



**Florida Department of Transportation  
Office of Inspector General**

**2017-2018  
Annual Report**

**Kristofer B. Sullivan,  
Inspector General**

# INSPECTOR GENERAL SUMMARY

I am pleased to submit our Annual Report on the activities of the Office of Inspector General (OIG) for the fiscal year ended June 30, 2018. Our OIG team has worked hard to meet our mission to promote integrity, accountability, and process improvement in the Department of Transportation by providing objective, fact-based assessments to the department.

Our Audit Section produced 31 products to help ensure the efficiency and effectiveness of department programs. Two projects of note are:

- Opustone, LLC - We provided consulting services to the Office of General Counsel to determine the accuracy of alleged losses that were claimed in a lawsuit by Opustone, LLC. After our review of the supporting documentation, the lawsuit was settled, resulting in a cost avoidance of \$2.6 million.
- South Florida Regional Transportation Authority (SFRTA) - Florida Senator Brandes requested we review SFRTA's procurement process for the contract concerning the operations on the South Florida Regional Corridor (SFRC). We made four observations to ensure greater transparency and accountability of the use of state funds.

Our Investigations Section works to protect the department's resources by deterring and detecting activities such as contract fraud and significant employee misconducts. We issued investigative reports on topics such as contractors substituting products not on the Approved Products List, vendors misrepresenting material deliveries, various cases of department employees misusing state resources, and allegations of non-payments to subcontractors in a timely manner. The Investigations section:

- Received 208 inquires/complaints;
- Opened 33 investigations;
- Referred 122 to management; and
- Forwarded 53 complaints to other agencies.

Key to the fraud and misconduct deterrence aspect of our mission, we also conducted 31 fraud awareness briefings statewide, attended by 974 department employees and partners in the industry.

Our team looks forward to continued and close coordination with the Secretary, agency leadership, members of the Department of Transportation team, and our statewide partners in industry to help the department meet challenges and opportunities they face in keeping the transportation infrastructure in Florida efficient, effective, and safe.

Respectfully submitted,



Kristofer B. Sullivan  
Inspector General  
September 25, 2018

# TABLE OF CONTENTS

- 1 FDOT Inspector General, Robert E. Clift Retires
- 3 Introduction
- 4 OIG Mission, Vision, and Values
- 5 Organizational Structure

## AUDIT

- 6 Audit Activity
- 7 Engineering & Operations Audits
- 8 Finance & Administration Audits
- 13 Strategic Development Audits
- 15 Other Projects
- 16 External Audits, Six-Month Updates, Significant Audit Recommendations
- 17 Annual Audit Risk Assessment and Work Plan
- 18 Audit and Investigative Activities Completed

## INVESTIGATIONS

- 20 Investigations Activity
- 21 Case Types, Duties and Responsibilities
- 22 Cases Completed: Contract Fraud
- 24 Cases Completed: Misconduct
- 28 Fraud Awareness Briefings

## QUALITY ASSURANCE & OPERATIONS SUPPORT

- 29 Duties and Responsibilities, Technology Initiatives
- 30 Quality Assurance & Operations Support Activities
- 31 Training, Certifications, and Affiliations

# FDOT Inspector General, Robert E. Clift Retires



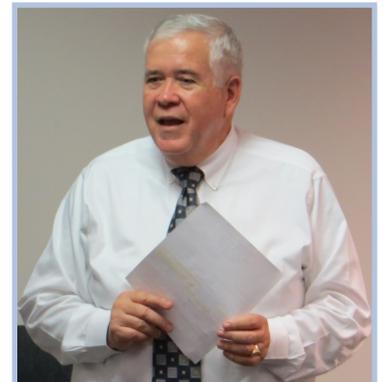
After 21 years of dedicated service to the State of Florida, Inspector General Robert E. Clift (Bob) has retired. During his time with the state, Bob served: 10 years as the Department of Transportation's Director of Investigations; 4 years as the Department of Financial Service's Inspector General; and the past 7 years as the Department of Transportation's Inspector General. His service resulted in well over a thousand investigations and audits in which he participated.

One of Bob's early cases dealt with White Construction Company, Inc. (WCC) of Chiefland, Florida, which was found to have filed claims that were false or fraudulent, and disclosed they had double, triple, and quadruple billed for personnel and equipment. The company and one officer pled guilty to multiple counts of grand theft, making them ineligible to do business with the department for 30 years. The company paid the state \$1.5M in recoveries and restitution. Some of Bob's other notable cases and audits include: Cone Construction; Kisinger Campo and Associates; South Florida Regional Transportation Authority; and Suwannee Valley Transit Authority.

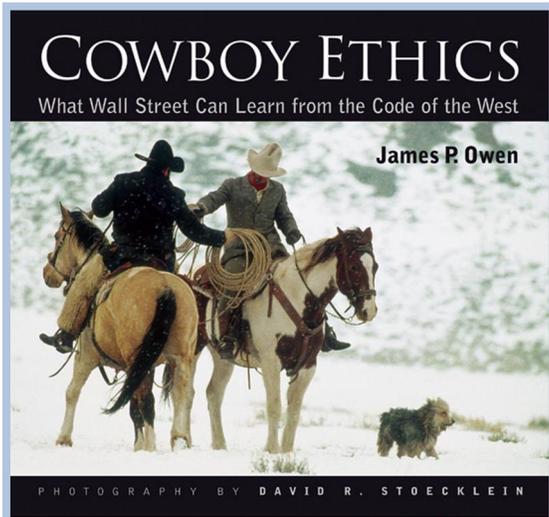
Although Bob is known for his ability to detect and investigate, it should be noted that he placed a very heavy emphasis on deterrence. He created and delivered the first fraud awareness briefing in the late 1990's. Since then, thousands of employees, consultants, and contractors have received a version of this presentation.

In April 1998, Bob received his first employee evaluation as the new Director of Investigations from Cecil Bragg, Inspector General, which read (paraphrased):

"In a six-month period Mr. Clift set the groundwork for a new direction in the Office of Inspector General Investigations section. Mr. Clift led this re-engineering effort, embracing the need for focus in two areas: what the investigations section does, and how it gets done. His leadership in the production of these quality tools will serve as a foundation of the work the section undertakes in the future."



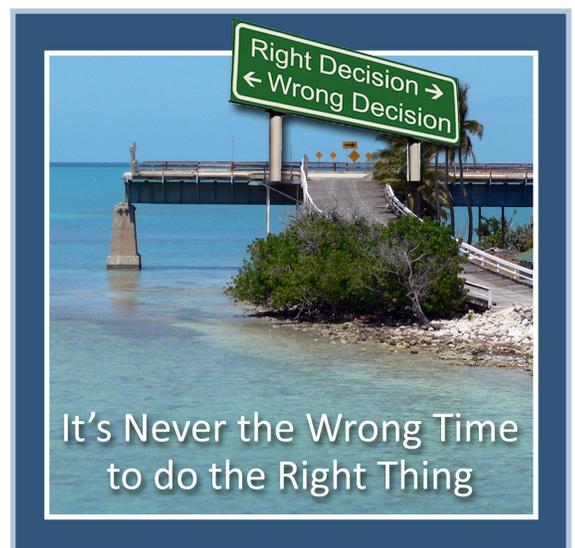
# FDOT Inspector General, Robert E. Clift Retires



In the book “*Cowboy Ethics*”, written by James P. Owen, a book that Bob has referenced 100s of times in presentations and meetings, the author lists 10 principles to live by.

