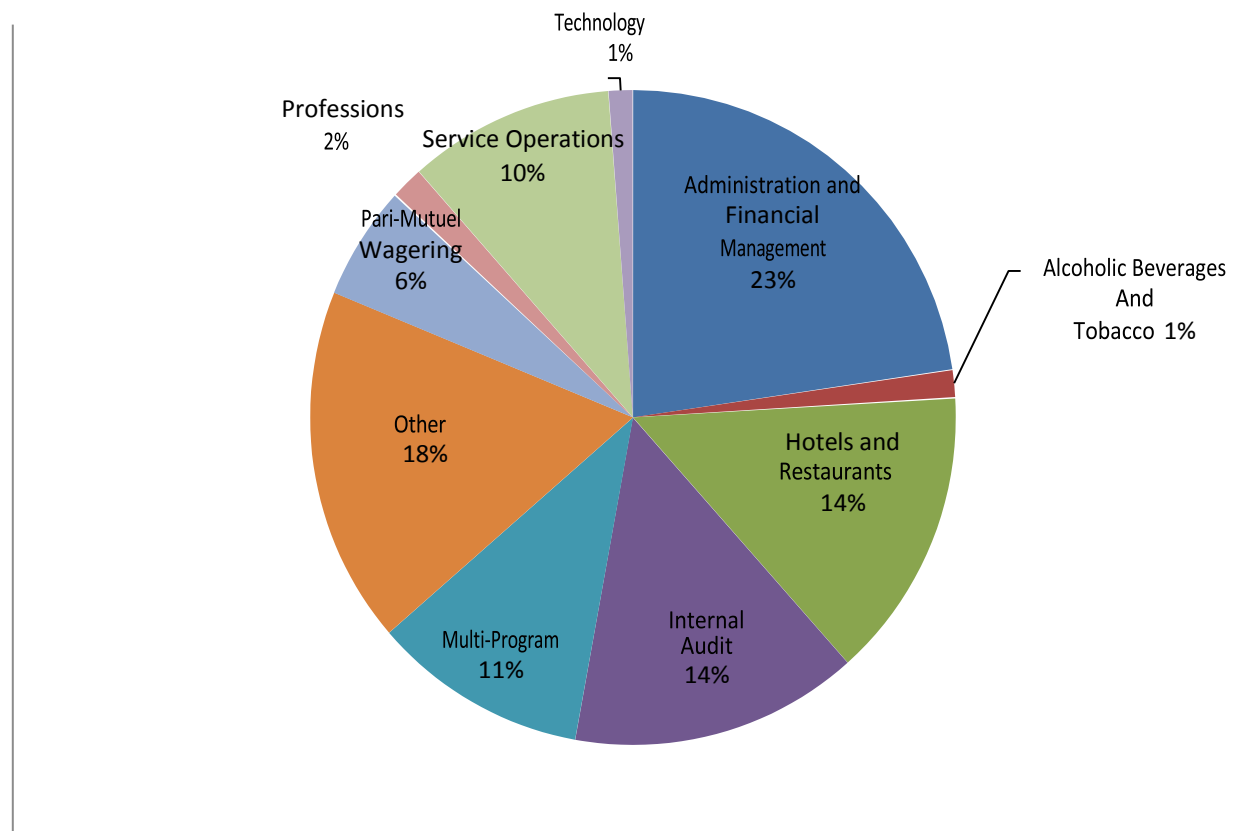
The IAS performs audits and consulting engagements in conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*, as published by The Institute of Internal Auditors, Inc. Follow-up reviews, management advisory services, and other projects are conducted in accordance with the *Standards* or other applicable professional internal auditing standards. These standards provide a framework for ensuring independence, objectivity, and due professional care in the performance of internal audit work.



In Fiscal Year 2017-2018, the following hours were utilized by the audit staff for the relevant IAS activities:



Further, the following percentages of time were utilized for the assigned programs by IAS staff:





### Risk-Based Audit Planning

Section 20.055, Florida Statutes, requires the Inspector General to develop annual and long-term audit plans based on findings of periodic risk assessments. Internal audit staff conducted a formal, department-wide risk assessment from April 2018 through June 2018. The risk assessment was designed to identify areas of higher risk and to obtain input on issues of concern from senior and executive management. The risk assessment included internal audit staff evaluation of the department's long-range plans, operational goals and objectives, budget and staff resources, performance measure results, and other relevant data and information.

Staff conducted risk assessment interviews with the director of each division/office and with executive management and the Secretary. Areas of focus during these interviews included risks pertaining to fraud, operational changes, information technology, proper financial and performance reporting, and other governance issues. Results of the risk assessment surveys and interviews, coupled with internal auditors' professional judgment, provided the basis for development of the OIG's *Annual Audit Plan for Fiscal Year 2018-19 and Long-Term Audit Plans for Fiscal Years 2019-2021*.

The Fiscal Year 2018-2019 Annual Audit Plan includes projects pertaining to:

- Cash management procedures within the Division of Alcoholic Beverages and Tobacco;
- Process review of activities within the Florida State Boxing Commission;
- Assessment of performance measure validity and reliability;
- Criteria and procedures governing the internal controls of the department's purchase card program;
- Evaluation of internal controls over agency property; and
- Evaluation of the effectiveness of internal controls for the collection, processing, and distribution of mail within the department's mail room.

The Annual Audit Plan also includes participation in multi-agency enterprise-wide audit projects. The Secretary approved the annual and long-term plans on June 27, 2018.

The IAS also carries out on-going risk assessment activities during the fiscal year to identify and evaluate emerging issues associated with risk. The *Annual Audit Plan* is revised as needed to address changes in the department's risk exposure.



**Summaries of Internal Audits Completed in Fiscal Year 2017-2018**

Internal audits are designed to give management an independent, objective assessment of department programs, activities, or functions. Internal audits evaluate whether desired results and objectives are achieved efficiently and effectively; operations comply with laws, policies, procedures, and regulations; financial and operating information is accurate, complete, and reliable; and assets are adequately safeguarded against waste, loss, and abuse.

**Final Report**  
***Audit of Commuting Use of Agency-Owned Vehicles***  
Internal Audit Report Number A-1617BPR-027  
October 19, 2017

The department maintains state motor vehicles in specific divisions for the purpose of carrying out necessary duties. Department policy and state law require that all department vehicles be used for official state business only. Fleet management within the department is decentralized across the operational divisions in possession of state motor vehicles. Accordingly, each division has unique needs for vehicle usage, such as licensed premise inspections, unlicensed activity investigations, or enforcement of underage drinking laws. To support these business needs, the department maintained a fleet of 572 vehicles in calendar year 2016 across 7 divisions.

Our primary objective for this audit was to assess fraud and risk potential for the commuting use of agency-owned vehicles. A secondary objective was to determine whether internal controls were sufficient to mitigate risk and assess whether DBPR divisions were complying with the recommendations set forth in *OIG Advisory Report No. A-1415BPR-021*, released in February 2016. The testing of monthly vehicle logs was focused on vehicles classified as either A-1: Pool Assignment or B-1: Limited Use Assignment. These vehicles must be returned to the office at the conclusion of the business day and may not be used for commuting purposes.

Both our previous advisory report and this audit determined the department was not fully complying with state laws and rules governing the use of state-owned motor vehicles for commuting purposes.

Our office found that Division Fleet Coordinators were not provided with clear guidelines regarding their roles and responsibilities. We recommended that Division Fleet Coordinators receive proper training and guidance as to their roles and responsibilities. This training and guidance should establish a clear understanding of when monthly



vehicle logs should be received, when they should be submitted, how to handle maintenance, how to manage and maintain fleet records, how to order or dispose of vehicles, how to handle accidents with agency fleet, and other general issues that may arise.

We also found that each division's monitoring of their fleet of agency-owned vehicles requires applicable supervisory oversight and internal controls. We recommended that all divisions establish detailed supervisory review and quality assurance procedures concerning information submitted within monthly vehicle logs to verify the accuracy of the information presented in the logs. We also recommended that supervisors focus special attention on their review of vehicle usage.

The audit also determined that vehicles were not correctly classified or were not being used as intended. Vehicles that are classified as A-1: Pool Assignment or B-1: Limited Use Assignment should be used for business purposes only and should not be driven home unless specified exceptions exist. Our audit determined that there were instances in the department of prohibited commuting usage and also instances in which divisions allowed employees to take vehicles home.

We recommended that division management ensure agency-owned A-1 and B-1 vehicles are not used for commuting purposes in accordance with the provisions of Section 287.17, Florida Statutes, Chapter 60B-1, Florida Administrative Code, and Department of Management Services' FLEET policies and procedures. Further, we recommended that the Division of Administration and Financial Management formally execute the agency's telecommute policy pursuant to Section 110.171, Florida Statutes.

All divisions with agency fleet responsibilities concurred with the audit findings and submitted plans for corrective action to mitigate the risks associated with these findings.

**Final Report**  
***Audit of Performance Measure Validity and Reliability:***  
***Division of Hotels and Restaurants***  
***Inspection-Related Measures***  
Internal Audit Report Number A-1617BPR-023  
April 5, 2018

The Division of Hotels and Restaurants is responsible for licensing, inspecting, and regulating public lodging and food service establishments in Florida. The division is also responsible for licensing and regulating elevators, escalators, and other vertical conveyance devices.

Our overall objective for this audit was to evaluate the validity and reliability of the





legislatively approved inspection-related performance measures reported by the division and to make recommendations for improvement, if necessary. We also assessed the accuracy of the division's reported results for Fiscal Years 2015-2016 and 2016-2017 and trends for Fiscal Year 2017-2018. The scope of this audit encompassed those three measures in the department's *Long Range Program Plan (LRPP) for Fiscal Years 2017-2018 through 2021-2022* that concerned food establishment inspections, lodging inspections, and the inspection of elevators, escalators, and other vertical conveyance devices.

These LRPP measures were as follows:

- Measure 25 – *Percent of food establishments inspected according to statute*
- Measure 26 – *Percent of lodging establishments inspected according to statute*
- Measure 27 – *Percent of elevators, escalators, and other vertical conveyance devices inspected according to statute*

For purposes of our audit, we used the definitions of validity and reliability provided in the LRPP. Validity is defined as the appropriateness of the measuring instrument in relation to the purpose for which it is being used. Reliability is defined as the extent to which the measuring procedure yields the same results on repeated trials and data is complete and sufficiently error free for the intended use.

We found the division's performance measures were valid indicators of the achievement of division inspection-related program objectives. All measures were determined to have a direct correlation to division goals and objectives and were found appropriate for their intended use. We also performed detailed testing to determine whether these measures were reliable indicators of division outcomes. Reliability testing included the accuracy of the data source used to compile performance results, whether the numerical representations of the measures were mathematically and logically correct, and whether the measurement methodology produced replicable results.

Our office determined that the division has struggled to meet the approved performance standards for the food service and lodging inspection measures; in Fiscal Years 2015-2016 and 2016-2017, the division did not meet their performance goals. Division management noted that the high turnover rate of inspectors was the causal factor.

Our office concluded that absent other factors and given current trends, the division would continue to struggle to meet the performance standards for these measures. Our office recommended the division explore additional methods to address their high turnover rate in order to meet the statutory performance standards for the food service and lodging inspection measures.