1. Live each day with courage.
2. Take pride in your work.
3. Always finish what you start.
4. Do what has to be done.
5. Be tough, but fair.
6. When you make a promise, keep it.
7. Ride for the brand.
8. Talk less and say more.
9. Remember that some things aren't for sale.
10. Know where to draw the line.

During his presentations, Bob always came back to the seventh principle “Ride for the brand.” He loved to tell a story about the author witnessing a cowboy who rides out into a terrible snowstorm to save a lost calf. The author goes on to state the cowboy signed up to “ride for the brand,” and that meant doing what’s necessary to protect the rancher’s interests. Bob interpreted this for us, “We signed up with the department to do what’s expected of us; to uphold the department’s values and to work hard toward accomplishing the department’s mission.” Bob did not just ride for our brands, the Florida Department of Transportation and the Inspector General Community, he helped mold the brands into what we are today. We will be forever thankful for the passion, knowledge, leadership, and friendship Bob brought to all of us.



# INTRODUCTION

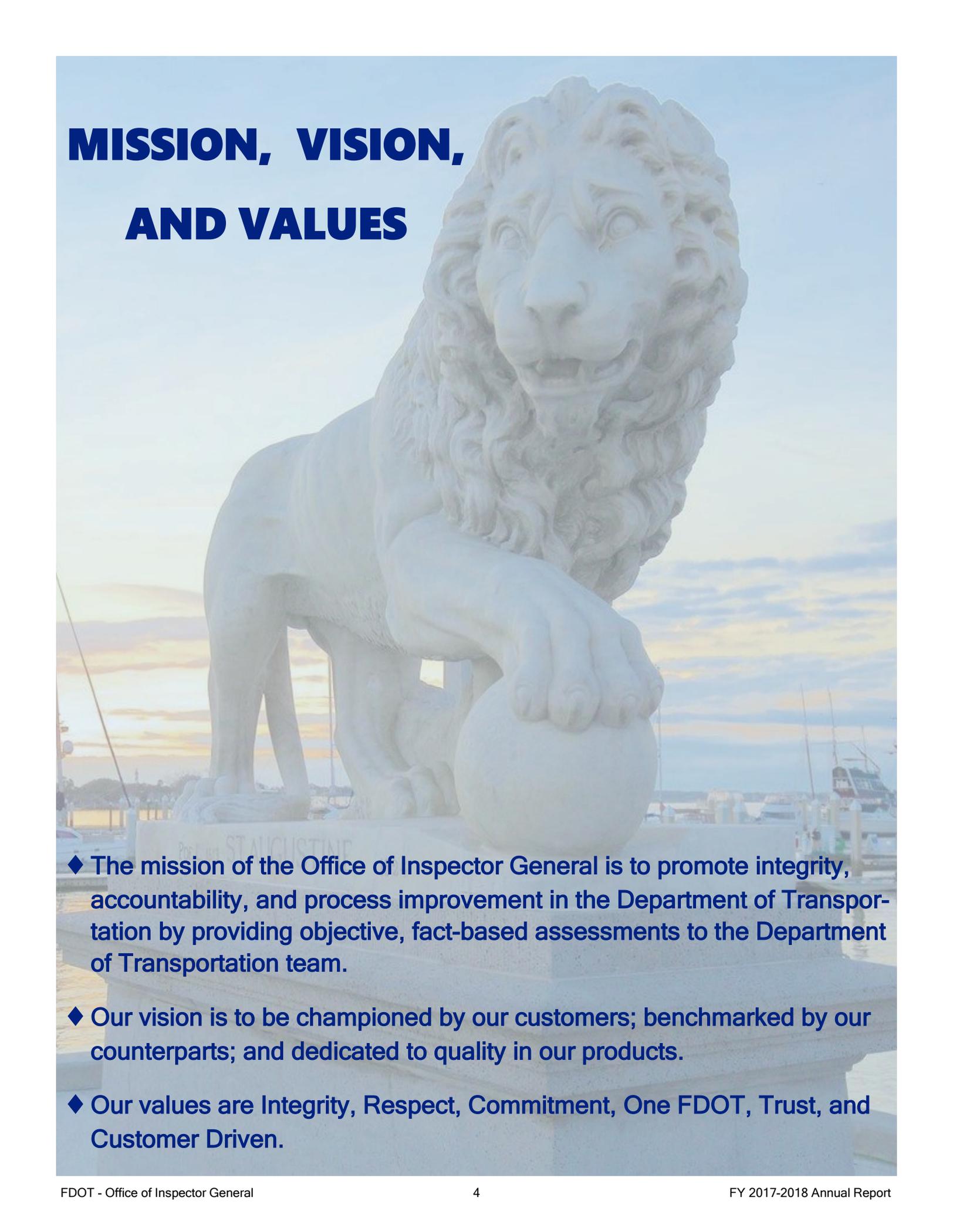
The Office of Inspector General's (OIG) role is to provide a central point for coordination and responsibility of activities that promote accountability, integrity, and efficiency in the department.

In summary, the OIG's duties and responsibilities are to:

- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the department's programs and operations;
- Conduct, supervise, and coordinate other activities funded by the department for promoting economy and efficiency, preventing and detecting fraud and abuse in programs and operations;
- Keep the department Secretary and the Chief Inspector General informed of fraud, abuse, and deficiencies related to programs and operations funded by the department and recommend corrective actions as well as report on the corrective actions progress;
- Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies to avoid duplication;
- Ensure an appropriate balance between audit, investigative, and other activities; and
- Comply with the "*Principles and Standards for Offices of Inspector General*", published by the Association of Inspectors General.

Florida Statutes (F.S.) require an annual report be submitted by September 30 of each year describing activities conducted in the prior Fiscal Year (FY). This report includes, but is not limited to:

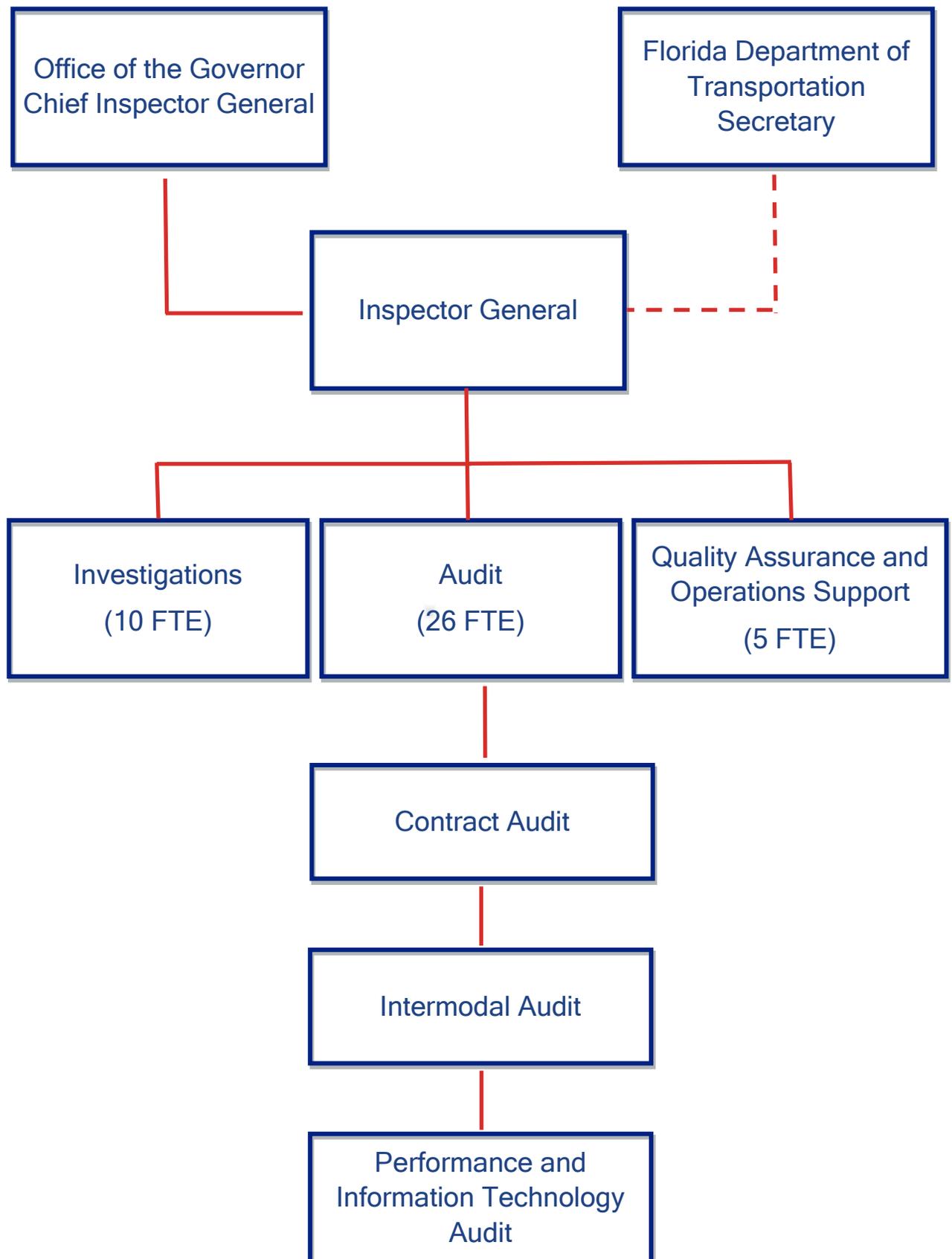
- A description of activities relating to the development, assessment, and validation of performance measures;
- A description of significant abuses and deficiencies relating to the administration of department programs and operations disclosed by investigations, audits, reviews, or other activities during the reporting period;
- A description of recommendations for corrective action made by the OIG during the reporting period;
- The identification of each significant recommendation described in previous annual reports in which corrective action has not been completed; and
- A summary of each audit and investigation completed during the reporting period.



# **MISSION, VISION, AND VALUES**

- ◆ The mission of the Office of Inspector General is to promote integrity, accountability, and process improvement in the Department of Transportation by providing objective, fact-based assessments to the Department of Transportation team.
- ◆ Our vision is to be championed by our customers; benchmarked by our counterparts; and dedicated to quality in our products.
- ◆ Our values are Integrity, Respect, Commitment, One FDOT, Trust, and Customer Driven.

# Office of Inspector General Organizational Chart



# AUDIT ACTIVITY

**31** Audit Products Issued

**18** External Audit Activities

**18** Forensic Assistance Assignments

**27**

Carried Forward  
Audit  
Projects  
from  
FY 16-17

**32**

New Audit  
Projects for  
FY 17-18

**69**

Audit  
Projects  
Initiated  
and/or  
Completed  
for  
FY 17-18

**3**

Chief Inspector General Projects

# AUDIT

*The Audit Section's mission is to promote integrity, accountability, and process improvement by providing objective, timely, and value-added audit services.*

## Audits By Program Area

### Engineering & Operations

#### 16C-6003, State Aluminum Structures Shop (SASS) Inventory Controls

The purpose of this engagement was to evaluate internal controls over procurement of commodities and supplies; evaluate internal controls over accountability of inventory, work in process, finished fabricated products, and disposal of scrap materials; determine whether the SASS is in compliance with applicable laws, rules, and department policies and procedures; and examine contracting practices with other state agencies. We recommended the Office of Maintenance (OOM) ensure timely entry of receipts and issues of commodities in the Material and Supply Inventory (MSI) system; ensure the commodity descriptions from the Purchasing Card (P-card) receipt reflects the description recorded in the P-card system; develop a procedure for SASS fabrication; ensure the annual Quality Assurance Review (QAR) conducts testing of key operational controls over commodity receipts and issues; and implement small sample quantity random inventory counts between annual QARs.

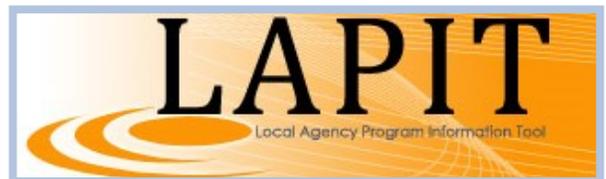


#### 17P-1002, Local Agency Program Audit

The purpose of this engagement was to conduct an operational audit of the Local Agency Program (LAP) to ensure compliance with LAP processes, Federal Highway Administration (FHWA) processes, and the Central Office Quality Assurance Review (QAR) program. There were no findings and no recommendations were made.

#### 17P-5007, Local Agency Program Information Tool (LAPIT) Audit

The purpose of this engagement was to review operational processes and controls governing the assignment of administrative rights to the LAPIT application at statewide and district levels; identify application security requirements and review controls in place governing application security; and evaluate the effectiveness of processes and procedures for the granting and removal of LAPIT access. No recommendations were made.



# AUDIT

## Finance & Administration

### 17C-3002, Comprehensive Engineering Services, Inc.

The purpose of this engagement was to determine if claimed and reimbursed costs were reasonable, allowable, and in accordance with the provisions of the agreement; utilization of labor resources; and compliance with applicable laws, rules, regulations, and procedures. No recommendations were made.