The division concurred with our audit finding and noted that they would develop an



approach to address the shortfall in meeting these measures. They noted that during the next legislative session, they would propose an updated inspector incentive proposal and possibly a potential request for increased staffing. In addition, they would continue to seek out efficiencies and new solutions to address this situation.

### **Summaries of Enterprise Audits/Follow-Up Audits Completed in Fiscal Year 2017-2018**

There are currently two pending Executive Office of the Governor, Office of Chief Inspector General (CIG), enterprise audit projects that will be carried over to the upcoming fiscal year.

### **Summaries of Management Reviews Completed in Fiscal Year 2017-2018**

IAS staff performs services other than audits for the management of the agency. These special projects include response to an immediate need by management for assistance or reports in which audit staff provides management with guidance as to OIG activities.

### **Final Report *Results of the Office of Inspector General 2018 Risk Assessment* June 27, 2018**

The objective of this project was to present the results of the Office of Inspector General's (OIG) 2018 Risk Assessment. Our office based the OIG's *Annual Audit Plan for Fiscal Year 2018-19 and Long-Term Plans for Fiscal Years 2019-20 through 2020-21* on the results of this assessment.

Our office noted that our risk assessment process included an initial evaluation of the department's inherent operational risks. This included an evaluation of funding and staffing levels within the department's operational entities, program and division annual reports, and upcoming legislation.

Our office then noted that the annual risk assessment consisted of five separate, yet interrelated, steps. This encompassed the identification of the risk universe, survey design and dissemination, evaluation of survey responses, interviews with senior and executive management, and an evaluation of information technology risk. Our office detailed the specific elements set forth in each of these areas. We further noted the specific issues identified during our risk assessment surveys and discussions with department management.



## **Summaries of Florida Single Audit Act Activities Completed in Fiscal Year 2017-2018**

The Florida Single Audit Act, Section 215.97, Florida Statutes, establishes state audit and accountability requirements for state financial assistance provided to non-state entities. The OIG Internal Audit Section has a variety of responsibilities with respect to department Single Audit Act activities as outlined below.

### **Revision of Department Florida Single Audit Act Policy** Internal Project Number O-1718BPR-032

As part of our responsibilities within the Office of Inspector General, we are tasked with updating department policies under our purview. Throughout Fiscal Year 2017-2018, our office worked with department management to revise the department Florida Single Audit Act Policy. This policy was revised due to recent statutory changes in the audit threshold and the responsibilities for reviewing financial reporting packages within the department. The revised policy was finalized in fiscal year 2018-2019.

### **Fiscal Year 2017-2018 Florida Single Audit Act Certifications** Internal Project Number S-1718BPR-004 August 21, 2017

Chapter 69I-5.005(4), Florida Administrative Code, requires state agencies to annually certify the accuracy and completeness of their state projects included in the Catalog of State Financial Assistance. Agencies must complete the Catalog of State Financial Assistance Certification Form and identify any applicable additions, deletions, or changes.

In August 2017, OIG staff submitted the relevant certifications for all five current DBPR Florida Single Audit Act projects. Further, we noted deletion of one DBPR single audit act project. This information was timely submitted to the Department of Financial Services (DFS) in accordance with the relevant DFS instructions.

### **Florida Engineers Management Corporation (FEMC) Revised Catalog Certification – Fiscal Year 2017-2018** Internal Project Number B-1718BPR-041 October 5, 2017

As noted above, Chapter 69I-5.005(4), Florida Administrative Code, requires state agencies to annually certify the accuracy and completeness of their state projects



included in the Catalog of State Financial Assistance. Certifications are also required to be submitted when there is a change in the relevant contract manager.

Based upon a change in contract manager to the Florida Engineers Management Corporation (FEMC) contract, our office was required to submit a revised certification for this project. This revised certification was signed on October 4, 2017, and submitted to the Department of Financial Services by our office on October 5, 2017.

**Revision of Office of Inspector General Financial Reporting  
Package Checklist for Florida Single Audit Act**  
Internal Project Number B-1718BPR-034  
September 27, 2017

In accordance with the newly revised department Florida Single Audit Act Policy, the Office of Inspector General is required to review Florida Single Audit Act Financial Reporting Packages. Our office revised a draft checklist based on guidance provided by the Florida Auditor General and a recently completed Enterprise Project from the Executive Office of the Governor's Chief Inspector General's Office. Our newly revised checklist incorporates necessary elements of Auditor General Rules, contract management principles, and other relevant information.

**Florida Restaurant Lodging Association – Single Audit Act  
Financial Reporting Package Review – Calendar Year 2015**  
Internal Project Number B-1718BPR-040  
September 27, 2017

As part of our responsibilities within the Office of Inspector General, we are tasked with reviewing the financial reporting packages for state single audit projects. The 2015 Calendar Year package for the Education Foundation of the Florida Restaurant Lodging Association was completed in May 2016 and forwarded to our office in March 2017.

On September 27, 2017, our office submitted the final and complete version of our review of this financial reporting package with an attached OIG assessment checklist. Our office determined that the financial reporting package had not been submitted to the Auditor General, as required. We recommended the inclusion of the license number for the independent auditor and the development of a final reconciliation report as required by statute.



**Florida Restaurant Lodging Association – Single Audit Act  
Financial Reporting Package Review – Calendar Year 2016**  
Internal Project Number B-1718BPR-037  
October 11, 2017

The 2016 Calendar Year package for the Education Foundation of the Florida Restaurant Lodging Association (FRLA) was completed on May 15, 2017, and forwarded to our office on July 10, 2017. Our office determined that for the calendar year 2016 audited period, the FRLA had not expended \$750,000 or more in federal or state financial assistance. As such, a single audit was not required. However, since a financial reporting package was prepared, our office reviewed this package in accordance with our OIG Checklist and other contract management principles.

Our office recommended that as a future best practice, the contract manager verify that the report is submitted by the FRLA to the OIG and also verify that the report is submitted timely. Our office further recommended that the contract manager work to ensure future development and completion of a final reconciliation report.

**Board of Architecture and Interior Design – Single Audit Act  
Financial Reporting Review – Fiscal Year 2015-2016**  
Internal Project Number B-1718BPR-039  
October 25, 2017

The Fiscal Year 2015-2016 package for the Florida Board of Architecture and Interior Design (BOAID) was completed on December 14, 2016, and forwarded to our office on March 30, 2017. Our office determined that for the Fiscal Year 2015-2016 audited period, BOAID had not expended \$750,000 or more in federal or state financial assistance. As such, a single audit was not required. However, since a financial reporting package was prepared, our office reviewed this package in accordance with our OIG Checklist and other contract management principles.

Our office recommended that as a future best practice, the BOAID contract manager should verify the report submittal to both the contract manager and to our OIG. We also recommended the contract manager verify the timely submittal of the report. Our office further recommended that the contract manager appropriately review any findings identified in the financial reporting package and provide a report to our OIG identifying the status of implementation of corrective actions identified. The contract manager was also advised to cite the appropriate provision of the amended contract regarding the new method of payment for any identified OIG questioned costs such as meals and entertainment. Finally, we recommended the contract manager work to ensure future development and completion of a final reconciliation report.



**Florida Engineers Management Corporation – Single Audit  
Act Financial Reporting Package Review –  
Fiscal Year 2017-2018**  
Internal Project Number K-1718BPR-042  
November 3, 2017

The Fiscal Year 2016-2017 package for the Florida Engineers Management Corporation (FEMC) was completed on August 22, 2017, and forwarded to our office on October 6, 2017. Our office determined that FEMC expended \$750,000 or more in state financial assistance for Fiscal Year 2016-2017. As such, our office reviewed this package in accordance with our OIG Checklist and other contract management principles. Our office noted that there were no findings on the financial reporting checklist directed to FEMC.

Our office recommended that as a future best practice, the FEMC contract manager should verify the timely report submittal to both our OIG and the Auditor General, as set forth in the contract. We further recommended the contract manager work to ensure future development and completion of a final reconciliation report. Finally, we recommended that the contract manager request that the license number of the independent auditor that completed the report be included on future financial reporting packages.

**Florida Council on Compulsive Gambling – Single Audit Act  
Financial Reporting Package Review – Fiscal Year 2017-2018**  
Internal Project Number B-1718BPR-033  
November 16, 2017

The Fiscal Year 2016-2017 package for the Florida Council on Compulsive Gambling (FCCG) was completed on October 6, 2017 and forwarded to our office on November 9, 2017. Our office determined that FCCG expended \$750,000 or more in state financial assistance for Fiscal Year 2016-2017. As such, our office reviewed this package in accordance with our OIG Checklist and other contract management principles. Our office noted that there were no findings on the financial reporting checklist directed to FCCG.

Our office recommended that as a future best practice, the FCCG contract manager should request that the license number of the independent auditor that completed the report be included in order to quickly verify licensure status.





**Building A Safer Florida – Single Audit Act Financial  
Reporting Package Review – Fiscal Years 2013-2017**  
Internal Project Number K-1718BPR-048  
January 18, 2018

The Fiscal Years 2013-2017 Building a Safer Florida, Inc. (BASF) financial reporting packages were completed and forwarded to our office on December 9, 2017. Although our office determined that BASF did not expend \$750,000 or more in state financial assistance for Fiscal Year 2016-2017, the audit threshold was reached for Fiscal Years 2013-2014, 2014-2015, and 2015-2016. As such, our office reviewed this package in accordance with our OIG Checklist and other contract management principles. Our office noted that there were no findings on the financial reporting package directed to BASF.

Our office recommended that should BASF expend more than the audit threshold in the future, the contract manager should explore and implement internal controls, which require the timely provision of the financial package. We also recommended that as a future best practice, the BASF contract manager should work with department staff to develop and include a final reconciliation report within the contact file. The contract manager should also request that the license number of the independent auditor that completed the report be included on future financial reporting packages.

**Board of Architecture and Interior Design – Single Audit Act  
Financial Reporting Package Review – Fiscal Year 2016-2017**  
Internal Project Number K-1718BPR-047  
January 30, 2018

The Fiscal Year 2016-17 package for the Florida Board of Architecture and Interior Design (BOAID) was completed in December 12, 2017, and forwarded to our office on January 17, 2018. Our office determined that for the Fiscal Year 2016-2017 audited period, BOAID had not expended \$750,000 or more in federal or state financial assistance. As such, a single audit was not required. However, since a financial reporting package was prepared, our office reviewed this package in accordance with our OIG Checklist and other contract management principles.

Our office recommended that as a future best practice, the BOAID contract manager verify the timely financial reporting package submittal directly to our office. We also recommended that the license number of the independent auditor that completed the report be included in order to quickly verify licensure status.



**Summaries of External Audits Coordinated in Fiscal Year 2017-2018**

The OIG's Internal Audit Section serves as the central point of contact between the department and external agencies engaged in audits of department operations. This liaison role helps ensure effective coordination and cooperation between the Office of the Auditor General and other state and federal review entities and minimizes duplication of audit effort. Internal audit staff coordinates information requests and responses, facilitates the scheduling of meetings, and coordinates the department's response to preliminary and tentative findings issued by the Florida Auditor General and other oversight agencies. In Fiscal Year 2017-2018, internal audit staff provided liaison and coordination services for the following 5 external reviews.