### 17C-3004, Protean Design Group, Inc.



The purpose of this engagement was to conduct a review and data analysis to determine a comparison of contractually (negotiated) allowed hours versus incurred hours; percentage of total work performed by employees initially proposed for the project; utilization of key qualifying personnel; and compliance with applicable laws, rules, regulations, and procedures. There were no findings and no

recommendations were made.

### 17P-5005, Network Firewall Audit

The purpose of this engagement was to determine whether network firewalls are in place, properly managed, and functioning to safeguard the department's Information Technology (IT) assets according to Rule 74-2 Florida Administrative Code (also known as the Florida Cybersecurity Standards), the department policy, and relevant industry best practices. There were findings, and recommendations were made to the Technology Office for improvements to processes.



# AUDIT

## Finance & Administration (Continued)

### 16I-7001, Purchasing Card (P-card) Program Audit

The purpose of this audit was to review the department's controls over its P-card program, in order to support the department's annual assertions to the Department of Financial Services (DFS). We determined controls in place provided adequate assurance regarding the program's compliance with relevant laws, rules, policies and guidelines. However, we identified a systems issue affecting the integrity of some of the data reported to the Office of Comptroller (OOC); we suggested OOC obtain it from an alternate source. We also made additional suggestions for process improvements.

### 17C-4004, Certified Public Accountant (CPA) Workpaper Review - Squar Milner, LLP

The purpose of this engagement was to obtain reasonable assurance Squar Milner, LLP, in conducting the indirect cost rate audit of Atkins North America, Inc., gathered sufficient evidence and maintained audit workpapers to support audit conclusions; provided an opinion on the indirect cost rate schedule; and issued a report on internal controls over financial reporting and compliance as required by Generally Accepted Government Auditing Standards (GAGAS). No recommendations were made.



### 17C-4005, Certified Public Accountant (CPA) Workpaper Review - Carr, Riggs & Ingram, LLC

The purpose of this engagement was to obtain reasonable assurance Carr, Riggs & Ingram, LLC, in conducting the indirect cost rate audit of GAI Consultants, Inc., gathered sufficient evidence and maintained audit workpapers to support audit conclusions; provided an opinion on the indirect cost rate schedule; and issued a report on internal controls over financial reporting and compliance as required by Generally Accepted Government Auditing Standards (GAGAS). No recommendations were made.

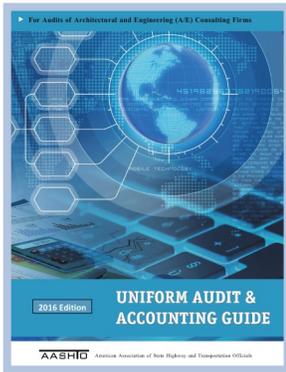


### 17P-8003, Memo Florida State Employees' Charitable Campaign (FSECC) Checking Acct

The purpose of the review was to determine if the Office of Comptroller (OOC) conducted reconciliations of the FSECC closed account, and researched distribution procedures for the remaining funds. The department's Office of General Counsel recommended the remaining funds be transferred into the department's Employee Benefit Fund (EBF). We concurred and recommended closure of the account.

# AUDIT

## Finance & Administration (Continued)



### 18C-4001, Cognizant Review - Warren Averett, LLC, Figg Bridge Engineers, Inc.

The purpose of this engagement was to obtain reasonable assurance Warren Averett, LLC, in conducting the indirect cost rate audit of Figg Bridge Engineers, Inc. gathered sufficient evidence and maintained audit workpapers to support audit conclusions; provided an opinion on the indirect cost rate schedule; and issued a report on internal controls over financial reporting and compliance as required by Generally Accepted Government Auditing Standards (GAGAS). No recommendations were made.

### 18C-4002, Cognizant Review - Warren Averett, LLC, Figg Bridge Inspection, Inc.

The purpose of this engagement was to obtain reasonable assurance Warren Averett, LLC, in conducting the indirect cost rate audit of Figg Bridge Inspection, Inc., gathered sufficient evidence and maintained audit workpapers to support audit conclusions; provided an opinion on the indirect cost rate schedule; and issued a report on internal controls over financial reporting and compliance as required by Generally Accepted Government Auditing Standards (GAGAS). No recommendations were made.



### 18I-6001, Fiscal Year (FY) 2018-19 Fringe and Indirect Rates



The purpose of this review was to determine whether the department's, fringe and indirect rates submission packets were complete, sufficient in detail, if the process remained consistent in relation to previous years, and that calculations were accurate to allow for an adequate review by the Federal Highway Administration (FHWA). No recommendations were made.

consistent in relation to previous years, and that calculations were accurate to allow for an adequate review by the Federal Highway Administration (FHWA). No recommendations were made.



# AUDIT

## Finance & Administration (Continued)

### 17C-3003, Target Engineering Group, LLC

The purpose of this engagement was to conduct a review and data analysis to determine a comparison of contractually (negotiated) allowed hours versus incurred hours; percentage of total work performed by employees initially proposed for the project; utilization of key qualifying personnel; and compliance with applicable laws, rules, regulations, and procedures. No recommendations were made.



### 17C-4003, Certified Public Accountant (CPA) Workpaper Review - Carr, Riggs & Ingram, LLC

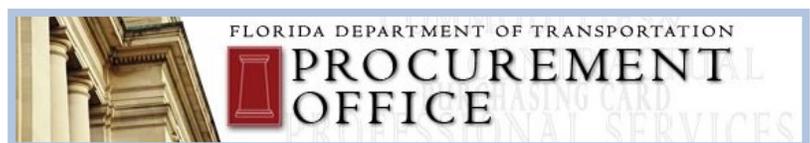


The purpose of this engagement was to obtain reasonable assurance the CPA, in conducting the CPA indirect cost rate audit of Cardno, Inc. gathered sufficient evidence and maintained the audit

workpapers to support audit conclusions; provided an opinion on the indirect cost rate schedule; and issued a report on internal controls over financial reporting and compliance as required by Generally Accepted Government Auditing Standards (GAGAS). We recommended Cardno, Inc. ensure access to accounting records and supporting documentation for corporate overhead costs testing by the independent CPA. We also recommended, Cardno, Inc. formally document the process of allocating corporate overhead charges among the international parent's subsidiaries for audit review.

### 17C-6002, Non-Professional Services

The purpose of this engagement was to determine if non-professional services added to professional services contracts were incidental to, and necessary for, accomplishing the scope of the original contract; the integrity of the data maintained within the Contract Approval Tracking System for Professional Services - Amendments for Non-Professional Services Sub-consultants; and if the procurement of non-professional services complied with laws, rules, regulations, and department procedures. We recommended the Procurement Office develop a procedure to establish a method for submission to and approval within the Contract Approval Tracking System for Professional Services - Amendments for Non-Professional Services Sub-consultants; and ensure completion of the required Request for Supplemental Amendment form prior to amendment execution.



# AUDIT

## Finance & Administration (Continued)

### 18C-4003, Certified Public Accountant (CPA) Workpaper Review - Squar Milner, LLP

The purpose of this engagement was to obtain reasonable assurance Squar Milner, LLP, in conducting the indirect cost rate audit of Atkins North America, Inc., gathered sufficient evidence and maintained audit workpapers to support audit conclusions; provided an opinion on the indirect cost rate schedule; and issued a report on internal controls over financial reporting and compliance as required by Generally Accepted Government Auditing Standards (GAGAS). No recommendations were made.



### 18C-3001, Kisinger Campo & Associates, Corp.

The purpose of this engagement was to conduct an analytical review to determine the use of contractually (negotiated) allowed, invoiced, and incurred hours; percentage of total work performed by employees initially proposed for the project; utilization of key qualifying personnel; and compliance with applicable laws, rules, regulations, and procedures. No recommendations were made.

### 14I-9003, Suwannee Valley Transit Authority (SVTA) - 5311 Funding

The purpose of this memorandum was to conduct an extensive root cause analysis regarding the former report on SVTA 14I-9002 in FY 2014-15. We recommended the department develop a strategic plan to provide appropriate fiscal oversight for 5311 funding; training plans for districts and local agencies; updated contract language to limit the department's reimbursement to its fair share of costs plus the deficit portion of any program specifically identified by the contract as eligible for deficit funding; updating invoicing procedures requiring grantees to submit ridership and cost allocation reports to verify proper reimbursement; and ongoing oversight procedures to monitor grantees' understanding of and compliance with the new departmental guidance, or receive timely technical assistance to do so.



# AUDIT

## Strategic Development

### 17P-3001, Performance Measures Fiscal Year (FY) 2015-16

The purpose of this engagement was to meet the statutory requirement in Section 20.055, Florida Statutes (F.S.), to assess the validity and reliability of legislatively approved performance measures and make recommendations for improvements. All reviewed measures were determined to be valid and reliable. No recommendations were made.



### 17I-4002, South Florida Regional Transportation Authority (SFRTA)

The purpose of this engagement was to fulfill a legislative request in reviewing SFRTA's Procurement Policy and the procurement process for Request for Proposal (RFP) 16-010. We recommended consideration of the following controls to ensure greater transparency and accountability of the use of state funds. The State Legislature may consider amending Florida Statutes (F.S.) to require transportation authorities listed in Chapter 343, F.S., including SFRTA, to adhere more closely to the protest procedures outlined in Chapter 120, F.S., which includes stopping the solicitation upon receipt of protest and, when necessary, elevating the protest to the Florida Department of Administrative Hearing for final order; SFRTA may consider ensuring alignment of the language concerning the review of proposals (Chapter 4, subsection 10(c)) and opportunities for negotiation (Chapter 4, subsection 10(a)) in its Procurement Policy with the language concerning reviews and negotiations in future RFPs; SFRTA may consider increasing transparency in future RFPs by extending the question and answer deadline or holding a public noticed meeting for all proposers, if material changes to the RFP are issued after the advertised final day for questions; and the department should consider including in its agreement with SFRTA a requirement to be notified in writing, informing the department of upcoming procurements. Additional documentation should include an independent estimate of the cost to be incurred and the funding source for the life cycle of the procurement. Timelines for submission of these proposed procurements and department's response should be documented in future Joint Participation Agreements.



# AUDIT

## Strategic Development (Continued)



### 18I-1001, CSX Transportation, Inc. (CSXT) 2016 Labor Additive and Indirect Cost Rates

The purpose of this engagement was to determine whether CSXT's Fiscal Year 2016 indirect rates were reasonable, allowable, and adequately supported; and if supporting records and procedures were transparent and readily understandable.

We recommended the department's Rail Office review and approve CSXT's 2016 indirect cost rates for use in billing costs for railroad-highway projects and communicate this decision to the Federal Highway Administration (FHWA).

### 18I-9007, Citrus Connection

The purpose of this engagement was to review a series of allegations received by a former employee of the Lakeland Area Mass Transit District (LAMTD), challenging the management of State and Federal Grant Awards. No recommendations were made.



### 18I-1002, Florida East Coast Railway (FECR) 2017 Labor Additive Rates



The purpose of this memorandum was to review the FECR, labor additive, material handling and supplies, and equipment rates for calendar year 2017. We recommended the department's Rail Office consider the information included in this memorandum as part of their review of FECR's proposed 2017 labor additive surcharge rates, as outlined in Title 23, Chapter I, Part

140, Subpart I, Reimbursement for Railroad Work, and Title 48, Chapter 1, Part 31, Subpart 31.2, Contracts with Commercial Organizations. The results should be communicated to the Federal Highway Administration (FHWA).



# AUDIT

## Other Projects

### 18C-6002, State Road 826 Opustone, LLC

Opustone, LLC, filed a lawsuit against the department, seeking \$2.7M in losses caused by flooding from a storm water system maintained by the department. At the request of the department's Office of General Counsel, the OIG provided consulting services to determine the accuracy of alleged losses. The examination included reviewing Opustone, LLC's, records, as well as the department's records. After reviewing the supporting documentation, the lawsuit was settled for \$300K, half of which the department was responsible for (\$150K), resulting in cost savings to the department of \$2.6M.



### Administrative Review Regarding Concerns About the Lake City Correctional Facility (LCCF)

The Office of Chief Inspector General (CIG) conducted a review based on concerns from the Florida House of Representatives regarding the award and management of a Department of Management Services (DMS) contract for the operation of LCCF, a private prison for youthful offenders. The CIG's Office made

recommendations contained within their report.

### City of Opa-Locka

The Office of Chief Inspector General (CIG) conducted a review to determine if Brown Law Group, LLC, billed the City of Opa-Locka's Legal Services department in accordance with their agreements. The CIG's final report made recommendations contained within their report.



# AUDIT

## External Audits

Section 20.055(2)(g), Florida Statutes, describes the inspector general's role in external audits to "Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication." During the Fiscal Year, we coordinated, facilitated, and/or monitored 18 external agency audits or reviews. The Auditor General released one report concerning the department:

### Florida Auditor General

2018-189 State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards

## Six-Month Updates

Section 20.055(6)(h), Florida Statutes, requires "The inspector general shall monitor the implementation of the state agency's response to any report on the state agency issued by the Auditor General or by the Office of Program Policy Analysis and Government Accountability." We provided the statutorily mandated six-month updates for three Auditor General audits, which were filed with the Joint Legislative Auditing Committee, and submitted copies to the Governor's Chief Inspector General and the Department of Transportation's Secretary.

Secretary, Chief Inspector General, and Joint Legislative Auditing Committee

2017-121 Auditor General 2016 Operational Audit

2017-180 State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards

2017-206 IT Operational Audit - Federal Program Management

## Significant Audit Recommendations

Section 20.055(8)(c)4, Florida Statutes, requires the OIG to identify significant recommendations described in prior annual reports where corrective action has not been completed.