**FDLE Audit of Selected User Agreements: Division of Service  
Operations and Division of Pari-Mutuel Wagering**  
July 12, 2017

The purpose of this audit from the Florida Department of Law Enforcement (FDLE) was to assess the use of criminal history information and compliance with the Non-Criminal Justice User Agreement between FDLE and selected DBPR divisions – the Division of Service Operations and the Division of Pari-Mutuel Wagering.

The audit indicated that our department is operating in compliance with the Non-Criminal Justice User Agreements. No audit findings or recommendations were made to our department.

***Agency for State Technology***  
***2017 Agency Compliance Assessment with Rule Chapter 74-1,***  
***Florida Administrative Code, for the***  
***Department of Business and Professional Regulation***  
December 1, 2017

This compliance assessment was conducted by the Agency for State Technology (AST) pursuant to Section 282.0051(10), Florida Statutes, which requires an annual assessment of state agencies to determine compliance with information technology standards and guidelines developed and published by AST.

During the inventory phase of the Compliance Assessment process, AST identified six projects. AST selected 2 of the 6 projects submitted and evaluated our agency with a resulting score of a combined 1.00 out of 1.00. This indicates High Compliance. No audit findings and recommendations were specifically made to our department.



***Office of Program Policy Analysis and Government Accountability (OPPAGA)  
Review of the Florida Lottery, 2017***

Report Number 18-01

January 11, 2018

OPPAGA was directed by the Legislature to examine the Department of Lottery and assess options to enhance its earning capacity and improve its efficiency. One aspect of the review noted that the Lottery could take additional steps to prevent the sale of lottery tickets to minors.

OPPAGA made a recommendation to the Department of Lottery that they conduct underage sting operations, potentially in partnership with our department's Division of Alcoholic Beverages and Tobacco. Our department was not required to respond to this recommendation. No additional audit findings and recommendations were made to our department.

***Operational Audit: Division of Pari-Mutuel Wagering and Selected  
Administrative Activities***

Report Number 2018-087

January 17, 2018

This operational audit of the department was conducted by the Florida Auditor General's Office. The audit focused on the Division of Pari-Mutuel Wagering (division) and selected administrative activities. The audit also included a follow-up on the findings noted in the Auditor General's Report Number 2015-066. The Auditor General's Findings and Recommendations are noted below.

**Finding One**

Division procedures for sampling and testing racing animals for drugs and medications could be enhanced to better align with industry best practices. The Auditor General recommended that division management enhance racing animal testing procedures to ensure that:

- Separate and distinct split samples are collected and retained.
- Blood samples are stored upright for at least 30 minutes at room temperature before being centrifuged.
- Sample information is accurately recorded on division chain of custody documentation and chain of custody records are subject to comprehensive supervisory review and approval.
- Blood serum samples are not decanted in test barns.



*Finding Two*

Pari-mutuel facility inspections were not always conducted using current facility inspection checklists. The Auditor General recommended that division management take steps to ensure that the results of pari-mutuel facility inspections are documented using correct checklists.

*Finding Three*

The division did not require that all employees with inspection or enforcement-related responsibilities be subject to department conflict of interest policies and procedures. It was recommended that division management take steps to ensure that all employees with inspection or enforcement-related responsibilities, including those in the Office of Operations, are subject to department conflict of interest policies and procedures and annually complete conflict of interest forms.

*Finding Four*

The division could gain greater assurance over the integrity of wagering operations, including the accuracy and completeness of totalisator data used to calculate the applicable fees and taxes due from each pari-mutuel permit holder, by obtaining and reviewing independent service auditor reports on the effectiveness of internal controls established by division-approved totalisator companies. The Auditor General recommended that because of the critical nature of totalisator data, division management should obtain and review service auditor reports on the effectiveness of the totalisator companies' internal controls.

*Finding Five*

The department did not perform a complete physical inventory of all tangible personal property for the 2015-2016 Fiscal Year as required by Department of Financial Services (DFS) rules. It was recommended that department management ensure that complete annual physical inventories of department property are conducted in accordance with DFS rules.

The Division of Pari-Mutuel Wagering and the Division of Administration and Financial Management concurred with these audit findings and noted plans for corrective actions to address the Auditor General findings and recommendations.



***State of Florida – Compliance and Internal Controls Over Financial Reporting and Federal Awards for the Fiscal Year Ended June 30, 2017***

Auditor General Report Number 2018-189

April 2, 2018

Pursuant to Section 11.45, Florida Statutes, the Auditor General conducted an audit of the basic financial statements of the State of Florida, as of and for the fiscal year that ended June 30, 2017.

Audit staff coordinated the department's response to the Auditor General's information requests. No audit findings or recommendations were made to our department.

**Monitoring of Corrective Action &  
Status of Audit Recommendations  
Reported in Prior Annual Reports**

The Internal Audit Section actively monitors management's actions to correct deficiencies cited in internal audit reports and in reports issued by external review entities. In accordance with state law and internal auditing standards, the Inspector General provides the department Secretary with a written report on the status of corrective action. In Fiscal Year 2017-2018, the Internal Audit Section conducted 8 follow-up reviews of internal and external audits, including reviews of outstanding corrective actions from prior annual reports. The results of these follow-up reviews are summarized below.

**Follow-up Reviews of Internal Audits**

***Initial Six-Month Follow-up Review: Audit of  
Agency Access Controls for Separating Users***

Report Number F-1617BPR-003

July 14, 2017

The objectives of this audit were to determine whether corrective action has been taken to mitigate the risks identified during our initial audit. The initial audit objective was to evaluate whether the department's logical access controls for separating users were adequately designed and operating as intended

Based upon the status report prepared by the Division of Technology and Division of Administration and Financial Management, our review of supporting documentation, and



testing of relevant processes and records, our office concluded that access had not been timely removed for separating users. We determined that we would continue to monitor the corrective actions taken to address the risks presented in the initial audit report.

This audit is classified as a confidential report pursuant to Section 282.318, Florida Statutes. The results of this follow-up audit are confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and are not available for public dissemination.

***Initial Six-Month Follow-up Review: Audit of  
Internal Controls for Driver and Vehicle  
Information Database (DAVID)  
Report Number F-1718BPR-012  
December 13, 2017***

The Division of Alcoholic Beverages and Tobacco (AB&T, division), Bureau of Law Enforcement, accesses driver license and motor vehicle information pursuant to a Memorandum of Understanding (MOU) with the Department of Highway Safety and Motor Vehicles (DHSMV). This MOU permits authorized department employees to access certain driver license and motor vehicle data and information through the DHSMV Driver and Vehicle Information Database (DAVID).

Per the relevant provisions of the MOU, user access permissions must be updated within five working days upon termination or reassignment of users and immediately upon discovery of negligent, improper, or unauthorized use or dissemination of information. Audit follow-up testing required our office to test compliance with this five-day provision by comparing the DAVID removal data with the People First listing of the dates of separation for inactive employees. Follow-up testing determined that 1 of the 8 (13%) inactive users' access to DAVID was removed more than five working days after the date of separation.

The division provided our office with quality control reviews of access removal and other implemented internal controls to ensure consistent compliance with the five-day access removal requirement. Our office ultimately concluded that while these additional controls regarding timely DAVID access removal are working well, further improvements could be made.

Our office noted that we would continue to monitor compliance with this audit finding and recommendation.





**Twelve-Month Follow-up Review: Audit of  
Agency Access Controls for Separating Users**  
Report Number F-1718PR-029  
March 21, 2018

The objectives of this audit were to determine whether corrective actions have been taken to mitigate the risks identified in our initial and six-month follow-up audits. The initial audit objective was to evaluate whether the department's logical access controls for separating users were adequately designed and operating as intended.

Based upon the status report prepared by the Division of Technology and Division of Administration and Financial Management, our review of supporting documentation, and testing of relevant processes and records, our office concluded that although access had not been timely removed for separating employees, access had been timely removed for employees who were terminated at management's discretion or who resigned in lieu of termination. We determined that we would continue to monitor the corrective actions taken to address the risks presented for this finding in the initial audit report.

Our office did find that corrective action had been taken to identify and disable network access for inactive users such as contractors, volunteers, and interns. As such, no further monitoring will be required for this issue.

This audit is classified as a confidential report pursuant to Section 282.318, Florida Statutes. The results of this follow-up audit are confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and are not available for public dissemination.

***Twelve-Month Follow-up Review: Audit of  
Internal Controls for Driver and Vehicle  
Information Database (DAVID)***  
Report Number F-1718BPR-056  
May 22, 2018

As noted above, the Division of Alcoholic Beverages and Tobacco (AB&T), Bureau of Law Enforcement, accesses drivers' license information from the DAVID database in accordance with a Memorandum of Agreement with DHSMV. This agreement provides that user access permissions must be updated within five working days upon employee separation.



Our office determined that only three AB&T DAVID users had separated from the department during our period of audit follow-up testing. Our office compared the listing of these DAVID users with their dates of separation in People First. For two of these AB&T users, DAVID access was removed on the exact date of employee separation, as required by the agreement with DHSMV. However, one division user separated from the department 11 working days prior to DAVID access removal.

In addition, our review of separated employees also identified timely DAVID access removal challenges for non AB&T users. Our testing identified that an Office of Inspector General (OIG) sworn investigator separated from the department on February 16, 2018, yet still was listed as an active DAVID user as of April 30, 2018. However, the OIG DAVID user had not accessed the system since December 2017.

Our office consulted with the Division of Technology (DIT), which indicated that the OIG Inspector Supervisor had correctly noted that the employee was a DAVID user and that this access should be removed on the official Technology Separation Checklist in accordance with department procedures. However, this information was not relayed by DIT to AB&T for them to timely remove this employee's access to DAVID. DIT management indicated that department supervisors routinely incorrectly indicate that an employee has access to DAVID when they, in fact, do not. AB&T has an internal process in place whereby their staff notifies their internal DAVID system administrator of any separated AB&T DAVID users. DIT indicated they would attempt to more closely examine future Technology Separation Checklists and notify the AB&T DAVID system administrator of any separated users directly.

Discussion with the AB&T DAVID system administrator revealed that access has since been removed for this OIG sworn investigator. OIG protocols have also been updated to ensure that the AB&T DAVID system administrator is separately informed of the separation of any Office of Inspector General DAVID user by the OIG Director of Investigations.

Our office noted that we would continue to monitor compliance with this audit finding and recommendation.



**Follow-up Reviews of External Audits**

***Follow-Up to Finding in Auditor General Statewide  
Financial Statement Audit***

Report Number G-1718BPR-002

August 18, 2017

In March 2017, the Auditor General published Report Number 2017-180, *State of Florida's Compliance and Internal Controls over Financial Reporting and Federal Awards*. A finding was made concerning our department. The Auditor General determined that the department did not record the fiscal year-end cigarette tax receivable and revenue related to July tax payments collected on June sales of cigarette tax stamps. Prior to audit adjustment, the receivables, net, and taxes accounts were understated in the General Fund by \$76,297,830.