None at this time.

# ANNUAL AUDIT RISK ASSESSMENT AND WORK PLAN

**Section 20.055(6)(i), Florida Statutes**, and professional audit standards requires the OIG to develop risk-based, long-term and annual audit plans, which consider resources and input from the department's senior management.

We used the Institute of Internal Auditors' Research Foundation's 8-step assessing risk process to develop our methodology. We defined 28 key department functions as our auditable units.

**Risks** were identified through 36 interviews with key stakeholders and the following risk factors:

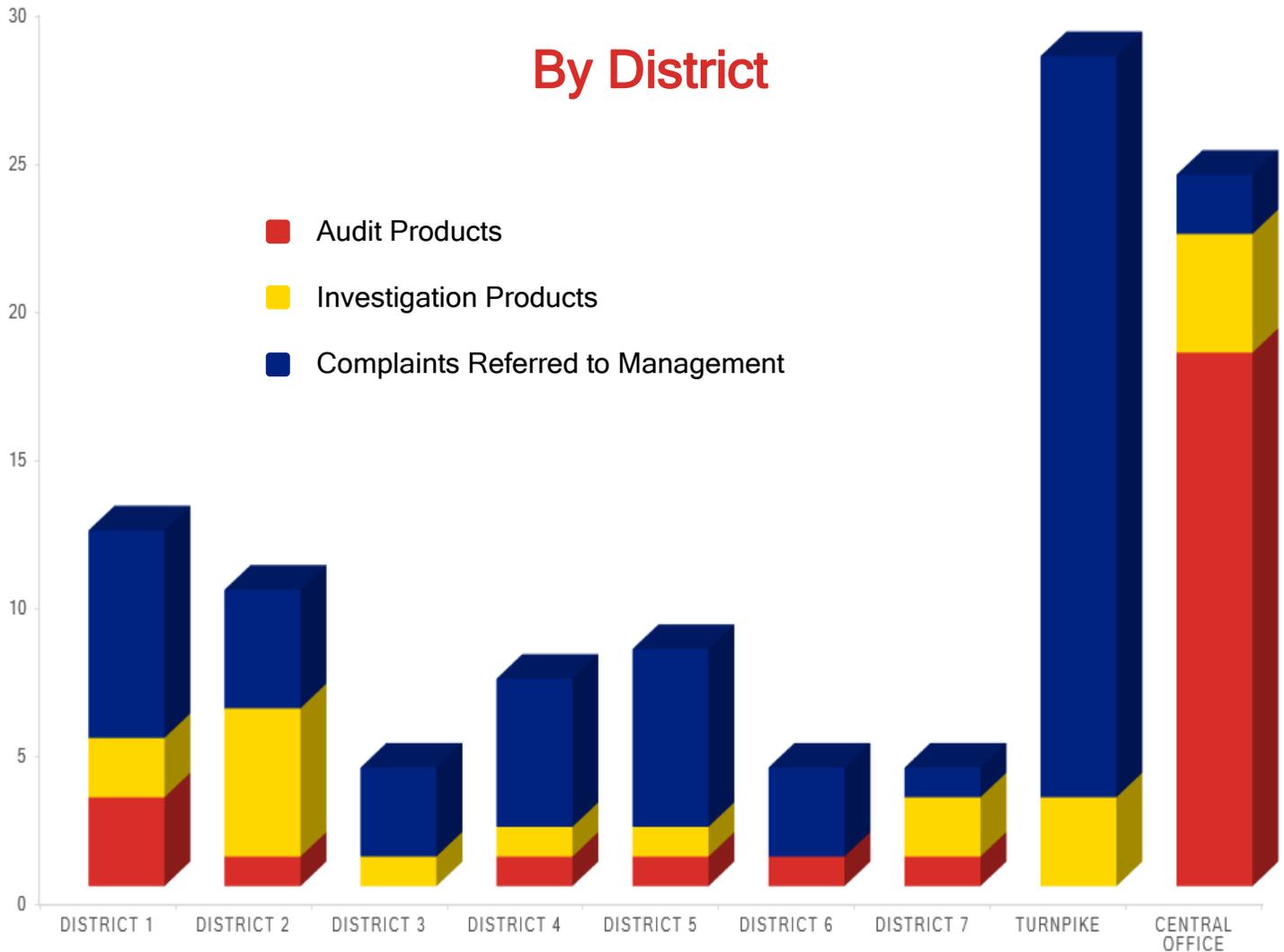
- Change in Management
- Last time the functional area was audited
- Full Time Equivalent (FTE) - identify number of FTEs in each functional area.
- Budget Materiality - identify this year's allotments and last year's expenditures in each functional area.

Once the risks were assigned measurable weights, we established scoring mechanisms, such as a 1-10 scale and yes/no questions, then applied averages to potential audit topics identified by the department's senior management.

We presented the potential audit topics to the department's Secretary for consideration and a final risk ranking.

**The 2018-19 Work Plan** was developed from the risk assessment topics with resources dedicated to auditing department processes, contractor and consultant contracts, intermodal grant programs, and examining federal reimbursement rates. Additionally, we allocate a small percent for the Chief Inspector General's enterprise-wide project requests and 20 percent for department management requests. Our 2018-19 Work Plan is comprised of 59 auditable topics.