During follow-up testing, our office reviewed the Division of Administration and Financial Management, Bureau of Finance and Accounting's, updated year-end checklists and updated policies and procedures regarding year-end financials. Our office determined this information provided evidence of corrective action to address the risks associated with the audit finding. Our office also confirmed that the year-end receivables were received from the Division of Alcoholic Beverages and Tobacco for the Cigarette Tax Collection Trust Fund and were recorded for Fiscal Year 2016-2017.

Based upon our review of supporting documentation, our office concluded that management's actions were sufficient to close this audit finding and recommendation.

***Summary Schedule of Prior Audit findings  
Auditor General Statewide Federal Awards Audit***

Internal Report Number E-1718BPR-011

October 24, 2017

In accordance with Uniform Guidance (2 CFR 200.508(c)), each state agency is responsible for follow-up and corrective action on all audit findings in the statewide financial statement audit. As part of this responsibility, each agency with a reported finding must complete a Summary Schedule of Prior Audit Findings Form. The form includes the reference number of the finding and the relevant fiscal year.

Audit staff performed testing to assess the reasonableness of the completed Summary



Schedule of Prior Audit Findings. Our office found that the Bureau of Finance and Accounting had instituted internal controls to ensure that the year-end receivable has been recorded and the related distribution has been provided to other state agencies. Additional supervisory review has also been built into this process.

No further OIG monitoring was required.

***Eighteen-Month Follow-up Response to  
Auditor General Report Number 2016-198  
Department of Business and Professional Regulation—  
Information Technology Audit – Versa: Regulation  
Report Number G-1718BPR-005  
December 13, 2017***

Our office is required to monitor and report to the Secretary on the status of corrective action taken in response to reports issued by the Auditor General. The initial audit evaluated selected information technology controls applicable to Versa: Regulation.

The Auditor General review found that certain security controls related to user authentication, logging, and monitoring for Versa: Regulation and related IT resources needed improvement to ensure the confidentiality, integrity, and availability of Versa: Regulation data and related IT resources. The Auditor General recommended that department management improve certain security controls related to these areas.

During follow-up testing, the Division of Technology (DIT) noted that the department was working to continuously improve security controls to ensure the confidentiality, integrity, and availability of Versa: Regulation data and related information technology resources. Improved security controls were put in place with respect to user authentication, logging, and monitoring. Our office concluded that the department has established additional internal controls to ensure the confidentiality, integrity, and availability of Versa: Regulation data and related information technology resources. DIT also provided our office with supporting documentation verifying strengthened controls regarding password security, user authentication, logging, and monitoring.

Our review concluded that management had taken substantive action to address the remaining issue noted in the audit report. As a result, the OIG closed out its monitoring of this audit.



***FDLE Technical Audit Follow-Up***  
Report Number G-1718BPR-043  
April 10, 2018

Criminal Justice Information Services' (CJIS) Security Policy requires that every agency that uses criminal justice information systems or data get audited minimally on a triennial basis by the CJIS Systems Agency, the Florida Department of Law Enforcement (FDLE). FDLE notified our department that we are now operating in compliance with the CJIS User Agreement and version 5.5 of the Federal Bureau of Investigation Criminal Justice Information Services Security Policy (CSP).

This audit is classified as a confidential report pursuant to Section 282.318, Florida Statutes. The results of this audit are confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and are not available for public dissemination.

### **Other IAS Activities**

- The IAS prepares the *Schedule IX: Major Audit Findings and Recommendations* for the department's Legislative Budget Request on an annual basis. The *Schedule IX* informs decision-makers about major findings and recommendations made in Auditor General and OIG audit reports issued during the current and previous fiscal years. The *Schedule IX* also provides information on the status of action taken to correct reported deficiencies and is cross-referenced to any budget issues for funding to implement audit findings and recommendations.
- Section staff reviewed and provided input to management on new departmental operating policies and on proposed revisions to existing policies.
- Senior staff participated in the interview and selection of a new Management Review Specialist - Auditor candidate.
- Section staff briefed the Department Gubernatorial Fellow and the Division of Alcoholic Beverages and Tobacco, Bureau of Law Enforcement Chief on internal audit activities and processes.
- Our office updated our Integrated Internal Audit Management System (IIAMS) Templates for our Internal Audit Follow-Up Testing, our Single Audit Act Financial Reporting Package Review, and our Single Audit Act Catalog Certification updates.



- Our office also verified accuracy of users within the IIAMS and Florida Inspectors General Expertise System (FIGES) as requested by the Department of Children and Families.
- Section staff represented the OIG and participated in DBPR University – Community of Practice activities.
- Our office revised our Internal Audit Activity Charter to provide greater conformance with the newly revised *International Standards for the Professional Practice of Internal Auditing*. The Charter sets forth the authority of our office, our general policy, office responsibilities, the quality assurance and improvement program, the standards of audit practice, core principles, and the Office of Inspector General Code of Ethics.
- Our office facilitated the removal of payroll system access for certain Division of Administration and Financial Management, Bureau of Human Resources employees, as requested by the Department of Financial Services. These employees had previously had access privileges that did not adhere to segregation of duties principles.
- Our office also reviewed information submitted by the Division of Technology regarding the 2018 Auditor General IT Survey and the 2017 IT Risk Assessment Survey from the Agency for State Technology (AST).





## INVESTIGATIONS SECTION

The Investigations Section of the OIG is comprised of one (1) investigations director and three (3) sworn investigators. Staff within this section are primarily responsible for conducting internal investigations and inquiries into allegations of employee misconduct and allegations that department employees have violated law, rule, policy, procedure, or regulation. This unit accomplishes its mission through both reactive and proactive investigative efforts based on the authority specified in Section 20.055, Florida Statutes, and in accordance with the Principles and Standards for Offices of Inspector General (the “green book”), which is published by the Association of Inspectors General.

Internal investigations help identify deficiencies in policies and procedures, other internal controls, or business processes that caused or contributed to the situation requiring investigation. By reporting these deficiencies to management, the department has the opportunity to address them and thereby reduce the likelihood of future occurrences of fraud, waste, mismanagement, misconduct, or other abuses. OIG findings are reported to the department’s Secretary, Human Resources, and, as appropriate, to the respective division directors, immediate supervisors, and the Office of the General Counsel. Recommendations for improved processes, policies, or procedures are made when warranted by the findings.

The majority of complaints referred to the Investigations Section are received via the OIG’s telephonic and online complaint reporting processes, which are available not only to department employees, but also to the citizens of Florida. Many of the complaints reported to the OIG are referred to the department’s various division directors, since the complaints are more appropriate for management review and response, rather than investigation or inquiry.

### Statewide Complaint Intake Process

Recognizing that not all citizens have access to electronic communication, the Office of Inspector General maintains multi-portal intake capabilities. Citizens may file a complaint by telephone, facsimile, standard mail, electronic mail, in person, or through the department’s website. These reporting options ensure that no complainant is deterred from voicing their concerns.

Each complaint is thoroughly vetted by the Inspector General and Director of



Investigations to identify allegations of misconduct, waste, fraud, or abuse. Each complaint is also analyzed to determine if the complaint describes activities as defined in Section 112.3187, Florida Statutes, also known as the “Whistle-blower’s Act.” Absent the elements of the aforementioned statutes, complaints are typically referred to the appropriate division director for handling. Capturing and classifying each complaint enables the OIG to analyze and provide feedback to management when consistent public miscommunication, policy failure, or poor performance may exist within a division.

### Description of Cases Typically Handled by the Investigations Section

**Backgrounds** - Investigations and criminal history reviews of individuals who are being considered to fill positions designated as sensitive. This includes Career Service, Senior Management, Selected Exempt Service, and Other Personal Services positions.

**Information** – Information cases are completed in order to document information and/or actions that otherwise do not meet the criteria for investigative inquiries or investigations.

**Investigative Inquiries** - Informal investigations conducted to determine the validity of a complaint prior to the initiation of an internal investigation. The determination as to whether the allegation remains an inquiry is dependent on the evidence obtained during the course of the informal investigation.

**Proactive Reviews** – Reviews initiated by the Office of Inspector General as mandated by statute to eradicate waste, fraud, and abuse in state government. While limited in scope, each review is tailored to encompass a majority of the agency’s employees within a program, whose responsibilities require independent accountability in accurately reporting time, purchasing card activities, mileage, on-site inspections, and approved outside employment. The findings are reported in writing to management for corrective

#### Cases Handled in FY 17-18 (338)

Backgrounds - 2

Information - 44

Investigative Inquiries - 14

Internal Investigations - 12

Law Enforcement Referrals - 2

Referrals - 253

Use of Force Reviews - 3

Proactive Reviews - 6

Whistle-blower Analyses - 2



action, policy changes, or discipline. These reviews are one of the many fraud detection and deterrence activities engaged in by the Office of Inspector General.

**Internal Investigations** - Investigations conducted by the Office of Inspector General in response to a complaint received by the office, and sometimes from the evidence obtained during an inquiry, that warrants a full and formal investigation into the facts surrounding the allegation(s).

**Referrals** – The forwarding of complaints, typically of minor misconduct, to the appropriate division within the department or to the applicable external department for review and response to the complainant.

**Reviews** – Reviews are conducted in order to examine the actions of the department and/or its members and to ensure that the actions were adequate, accurate, or correct.

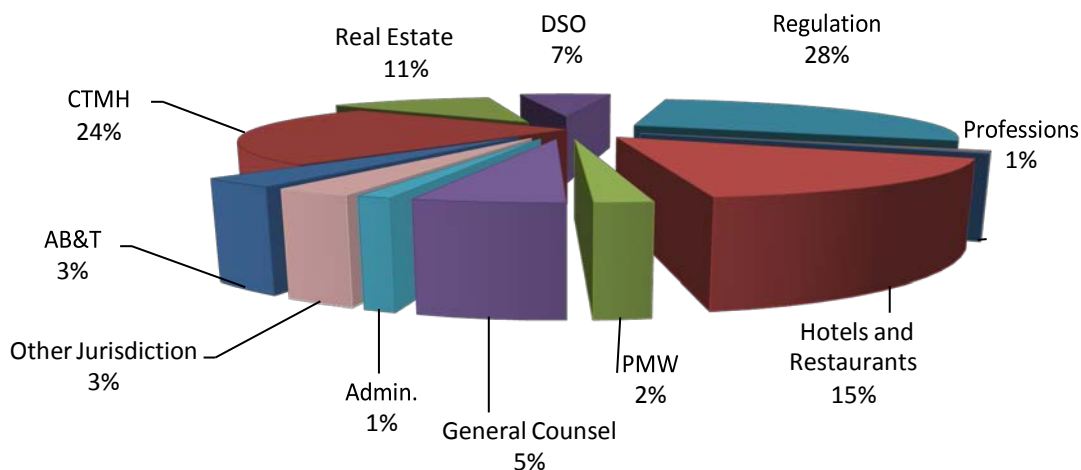
**Use of Force** – Reviews into the circumstances surrounding a law enforcement officer's use of force when performing his or her duties.

**Whistle-blower Analysis** – Receipt and review of complaints filed by a state agency employee/contractor, former state agency employee/contractor, or applicant for state agency/contractor employment, containing serious allegations of wrongdoing on the part of a public employer or independent contractor and coordination of all activities of the agency as required by the Whistle-blower's Act pursuant to Sections 112.3187-112.31895, Florida Statutes.

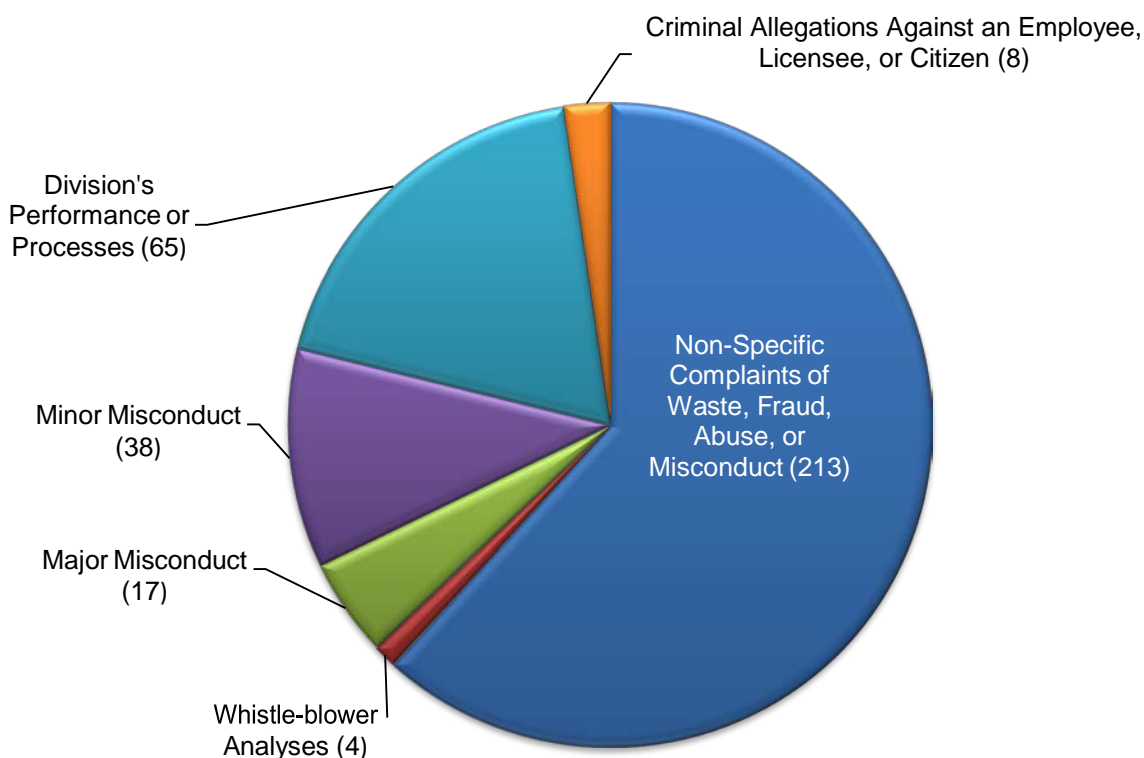
**Get Lean Hotline** – Suggestions to improve the efficiency and effectiveness of departmental operations offered by citizens via the Hotline.



### Percentage of Referrals by Division in Fiscal Year 2017-2018



### Complaints in Fiscal Year 2017-2018 Addressed By Type





## **Summaries of Investigative Inquiries Completed in Fiscal Year 2017-2018**

### ***Case Number 2017-242-INQ***

A former agency employee alleged in his letter of resignation that his supervisor and a co-worker drove a state assigned vehicle to a grocery store during work hours and purchased alcoholic beverages. OIG located the former employee, who provided the allegation in a sworn affidavit. The OIG reclassified this inquiry to an internal investigation, indexed as Case Number 2017-263-IA, located in the Internal Investigations section of this report.

### ***Case Number 2017-256-INQ***

This inquiry was predicated upon a complaint from an agency senior manager, who reported concerns that a recently resigned employee may have provided confidential information to a reporter, who published specific earnings for gambling locations in Florida. The OIG analyzed the reporter's articles through social media searches. A dated article written by the reporter was located that described the methodology used to calculate individual locations' earnings, through public records, rather than from insider information. The OIG closed the complaint with no further action.

### ***Case Number 2017-260-INQ***

This inquiry was predicated on a former employee's resignation letter, which alleged an inspector misused a state vehicle and falsified time and attendance reports. The complainant identified witnesses and documentation to support her allegations. The OIG determined that sufficient independent evidence was available to escalate this inquiry to a formal investigation. The formal investigation is located in the Internal Investigations section of this report as Case Number 2017-275-IA.

### ***Case Number 2017-293-INQ***

This inquiry was initiated by a deputy division director's report to the OIG that two iPad Pros and SIM cards were missing or stolen from a bulk order. The OIG's inquiry determined that 23 iPad Pros, SIM cards, and protective cases were received by the department's mailroom. The items were delivered to Information Technology for set-up and then delivered to the division. The division stored the items in an unsecured office until issued to staff. The OIG determined that insufficient inventory control likely contributed to the loss of, or facilitated the theft of, the iPads.



The deputy director reported to the OIG that since this incident, the division has modified procedures for ordering, receiving, and storing technology purchases. The division requested IT deliver all future technology orders to the division director's office. The division designated a specific staff member to receive and inventory future technology orders.

The OIG recommended that IT, in consultation with all divisions, institute safeguards and guidelines to ensure greater accountability and adherence to department and state rules in the handling of state property.

#### ***Case Number 2017-294-INQ***

This inquiry was initiated upon the Director of the Division of Alcoholic Beverages and Tobacco's concerns of discovered discrepancies in a headquarters Management Review Specialist's (MRS) timesheets. The MRS' immediate supervisor, who worked in a field office, supervised the MRS' leave through an electronic calendar and email communication. The OIG interviewed the supervisor, who provided evidence that the MRS did not claim some leave hours that she took. Additionally, the supervisor had received concerns from the MRS' co-workers regarding her not reporting leave hours or absences.

The OIG compared the division's shared Outlook Calendar, the MRS' Outlook Calendar, a Leave Audit Report, Leave Balance Overview Report, and a Timesheet Summary Report. Correlating the aggregate data derived from the reports and calendars raised several questions, which strongly suggested fraudulent entries by the MRS on several of her timesheets in 2017.

The OIG closed this inquiry and initiated a formal investigation, Case Number 2017-303-IA, which is located in the Internal Investigations section of this report.

#### ***Case Number 2017-304-INQ***

The OIG initiated an inquiry based upon a citizen's complaint, which alleged a Division of Alcoholic Beverages and Tobacco inspector was, "behaving inappropriately and turns a blind eye to violations" in a south Florida restaurant.

The OIG interviewed the complainant, who stated that he learned of the inspector's actions from an acquaintance. The complainant lived out of state and had not visited Florida in three years and mistakenly thought the inspector was a law enforcement officer. The complainant refused to provide the acquaintance's name for interview.

The OIG reviewed the inspector's three inspection reports of the restaurant from 2015 through 2017. In consultation with a division manager, all three inspections were determined to be unremarkable. This inquiry was closed with no further action.





***Case Number 2017-339-INQ***

This inquiry was predicated upon the complaint of a supervisor in the Division of Service Operations, Customer Contact Center (CCC). According to the supervisor, she retrieved cash from her wallet at approximately 9:00 a.m. on December 18, 2017, to purchase a beverage from the vending machine. At approximately 2:00 p.m., she left the office for an appointment. When she arrived at her appointment, she needed her identification and credit card. She stated that she then discovered that her wallet was not in her purse. She searched her vehicle and called a coworker to look in her office but could not locate her wallet. The supervisor called her creditors to report her credit cards as stolen immediately upon discovering her wallet to be missing.

The supervisor reported that American Express called her at 5:18 p.m. on December 18, 2017, seeking confirmation about the use of her credit card (that she had cancelled). American Express reported to her that someone attempted to use her card at a business approximately one-half mile from the supervisor's office.

OIG staff and a staff member from the CCC traveled to the store and reviewed the surveillance footage covering the time of the card's use. No person was identified as an employee of the department.

OIG requested the supervisor provide a copy of her police report once filed. The supervisor stated that she was not filing a police report and did not want to pursue the matter any further.

***Case Number 2018-023-INQ***

This inquiry was initiated based on the complaint of a Bureau Chief in the Division of Hotels and Restaurants, who reported a suspicious purchase on a fleet fuel card assigned to a Safety & Sanitation Inspector in the division's Miami office. The OIG determined that on January 18, 2018, the inspector's issued card was used to purchase \$260.81 in diesel fuel at a convenience store in Miami.

The OIG received a copy of the convenience store video depicting the diesel fuel purchase. The person in the video did not match the description of the inspector and the diesel fuel was pumped into a truck that appeared to be equipped for industrial use.

In an interview, the inspector denied any knowledge of the purchase and co-workers were able to verify that he was present with them working when the purchase occurred.



The OIG followed-up with the fleet card company's fraud division, which credited the money back to the department as an accounting error. No further action was taken by this office.

***Case Number 2018-040-INQ***

The OIG received an anonymous complaint against a Division of Pari-Mutuel Wagering (PMW) Operations Specialist (specialist). The complainant alleged that for the past three years, the specialist had rented a room in her condominium to an employee of the Isle of Capri Casino, a potential conflict of interest. This inquiry focused on documenting the alleged personal and professional relationship between the specialist and alleged renter.

An OIG analysis of the specialist's records in the State of Florida's People First system verified the specialist's residential address and possible personal contacts residing at the address. Additionally, online information searches indicated two other persons resided at the specialist's home address.

OIG conducted a sworn interview with the specialist to address the allegation. The specialist stated that her adult aged daughters and her grandson were the only persons who lived or had lived with her. The specialist stated that she did not have a tenant renting from her at her private residence and that her coworkers and the casino employees had never visited her private residence. The specialist said that she did not own any other properties and the covenants of her condominium prohibited subleasing and/or renting rooms in the units.

Absent additional evidence, further investigative activities were unwarranted.

***Case Number 2018-086-INQ***

On March 16, 2018, the Office of Inspector General (OIG) received a web complaint from a citizen who wrote to express her concerns about the behavior of an Environmental Health Specialist (specialist) in the Division of Regulation's (division or REG) Miami Field Office.

The complainant stated that the specialist entered her shoe repair business at approximately 2:55 p.m. on March 15, 2018. Complainant stated that her business is adjacent to a cosmetology salon. The complaint said that the specialist looked around her shop for seven to eight minutes and spent approximately another three minutes in the parking lot before leaving. According to the complainant, the specialist refused to identify himself to her other than to tell her, "I work for the government." The complainant told the specialist she planned to report him and the specialist responded, "I don't care; do what you need to do."



The complainant stated that the specialist wore clothing similar to a uniform, a dark gray polo shirt with a logo on the left side, matching gray pants, black shoes, and was wearing a badge. The complainant stated she was taken aback when the specialist told her not to talk to the woman in the salon next door, while still not identifying himself. Complainant stated the specialist seemed more agitated when she informed him that she does not know the woman in the salon and does not talk to her.

As the specialist left the business, he picked-up all of the shopping center tenants' mail. The complainant stated that the mailboxes are regular lift-up lid mailboxes that do not lock. The specialist took the mail with him when he left the premises. The complainant said she thinks the specialist took the mail to determine who worked in the shopping center.