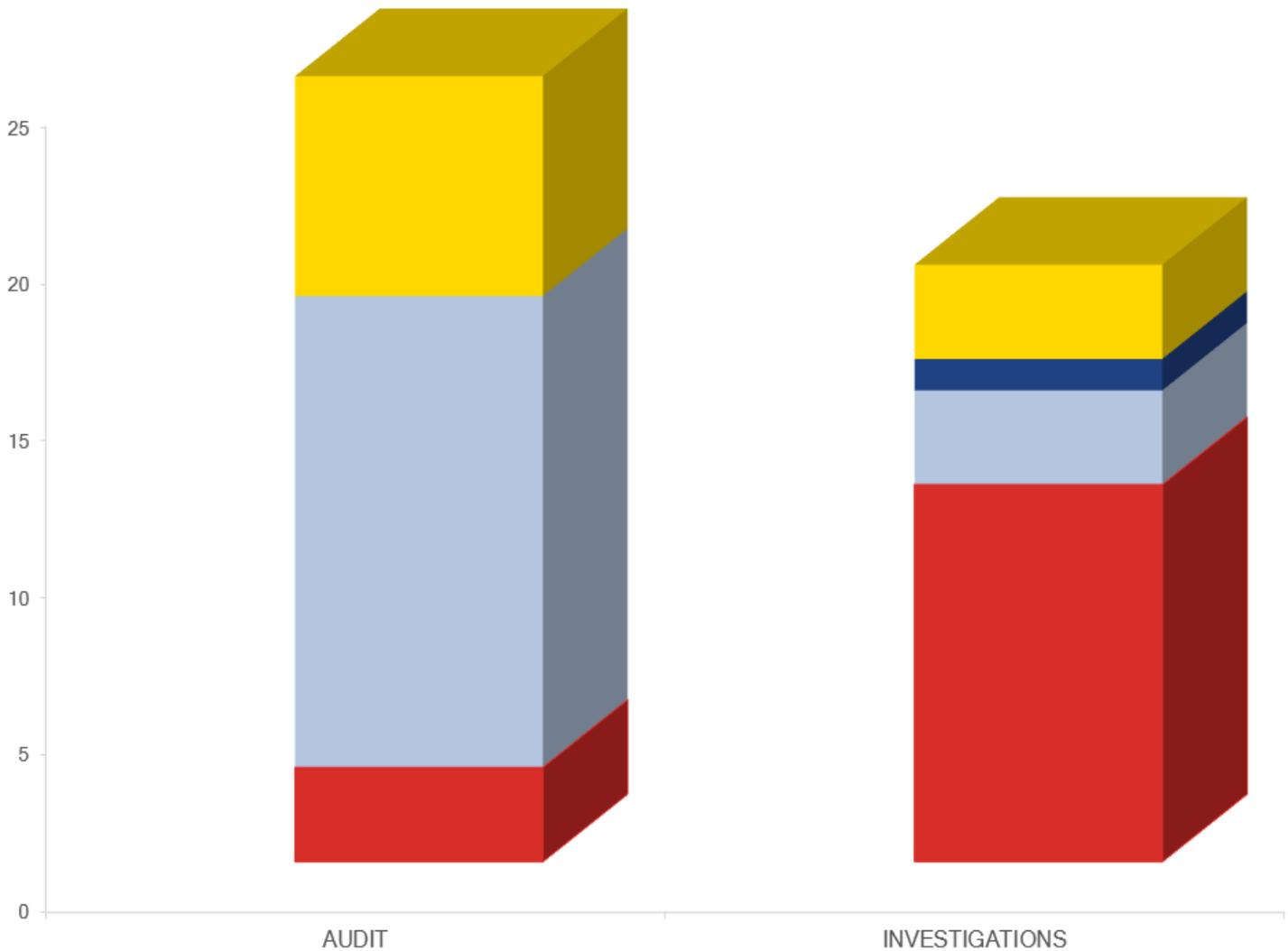
# AUDIT AND INVESTIGATIVE ACTIVITIES COMPLETED



	District 1	District 2	District 3	District 4	District 5	District 6	District 7	Turnpike	Central Office
Audit Products	3	1	0	1	1	1	1	0	18
Investigation Products	2	5	1	1	1	0	2	3	4
Complaints Referred to Management	7	4	3	5	6	3	1	25	2

# AUDIT AND INVESTIGATIVE ACTIVITIES COMPLETED

## By Program Area



	Engineering & Operations	Finance & Administration	Secretary	Strategic Development
Audit	3	15	0	7
Investigations	12	3	1	3

# INVESTIGATIONS ACTIVITY

**11**

Investigations  
Carried Forward from  
FY 16-17

**4**

Cases Worked  
Jointly with  
Law Enforcement

**8**

Cases Completed  
and Forwarded to  
Management

**31**

Fraud  
Awareness Briefings

**208 Complaints Received**

**122 Complaints Referred to  
Management**

**53 Complaints Referred to  
Outside Agencies**

**33 Cases Opened**

# INVESTIGATIONS

*The Investigations Section's mission is to deter, detect, and investigate crimes or misconduct impacting the department.*

## Case Types

The Investigations Section manages several case types, such as substantive investigations, joint investigations, preliminary inquiries, management referrals, and other agency referrals.

## Duties and Responsibilities

The Investigations Section pursues department employees, contractors, vendors, and/or the public who attempt to gain a benefit for which they are not entitled. The Investigations Section operates in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, accreditation standards established by the Florida Commission for Law Enforcement Accreditation, and works closely with law enforcement partners to accomplish its mission.

The Investigations Section's duties and responsibilities are to:

- Receive complaints and coordinate activities of the department in accordance with the Whistle-blower's Act pursuant to Sections 112.3187-112.31895, Florida Statutes.
- Receive and consider complaints that do not meet the criteria for an investigation under the Whistle-blower's Act and conduct, supervise, or coordinate such inquiries, investigations, or reviews as the Inspector General deems necessary.
- Report expeditiously to the Florida Department of Law Enforcement or other law enforcement agencies when the Inspector General has reasonable grounds to believe there has been a violation of criminal law.
- Conduct investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the Office of Inspector General, including freedom from interference with investigations, timely access to records, and other sources of information.
- Submit final reports of investigations timely to the Governor's Chief Inspector General and Florida Department of Transportation's Secretary.

# INVESTIGATIONS

## Cases Completed: Contract Fraud

### 150-17037, Product Substitution

An anonymous complaint alleged that a vendor who had a product on the department's Approved Products List (APL) "knowingly misled" the department by substituting components of the product. A preliminary inquiry established there was no reason to believe the vendor supplied a different product than what was on the APL. The case was closed with no further action.



### 150-16244, Density Logbook False and Misleading Entries



A department manager reported issues with a Density Logbook on a department construction project. A preliminary inquiry disclosed there were potentially inaccurate and missing entries in the project's Density Logbooks. However, the issue was raised early in the project, and proper department oversight took place. As the issue was corrected to the department's satisfaction, further investigation was not required, and this inquiry was closed.

### 150-17006, Contractor Operating Without Insurance

An anonymous complainant reported that a department contractor did not get the proper licensure and valid Workers' Compensation (WC) insurance required to perform work on an upcoming contract. The investigation found the contractor had been under an administrative suspension, or Stop Work Order, on a non-department project; however, no work was performed on the department project during the period of suspension. It was determined that the contractor had valid WC insurance and licensure while performing work for the department. Based on these findings, the investigation was categorized as disproved.



# INVESTIGATIONS

## Cases Completed: Contract Fraud (Continued)

### 150-17034, Violation of Procurement Process

A preliminary inquiry was conducted on a complaint received from a department employee which alleged that a former department employee may have violated the department's procurement process in awarding services to a known associate's business. At the conclusion of the inquiry, the Office of Inspector General (OIG) found no credible evidence or substantive information to support the allegation and the case was closed.



### 150-17020, Misrepresented Material Delivery

A department employee reported to the OIG an allegation of fraud and collusion by a department consultant and contractor in the handling of asphalt delivery tickets and material. An OIG preliminary inquiry was conducted, which disclosed that on the project in question, there were several issues related to the delivery tickets; however, through routine processes, the issues were corrected during the contract, and it was verified that the department only paid for materials used on the project. At the conclusion of the inquiry, the case was referred to management for informational purposes.