The complainant said the specialist was "very nasty" to her while in her business. The specialist had parked in a neighboring restaurant's parking lot belonging to her business' landlord. Complainant went outside and copied the license plate number of the specialist's department car as he left.

The OIG viewed the specialist's inspection reports for March 15, 2018, to corroborate the information in the complaint. According to the specialist's documentation, he conducted an inspection of the salon adjacent to the complainant's business from 2:34 pm until 2:46 pm on March 15, 2018.

In summary, the specialist allegedly entered a business (shoe repair) not regulated by the DBPR, would not identify himself, would not explain his presence, and conducted himself unprofessionally, including being "very nasty" to the owner and taking all of the shopping center tenants' mail. This inquiry was upgraded to an internal investigation, indexed as OIG Case 2018- 087-IA, because of the criminal complaint of mail theft; it is located in the Internal Investigations section of this report.

#### ***Case Number 2018-093-INQ***

The OIG initiated this inquiry based upon an anonymous complaint received by the Director of the Division of Alcoholic Beverages & Tobacco (AB&T) on March 22, 2018. The anonymous complainant alleged that an AB&T lieutenant, Miami Regional Office, arrives at work "around 10:00 a.m. going home around 3:00 p.m." and "takes over 1 ½ hours for lunch" and claims 8 hours worked. The complainant stated the OIG could substantiate the allegation by reviewing the lieutenant's Sun Pass<sup>1</sup> logs. The complainant did not provide a timeframe for the allegations. Therefore, the OIG confined its review to January 2018 through March 2018.

<sup>1</sup> Sun Pass – An electronic transponder system to pay fees on multiple Florida toll roads, including the Florida Turnpike.



The OIG reviewed the lieutenant's Sun Pass activity logs for the 2018 calendar year. Further the OIG reviewed the lieutenant's computer network login activity, issued cellular telephone records, fuel purchases, building access records, and Computer Aided Dispatch (CAD)<sup>2</sup> records.

The lieutenant resided in Broward County, and worked in the AB&T Miami Regional Office in Doral, Florida. The most direct route from the lieutenant's residence to the Miami AB&T office was approximately 33 miles and included toll roads. The lieutenant's work area of responsibility only included Miami-Dade County.

Based on the analysis of available data, discrepancies were identified in the lieutenant's workdays and his recording of time in People First. The Sun Pass data could be interpreted to indicate that the lieutenant occasionally worked less than the eight hours he recorded on his timesheet. Further, the OIG found that the lieutenant had not checked in or out with the Miami consolidated dispatch center for the calendar year, as required by policy. The analysis supported closing this inquiry and initiating an internal investigation, Case Number 2018-120-IA, for possible violations related to timesheet falsification and failure to log on and off duty via the CAD.

#### ***Case Number 2018-152-INQ***

An OPS Chief Vet Assistant and Alternate Chief Inspector (complainant), Pari-Mutuel Wagering (PMW), Fort Lauderdale Office reported to the OIG on June 11, 2018, that her immediate supervisor leaves work early, but still gets paid. The OIG initiated an inquiry based on this complaint. The complainant said that she had spoken to her supervisor's supervisor several times about her concerns. The complainant confirmed to the OIG that she was aware her supervisor earned hours for leave and that she had never reviewed her supervisor's timesheet.

The complainant said the supervisor had misused the emergency contact list for employees. Complainant gave the example that five or six months ago, there were "personal things" going on in her life, so she submitted her two-week notice. The supervisor called the complainant's parents, using the emergency contact list. During the call, the supervisor inquired about the complainant's personal issues and told her parents she should not quit. The complainant said that she never gave her supervisor permission to contact her family for non-emergency purposes.

Due to the specifics of the case, it was referred to the Director of the Division of Pari-Mutuel Wagering.

<sup>2</sup> CAD – Computer Aided Dispatch – Computer system used to track law enforcement activities, including calls for service, officer initiated activity, and log-on and log-off times.



***Case Number 2018-153-INQ***

An OPS Animal Technician (technician), Pari-Mutuel Wagering (PMW), West Palm Beach Office, complained to the OIG that she was required to clock in later than the actual time she reported to work, causing her to lose hours worked. The OIG conducted an inquiry into this complaint. According to the technician, her shift was supposed to start at 11:00 a.m., but her supervisor changed her hours and she now clocks in at 11:30 a.m., cutting her hours a half-hour daily. The technician confirmed to the OIG that she did not work hours for which she was not paid, including overtime hours.

The technician stated that her supervisor's lead supervisor (lead) only visited her facility on Mondays for three to four hours at the most and he had given her supervisor authority to hire and fire. The supervisor had since hired two friends. The technician stated that the supervisor scheduled her friends for more work hours, while cutting her hours. One of the friends shared with the technician that the supervisor hoped to make the technician quit. The technician said that the lead's infrequent presence at the facility limited both his oversight and her ability to speak to him about her concerns.

The technician stated that when she and other co-workers complained about the supervisor's demeanor and scheduling, the lead reported it back to the supervisor, who retaliated by cutting the technician's hours. The technician said that she called "Tallahassee" and confirmed that the lead is her actual supervisor, so she is concerned as to why he has given the supervisor his authority.

The technician's concerns focused on her working environment, who supervised her, and the scheduling of hours. Since management generally addresses these types of concerns, the OIG referred the complaint to the Director of PMW for his review and action as deemed appropriate.

***Case Number 2017-166-INQ***

The OIG initiated this inquiry based upon an email complaint received by the Director of the Division of Alcoholic Beverages & Tobacco (AB&T) on June 25, 2018, from the Executive Director of Florida Beer Wholesalers Association, Inc. (FBWA). The Executive Director wrote that he received two complaints about an AB&T Investigation Specialist II (ISII) "telling vendors that she does not like" a certain distributor. According to the complaint, the ISII stated to the vendors she would "do whatever she can to get them." The purpose of this inquiry was to determine if there was substantial, independent evidence to validate the complaint or determine if an investigation would likely reveal substantial, corroborating evidence to support the allegation.



On June 27, 2018, the OIG requested further details about the statements attributed to the ISII. In response, the Executive Director provided an email chain containing contact information for two of the distributor's employees, who received the initial complaints from their retail accounts.

The OIG's inquiry determined that the witnesses to the alleged misconduct declined to participate in this inquiry; therefore, the OIG was unable to determine the existence of independent, corroborating, or exculpatory evidence. The OIG referred the complaint back to the Director of AB&T to handle as deemed appropriate.

### Summaries of Internal Investigations Completed in Fiscal Year 2017-2018

#### Case Number 2017-185-IA

This investigation was predicated upon a complaint from the Division of Alcoholic Beverages and Tobacco (AB&T), alleging that certain posts and photographs on an AB&T Law Enforcement Investigator's personal Facebook page directly related to active undercover criminal operations conducted by the employee and other division personnel. It was also alleged that the agent, in connection with another AB&T agent, falsified official report documents.

The OIG reviewed all available known documents and records pertaining to the allegations. Upon learning of the investigation, the employee who had posted the photographs resigned. The OIG conducted sworn subject and witness interviews. The former employee declined an interview with the OIG.

Testimony in this case supported the findings that the former agent photographed and subsequently posted photographs on a social website, which contained information directly related to ongoing AB&T investigative activities.

It was determined that the former agent posted ten photographs on his social media page. By his actions, he divulged confidential information pertaining to undercover operations involving the division. There was no evidence discovered that the posting of these photographs adversely affected any active investigations.

As a result of this investigation, allegations of *Violation of Agency Rule* were *Sustained* against the former agent. Insufficient evidence existed to demonstrate that the former agent or current agent falsified any official documents.





**Case Number 2017-230-IA**

It was reported to the OIG, by the Florida State Boxing Commission, that \$495.00 cash was missing from a deposit made by a staff member in August 2017. An Administrative Assistant II told staff that she dropped the deposit on the floor while walking to the Division of Service Operations' Bureau of Central Intake and Licensure Unit and believed she lost the cash at that time. The cash was part of fees collected at an event regulated by the Florida State Boxing Commission.

During the preliminary interview, the OIG informed the subject employee that the security video recordings from the department's security cameras were being downloaded to determine if video captured her dropping the deposit, as she had reported to her supervisor. During an interview with the OIG, she admitted to stealing the \$495.00 in cash and using it to purchase school uniforms for her children; she indicated she intended to replace the money when she received a pending child support payment. She stated that she wished to return the \$495.00 and would do so after the interview. She then provided an audio-recorded admission to the theft. She returned to her office where she then admitted the theft to her supervisors. On the same date as her interview, she returned the money to division supervisors.

As a result of this investigation, allegations of *Conduct Unbecoming a Public Employee* were *Sustained* against the employee.

**Case Number 2017-263-IA**

The OIG received a complaint from a former employee, via the Division of Regulation. The complaint alleged that a Regional Program Administrator purchased and then transported alcoholic beverages in a Department of Business and Professional Regulation (DBPR) owned vehicle. OIG staff requested and received a notarized affidavit from the complainant that provided the specific details of the allegation.

The affidavit alleged that the complainant, along with another division Investigation Specialist II and unnamed members of the Columbia County Sheriff's Office (CCSO), had completed a joint "sting" operation in Lake City, Florida in June 2017. According to the complainant, all of the DBPR employees traveled in one state vehicle. The complainant was the driver. The supervisor instructed him to go to a supermarket, where the supervisor purchased the alcoholic beverages. According to the complainant, the supervisor was wearing a DBPR State Investigator shirt at the time.

The supervisor testified that he purchased the alcoholic beverages and transported them in the department vehicle to the CCSO to settle a friendly bet. The supervisor testified that he realized transporting the beer in the department vehicle was a violation of policy.



As a result of this investigation, allegations of *Violation of Agency Rule* were *Sustained* against the supervisor.

**Case Number 2017-275-IA**

This investigation was predicated upon a complaint submitted by a former Department of Business and Professional Regulation employee against a Hotels and Restaurants (H&R) Senior Sanitation and Safety Specialist. This complaint alleged the Senior Sanitation and Safety Specialist regularly used an assigned state vehicle for personal use, including transporting a child to school and a relative's house. The complainant further alleged the Senior Sanitation and Safety Specialist spent time during the workday visiting a friend, accepted a gift card from a licensee, possibly worked a secondary job consulting, and filed inspection reports without actually doing the inspections.

Based upon the sworn testimony of the complainant, the strength and specificity of the information, her recall, and personal notes, the OIG opened a formal Internal Affairs case into the allegations related to possible misuse and/or personal use of a state vehicle, acceptance of gifts, consulting with businesses regulated by the department, and conducting personal business on state time.

After consultation with H&R management, it was determined that the information related to inspections and field work performed, as well as alleged discrepancies in inspections and paperwork completion, were performance issues. Since these are routinely handled by managers at H&R, it was agreed that upon completion of the OIG investigation, these issues would be referred to management and would not be addressed in the investigation.

As a result of this investigation, the OIG *Sustained* the following violations against the Senior Sanitation and Safety Specialist:

- Using a state vehicle for personal use and transporting an unauthorized person.
- Conducting personal errands during work time.

Insufficient evidence existed to demonstrate that the Senior Sanitation and Safety Specialist violated policy regarding prohibitions on accepting gifts and the potential conflict of interest created by working as a private consultant.

The OIG recommended the division director take action as deemed appropriate regarding the sustained allegations.



**Case Number 2017-303-IA**

The Division of Alcoholic Beverages and Tobacco's (AB&T) Director reported concerns related to discrepancies in a Management Review Specialist's timesheets. The concerns stemmed from a supervisory review of the employee's timesheet submissions between January 2017 and October 2017.

The employee's supervisor reported that her review revealed several inconsistencies in her leave usage, as recorded in the ABT Calendar, versus the leave usage and work hours reported on the employee's official timesheets. In an email to the director, the supervisor documented significant leave and attendance issues in the employee's timesheet submissions.

The supervisor could not account for the discrepancies by simply comparing the ABT calendar postings and the employee's timesheets. She recommended further review.

During this investigation, the OIG conducted interviews, reviewed and analyzed the employee's personnel file, AB&T Director's Office Shared Outlook Calendar, her Outlook Calendar, People First Leave Audit Reports, Leave Balance Overview Reports, Timesheet Summary Reports, emails, text messages, building access and entry logs, and policies.

Interviews with coworkers provided evidence that the employee had been submitting inaccurate times on her timesheet. In several instances, the employee called in sick for the entire day, but still claimed 8 hours worked.

During her formal interview, the employee elected to resign rather than continue to answer questions about her reported attendance and leave. As a result of this investigation, allegations of *Conduct Unbecoming a Public Employee*, *Violation of Law or Agency Rule*, and *Negligence were Sustained* against the former employee. The former employee remitted a check for approximately \$600 dollars to the State of Florida to compensate for her fraudulent time entries.

**Case Number 2017-328-IA**

The Division of Hotels and Restaurants' (H&R) Bureau Chief routed a complaint to the OIG concerning conflicting information between what a Sanitation and Safety Specialist (inspector) reported on a Food Service Inspection Report and what a restaurant owner reported to H&R staff.

The owner of a Chinese restaurant inquired of H&R staff when she could expect her next inspection. An H&R inspector checked and found that records indicated the subject employee had conducted an inspection of the restaurant in August 2017. Once informed, the owner replied that the inspector was at the establishment a few



months prior, but he did not inspect the kitchen area or leave a copy of the inspection report. When shown the August 2017 inspection report, the owner did not know the person who purportedly signed the report on behalf of the restaurant.

During his interview, the H&R inspector related that the owner was telling the truth. He admitted he “probably fabricated” the August 2017 inspection report, but was unsure of his activities. Specifically, he admitted the food safety manager he reported having contact with at the restaurant did not exist.

As a result of this investigation, allegations of *Conduct Unbecoming a Public Employee, Violation of Law or Agency Rule, and Negligence* were Sustained against the H&R inspector.

**Case Number 2018-018-IA**

This investigation was predicated upon a complaint from an elevator installation and repair company against a Bureau of Elevator Safety Inspection Specialist, alleging unprofessional behavior during an inspection of a licensed business. The complainant indicated that the Inspection Specialist’s behavior upset the licensee, as well as several customers, by being loud and unprofessional while conducting a follow-up inspection of the licensee’s elevator.

The complainant reiterated the details of his written complaint in a recorded telephone interview. The complainant stated that the Inspection Specialist took advantage of the licensee and had him “frazzled” and upset. The complainant also stated that when the licensee asked the Inspection Specialist to leave the business, the Inspection Specialist responded by telling the licensee to call the police to remove him. According to the complainant, the Inspection Specialist also threatened the licensee and the complainant’s employees with fines if they attempted to repair the elevator.

The licensee stated that the Inspection Specialist was not rude or unprofessional to him. The licensee stated further that while he was upset, it was not with the Inspection Specialist doing his job, but rather that his elevator malfunctioned twice and was not operational at the hotel’s 3:00 p.m. check-in time.

The Inspection Specialist denied the complainant’s assertion that he behaved unprofessionally during the inspection. The Inspection Specialist testified that he spoke to the complainant and licensee “in the same manner I’m speaking to you,” meaning the OIG investigator.

The Inspection Specialist stated he used an analogy of being a police officer to explain to the licensee that if he saw an unlicensed person working on an elevator, he would write them a citation. The Inspection Specialist stated he did not say this in a threatening manner and only used it to illustrate his point.



The Inspection Specialist stated he did raise his voice when the complainant shut him out of the elevator machine room, but only so those inside could hear him. The Inspection Specialist explained that he tried to advise the licensee not to work on the elevator or he would be subject to a fine because the licensee is not licensed to repair elevators. The Inspection Specialist would need to directly observe an unlicensed person work on an elevator to issue a citation.

The Inspection Specialist explained that the complainant was the one that wanted the police to respond to the hotel to prevent the Inspection Specialist from observing unlicensed persons resetting the elevator.

The OIG reached a finding of *Not Sustained* on the allegation that the Inspection Specialist had engaged in *Conduct Unbecoming a Public Employee*.

**Case Number 2018-087-IA**

This investigation was predicated upon a complaint submitted to the OIG by a shoe repair business owner against a Division of Regulation Environmental Health Specialist in Miami. The complainant alleged the Environmental Health Specialist entered the shoe repair business and would not explain who he was or why he was there. The complainant also alleged the Environmental Health Specialist involved himself in a dispute between the complainant and the owner of a neighboring business that the Department of Business & Professional Regulation regulates. The complainant also accused the Environmental Health Specialist of taking the mail from her mailbox.

According to the complainant, the Environmental Health Specialist entered her business in March 2018. The complainant's business is adjacent to a cosmetology salon the Environmental Health Specialist had inspected prior to entering her business. The complainant stated that she asked the Environmental Health Specialist to identify himself and he refused, other than telling her that he worked for the government and that he didn't have to tell her who he was. The complainant stated she felt "threatened" and "scared."

The OIG *Sustained* allegations against the Environmental Health Specialist for the following:

- Failing to identify himself and explain his presence to the owner of the shoe repair business.



The OIG reached a finding of *Unfounded* on the following allegations:

- The Environmental Health Specialist attempted to threaten or scare the complainant.
- The Environmental Health Specialist removed and kept mail from the mailboxes of the shopping center, including the complainant's.

The OIG determined that the division should also address the following aspects of the complaint without formal findings:

- The Environmental Health Specialist admitted that he removed, reviewed, and returned mail at a vacant business in the complex. Mailboxes are private property and require permission or consent from the owner to access and review mail.
- The Environmental Health Specialist exceeded his authority when he initiated contact with the complainant to intervene in a personal, ongoing dispute between the complainant and the salon owner over the use of parking spaces in the businesses' parking area.

**Case Number 2017-120-IA**

This investigation was predicated upon an anonymous complaint received by the Director of the Division of Alcoholic Beverages & Tobacco, which was forwarded to the OIG. The anonymous complainant alleged that an AB&T lieutenant arrives at work "around 10:00 AM going home around 3:00 PM" and "takes over 1 ½ hours for lunch" yet still claims 8 hours worked. The complainant suggested that the allegation could be substantiated by reviewing the lieutenant's Sun Pass logs. The complainant did not provide specific dates or a timeframe concerning the allegations.

The OIG confined its review to January 2018 through March 2018. The OIG reviewed all relevant data, including computer logs, phone records, Sun Pass records, time sheets, and radio call logs.

In interview, the lieutenant admitted to the OIG that he claimed commute time as work time, resulting in him arriving late to and leaving early from work. The lieutenant also admitted that he stopped reporting his activities to the dispatch center months ago.

The OIG reached a finding of *Sustained* on the following allegations:

- The lieutenant failed to call in his activity to the dispatch center
- The lieutenant recorded travel time as time worked in violation of policy





The OIG recommended the Division Director take action as deemed appropriate regarding the sustained allegations.

**Case Number 2017-121-IA**

An employee of the Department of Business and Professional Regulation (DBPR) reported, in person, to the OIG that she witnessed a hit and run traffic accident on the second level of the DBPR headquarters' parking garage.

According to the reporting employee, as she drove toward the exit ramp, she stopped for a driver backing out of a parking space. The driver then backed into an unoccupied parked truck and drove away without inspecting for damage. The witness provided the OIG with the tag number and description of the vehicle. A query by the OIG determined that the vehicle was registered to a Regulatory Specialist II, DBPR, Division of Drugs, Devices, and Cosmetics.

The OIG interviewed the employee, who admitted that while backing out of a parking space in the parking garage, she hit a "tall" vehicle with a large grill that was possibly chrome and then drove away. The employee felt the vehicle "bump" another vehicle, but did not exit her vehicle and check for damage or leave her contact information. However, she checked her vehicle for damage when she arrived home and observed no damage. The employee never made any effort to identify or contact the vehicle's owner.

Other witnesses were located who identified the truck for OIG staff. OIG staff and the owner, another DBPR employee, examined the truck and discovered no apparent damage to the area the witness described as the point of impact.

The OIG determined that the employee backed into a parked vehicle in the parking garage. However, the employee did not exit her vehicle at the time to determine if there was damage to either vehicle; the employee also failed to leave contact information on the vehicle she backed into, which is in violation of Florida law. Florida Statutes provides drivers with instructions for traffic crashes with unoccupied vehicles, which include determining if damage exists to either vehicle before leaving the scene.

The allegation against the employee of *Violation of Law or Agency Rule* was *Sustained*.

**Case Number 2018-145-IA**

This investigation was predicated upon a complaint received by Florida Department of Business and Professional Regulation's (DBPR) Division of Hotels and Restaurants' (H&R) and the Director of Service Operations, which was then routed to the OIG. The complainant reported that for the past seventeen years, his mother (who works in H&R's office as a Sanitation and Safety Specialist) had accepted reduced-price and/or



free food from the restaurant establishments she inspected, went to work late, and returned home prior to the end of her scheduled shift. The complainant stated that he and his mother had dined at many restaurants she regulated and from which she subsequently received discounts. The complainant said that he had been with her when she received discounts within the last year and provided restaurant names; however, he was unable to provide specific dates, times, or restaurant locations.

During this investigation, the OIG reviewed and analyzed relevant reports, including Daily Reports, monthly reports, and Food Service Inspection Reports. The OIG contacted, by telephone, twenty restaurants randomly selected from the employee's inspections over the last two years; the OIG also made personal visits to the restaurants identified by the complainant. There were no independent statements, documents, or other evidence that supported the allegations.

As a result of this investigation, the allegations that the employee violated the department's gift policy and engaged in *Conduct Unbecoming a Public Employee* were *Not Sustained*.

**Case Number 2018-157-IA**

This investigation was predicated upon the complaint of a restaurant owner, who called the Department of Business and Professional Regulation's Division of Service Operations' Customer Contact Center (CCC) and requested to speak to a specific Inspector Specialist in the Bureau of Elevator Safety, Tampa Office.

According to the complainant, during an inspection of her restaurant's elevator, the employee recommended an elevator company for her repairs due to the elevator being older and requiring difficult-to-locate parts. The complainant stated the employee called an elevator repair company while onsite and provided the complainant with its contact information. The complainant stated that she now needed the employee to contact the elevator company and "get them out here and complete the work" because she had been without an elevator for almost a year. The complainant informed the OIG that she subsequently paid the elevator company a 65% down payment of approximately \$22,900.00. The elevator company employee removed the existing elevator and did not return to complete the installation of the new elevator. The complainant stated that since the aforementioned inspection, she has requested that the employee contact the elevator company on her behalf, to request the completion of the work, on two separate occasions.

The OIG's scope of investigation was limited to the employee's conduct and did not include the civil dispute between the complainant and the elevator company.

During his sworn interview, the employee stated that he had never recommended a



repair person to any licensee, including the complainant. The employee stated that on the date of his inspection, he recalled an elevator repair service present at the restaurant. He could not recall the company's name. Further, through an inspection report history, the employee identified another repair service that was at the restaurant two days prior to his inspection. The employee speculated that the repair persons representing these companies could have recommended the elevator company. In a follow-up interview, the complainant confirmed that it was possible she misunderstood to whom she was speaking when the elevator company was referred to her.

The OIG determined that insufficient evidence existed to demonstrate whether or not the employee recommended and contacted the elevator company to repair the complainant's elevator. The allegation against the employee of *Conduct Unbecoming a Public Employee* was Not Sustained.

### Summaries of Law Enforcement Referrals in Fiscal Year 2017-2018

#### Case Number 2018-167-LER

This referral was predicated upon a complaint from the Florida Department of Business and Professional Regulation's (DBPR) Director of the Division of Certified Public Accounting, alleging misuse of a state-owned Visa Purchase Card (P-Card) issued to an Administrative Assistant II.

The OIG reviewed and analyzed relevant reports, including P-Card reports, electronic mail, and surveillance videos, and compared the information and documents. This investigation revealed that the cardholder made unauthorized purchases that were undetected by the cardholder's supervisors. These purchases included fuel, rental cars, lodging, criminal histories for personal purposes, and suspected alcohol or tobacco products.

Because of the criminal allegations uncovered in the initial investigation, the case was referred to a law enforcement agency.

#### Case Number 2018-168-LER

An anonymous caller left a voicemail with the OIG that questioned how a certain DBPR employee could work two full time jobs while the employee telecommuted from another state. The OIG's initial analysis determined that the employee's position was created in 2011 and he was subsequently approved to telecommute from another state. The



employee was admitted to another state's bar and did not have approval for outside employment with DBPR. A review of the employee's People First profile determined that the employee documented eight-hour workdays as a regular work schedule.

An online search determined that the employee advertised his law firm in the other state. According to the website, the business hours of the law firm are Monday through Friday, from 8 a.m. - 5 p.m. The employee's law practice appeared to have been founded in 2015 and the employee's home address listed in People First was in the same state as his practice.

The OIG's initial review determined that indicators of potential timesheet falsification over a period of more than three years existed. Because of the potential criminal allegations, the case was referred to a law enforcement agency.

### **Proactive Reviews Completed in Fiscal Year 2017-2018**

#### **Case Numbers 2017-176-PR, 2017-177-PR, and 2017-178-PR**

An OIG analysis of complaints and issues identified in recent investigations pinpointed a potential risk associated with employees' use of state assigned vehicles while working secondary employment. The OIG, using a random name selection program, generated a sample of thirty AB&T law enforcement personnel for review. The inquiry incorporated the review of Monthly Off- Duty/Secondary Employment Report reimbursement forms and Daily Activity Sheets (DAS) submitted by the selected personnel for the period of October 2016 through December 2016. The reports submitted during the three-month period were reviewed to ensure that reimbursement was made to the state pursuant to applicable policy, that the law enforcement officers carried required insurance for the use of their state assigned vehicles, and that the officers had received written approval to work the individual off- duty details.

The OIG's review identified several opportunities for AB&T to refine internal policies and procedures to ensure statewide uniformity in reporting and money handling procedures and to improve oversight regarding potential conflicts of interest.

- The review determined that two AB&T agents did not submit their reimbursements timely, on one occasion each.
- AB&T Policy #4-4, regarding Secondary Employment, provides insufficient instruction to the members on use and completion of both reimbursement and activity logs.



- The OIG found statewide inconsistencies by sworn personnel in the completion of the DAS. Several members, who were not approved to work off-duty, checked the “Off-Duty” box on the form to indicate a regular day off with no hours worked for the state or for an outside entity. Lieutenants approved various incarnations of the form.

The OIG recommended the following:

- That AB&T consider labeling its DAS to show “Off-Duty,” “Secondary Employment,” and “Regular Duty” as choices may provide the opportunity to update BLE Policy #4-4 to provide clarification and consistency for statewide uniform completion. Several employees completed the form without sufficient detail to determine the nature of their secondary employment. Agents should provide the specific date, time, location, employer, and mileage associated with the secondary employment to ensure greater accountability.
- That AB&T clarify the language in the policy to state reimbursement must be made by close of business on the 5<sup>th</sup> day of the month succeeding that in which the secondary employment hours were worked. Any exception to this requirement should be clearly delineated.
- That AB&T require supervisors to forward completed reimbursements and associated forms within a reasonable and specified timeframe to ensure the division follows best internal control practices related to money handling.

The OIG determined that several agents submitted their annual Request for Approval of Additional Employment Outside State Government forms without specifically identifying the employer, which did not correlate with the associated forms, Monthly Off-Duty/Secondary Employment Reports. The OIG found that several agents submitted their annual requests to perform secondary employment duties for the Jacksonville Sheriff’s Office (JSO), Florida Highway Patrol (FHP), and Florida Fish & Wildlife Conservation Commission (FWC). When analyzing their forms, OIG members determined that local contractors, rather than JSO, FWC, and FHP, actually employed the agents. These inaccuracies did not provide the approving reviewers the opportunity to thoroughly analyze the requests for potential conflicts of interest, yet the requests were still approved by management.

The OIG recommended that AB&T require agents to identify their actual employers to their supervisors and receive approval prior to performing work to allow for well-informed conflict reviews.

Updating these policies’ terms and definitions to mirror each other would ensure uniformity in the policies and would provide a consistent direction and interpretation to employees.



**Case Numbers 2017-279-PR, 2017-280-PR, and 2017-281-PR**

This Proactive Review was initiated after a recent investigation revealed that an inspector in the Division of Hotels and Restaurants (H&R) had falsified reports regarding visiting and conducting restaurant inspections. The OIG randomly selected 30 inspectors statewide for this review.

From November 9, 2017 through December 20, 2017, the OIG contacted 173 licensed food service facilities or lodging establishments. The OIG's questioning focused on whether or not an inspection had occurred on the same or previous day.

The OIG was pleased to report to H&R management that all of the licensed establishments verified their inspections and several provided positive comments related to the inspectors' thoroughness and professionalism.

The OIG's review identified areas for improvement by the division:

- Several inspectors' names listed on the report generated by the division were not spelled correctly and one listed inspector was no longer an employee. The OIG recommended the division routinely update their roster to ensure its accuracy.
- On several inspection reports, the licensees' phone numbers were missing or found to be incorrect. The OIG recommended that management ensure that all information is gathered and correctly reported.

**Use of Force Reviews in Fiscal Year 2017-2018**

The Office of Inspector General is required to review "Use of Force" reports submitted by Division of Alcoholic Beverages and Tobacco Law Enforcement Investigators. The purpose of the OIG review of Use of Force Reports is to ensure compliance with policy and procedure on the part of AB&T agents during the enforcement of statutes and the apprehension of suspected violators. The review determines if the use of force was objectively reasonable given the circumstances of the law enforcement officer's encounter during which the force was employed. The OIG must determine if agents are employing force in a manner consistent with their training. The review also serves to provide the OIG with an opportunity to examine the effectiveness of department and Bureau of Law Enforcement policies and procedures regarding use of force. The following are summaries of the Use of Force reviews conducted by the OIG.





***Case Number 2018-059-UF***

In February 2018, an AB&T agent in Miami, Florida, observed a street vendor approaching cars at an intersection and attempting to sell items to drivers. One of the items observed was a sealed carton of Cuban, state-owned, manufactured cigarettes.

Several days later, an undercover AB&T agent returned to the intersection and purchased three cartons of cigarettes from the vendor for \$54.00. The agent and arriving backup agents told the vendor that he was under arrest. The vendor began walking away. An agent approached the vendor and attempted to handcuff him. The vendor began resisting and separating himself from the agent, who physically put the vendor on the ground. Five additional cartons of cigarettes were recovered at the scene.

The vendor was charged with Sale or Distribution of Cigarettes and Resisting an Officer without Violence. Based on the agents' statements, the OIG concurred with the level of force used to effect the arrest.

***Case Numbers 2018-109-UF and 2018-110-UF***

In February 2018, AB&T agents working an investigative detail in Volusia County, Florida, observed a male, youthful in appearance and possibly intoxicated, walking outside of the licensed premise under surveillance. The agents approached the male and asked for his identification. One of the agents placed the male in an arm lock as the male tried to walk away. The investigation determined that the male was of legal drinking age. The agents issued the male a notice to appear for Obstruction by Disguised Person for walking away in an attempt to obstruct their investigation.

The OIG concurred with the level of force used to effect the detention of the male.

***Additional Assistance to the Agency in Fiscal Year 2017-2018***

During the fiscal year, sworn members of the investigative team provided their expertise to the Bureau of Law Enforcement by serving as firearms training instructors during firearms re-certification classes held at a local law enforcement training academy.

In September 2017, sworn members served at Florida's Emergency Operations Center in response to Hurricane Irma. The members coordinated incoming service calls for law enforcement assistance. These services included facility and resource security, public safety security, and support to access, traffic, and crowd control.



Sworn members provided additional services by conducting backgrounds on senior level applicants for positions within the Bureau of Law Enforcement. Background investigations for sworn law enforcement must meet the strict standards of Florida's Criminal Justice Standards and Training Commission.

Members also co-presented monthly with members of the audit team during new employee orientation for department employees in the headquarters office. The members, through a PowerPoint demonstration, educated new employees on the role of the Inspector General, the laws governing the Office of Inspector General, and the types of complaints accepted by the office.

### **Investigative Plan of Supplementary Activities for Fiscal Year 2018-2019**

**Training/Outreach Initiative** – Continue assisting with the new employee orientation program to familiarize new employees with the role and responsibilities of the Office of Inspector General. Additionally, this program will continue to familiarize department supervisors and managers with the role and responsibilities of the Office of Inspector General, as well as the importance of their positions relative to prompt and appropriate supervisory intervention regarding employee performance issues and non-investigative customer complaints.

**Proactive Reviews** – Continue conducting Proactive Reviews as a mechanism for fraud detection and fraud deterrence.

**Accreditation** – The OIG/Bureau of Investigations submitted its application for accreditation to the Commission for Florida Law Enforcement Accreditation prior to the end of Fiscal Year 2017-2018. The OIG will submit the requisite application fee and then schedule its onsite assessment during Fiscal Year 2018-2019. The goal will be to achieve accreditation prior to the end of the fiscal year.



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## **OIG CONTACT INFORMATION**

**850-414-6700**

**850-921-2683 (Fax)**

**[oig@myfloridalicense.com](mailto:oig@myfloridalicense.com)**

**2601 Blair Stone Road, Tallahassee, FL 32399-1018**

**Complaint Form:**

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