### 150-16247, Non-Payments to Subcontractor

A subcontractor reported to the OIG an allegation that a prime contractor failed to pay subcontractors in a timely manner, and did not disclose the non-payments on Certification Disbursement of Previous Periodic Payment to Subcontractors (certifications) forms submitted to the department. An OIG substantive investigation was initiated, which proved the prime contractor submitted certifications without listing subcontractors who had not received their pro rata share of the related disbursement. The findings were reported to district management, and management offered to provide training to the contractor. District management also referred the matter to the State Construction Office for action as deemed appropriate.



# INVESTIGATIONS

## Cases Completed: Misconduct

### 150-17101, Non-Approved Materials

An accusation was made to the OIG by an anonymous complainant that a contractor was using undersized pipe liners on department contracts in an effort to reduce costs. An OIG preliminary inquiry was initiated during which four department contracts were reviewed. No evidence was identified to support the allegation and the inquiry was closed.



### 150-17176, Quality Control Plan



A former employee of an approved concrete structures vendor reported concern that the vendor was not complying with the Department of Transportation (DOT) approved Quality Control (QC) Plan. Information collected during this preliminary inquiry could not conclusively determine if the vendor violated the QC plan. However, separate from the OIG inquiry, the District Materials Office issued a Letter of Concern to the vendor. The vendor responded, stating they are “committed to compliance” and are taking “all reasonable measures to ensure [their] concrete is produced within”

department regulations.

### 152-17099, Misuse of Department Equipment/Computer

An anonymous complaint alleged that a department employee was operating a personal business using department technology resources. A preliminary inquiry was conducted by the OIG, which did not disclose evidence to support the allegation; therefore, the case was closed without further investigation.



### 152-17039, Favoritism

Based on a complaint filed by a former department employee, the OIG initiated a preliminary inquiry into the allegation that a department employee was allowing a consultant employee to show favoritism in the assignment of off-site maintenance work to a specific consultant firm under contract with the department. The preliminary inquiry revealed no evidence to support the allegation; therefore, the case was closed.

# INVESTIGATIONS

## Cases Completed: Misconduct (Continued)

### 152-17098, Misuse of Department Funding

Based on a complaint from a department employee, the OIG initiated a preliminary inquiry into the allegation that maintenance funds were improperly allocated to make unnecessary improvements to a District Operations Center. At the conclusion of the preliminary inquiry, the OIG found no evidence to support the complaint; therefore, the case was closed.

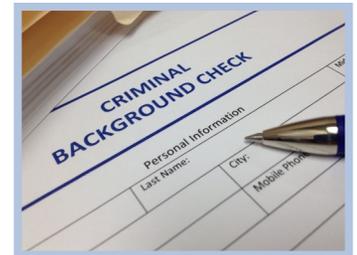


### 152-17125, Construction Project Obstruction

The OIG initiated a preliminary inquiry into a citizen complaint that a department project was interfering with the access to her business. At the conclusion of the preliminary inquiry, the OIG found that the citizen's complaint had been appropriately addressed by district personnel; therefore, the case was closed.

### 152-17160, Undisclosed Employee Background

Based on an anonymous complaint, the OIG initiated a preliminary inquiry into the allegation that a department employee failed to disclose they had a criminal record on their employment application. At the conclusion of the preliminary inquiry, the OIG found no evidence to support the complaint; therefore, the case was closed.



### 152-17014, Non-Adherence to Flex Schedules

Based on an anonymous complaint, the OIG initiated a preliminary inquiry into a complaint that a group of department employees were not adhering to their approved flex schedules. At the conclusion of the inquiry, it was observed that the employees were generally not adhering to their flex schedules as approved by their supervisor. The findings were referred to management for review and any action deemed appropriate.



# INVESTIGATIONS

## Cases Completed: Misconduct (Continued)

### 152-17090, Misuse of Department Property

A department manager reported to the OIG an allegation that a department employee misused a department vehicle and obtained department materials for personal use. A substantive investigation was initiated by the OIG, which proved the department employee had misused a department vehicle and taken materials for personal use. The investigation also proved the department employee falsified their timesheet.



### 152-17166, Technology Misrepresented Telemarketing



A citizen reported to the OIG concerns over telemarketing calls they were receiving from, what was identified on their caller ID as a Department of Transportation (DOT) telephone number. A preliminary inquiry concluded that the telephone number was a department number assigned to a computerized facsimile system. The inquiry determined calls had not been placed to the citizen from the department telephone number. The OIG recommended the Office of

Information Technology (OIT) assess the vulnerability of infrequently used department fax numbers, which may be used for unintended purposes.

### 152-18104, Information Technology Misuse

The department's Office of Information Technology (OIT) reported to the OIG that the department's malware alert system detected malware on a contract employee's laptop computer and that the infected files were located on a personal external device, belonging to the contracted employee, that had been plugged into the department computer. A scan by OIT indicated that several files on the external device were labeled with sexually oriented names. At the conclusion of the preliminary inquiry, the OIG found no evidence to support that sexually oriented materials or files were accessed with the department computer; however, evidence did support that the contract employee connected a personal external device to a department computer without prior authorization. The findings were referred to management for review and any action deemed appropriate.



# INVESTIGATIONS

## Cases Completed: Misconduct (Continued)

### 152-18009, Purchasing Card (P-card) Misuse



The department's Disbursement Operations Office (DOO) reported to the OIG that an unauthorized credit card charge had been made on a department employee's P-card for an online purchase at a local retailer in the amount of \$1,182.49. Based on the interviews conducted and records reviewed, the OIG found no evidence to support that the department employee participated, or facilitated, the fraudulent purchase using a department issued P-card. The unauthorized charge was reported to the financial institution issuing the credit card and the

charge was credited back to the account. A further substantive investigation was not warranted and the case was closed.

### 152-18016, Alleged Collusion in Consultant Staffing on Department Contract

A complainant reported concerns of "collusion" and a "conflict of interest" regarding the selection of a consultant firm and actions by a department employee. It was alleged the department employee facilitated the hiring inspectors to the awarded firm in order to control the contract. The OIG found no evidence to support misconduct on the part of the department employee. Additionally, no evidence was found to suggest that the inspectors participated in the design or development of the contract awarded to their new employer. Therefore, the preliminary inquiry was closed.



# INVESTIGATIONS

## Fraud Awareness Briefings

**It's Never the Wrong Time to do the Right Thing**

The OIG makes a concerted effort every year to educate department employees and consultants about acting ethically and with integrity in the performance of their job duties.

We do this by presenting Fraud Awareness Briefings at different locations throughout the state. In the briefings, we discuss the department's Ethics Policy, Integrity in Government Policy, relevant Florida Statutes, and the many Florida Administrative Codes related to the conduct of state employees and their relationships with regulated entities. During these briefings, we also share real case scenarios to bring the information to life.

In 2017-2018, the OIG presented 31 briefings to 974 department employees and partners in the industry.



# QUALITY ASSURANCE AND OPERATIONS SUPPORT

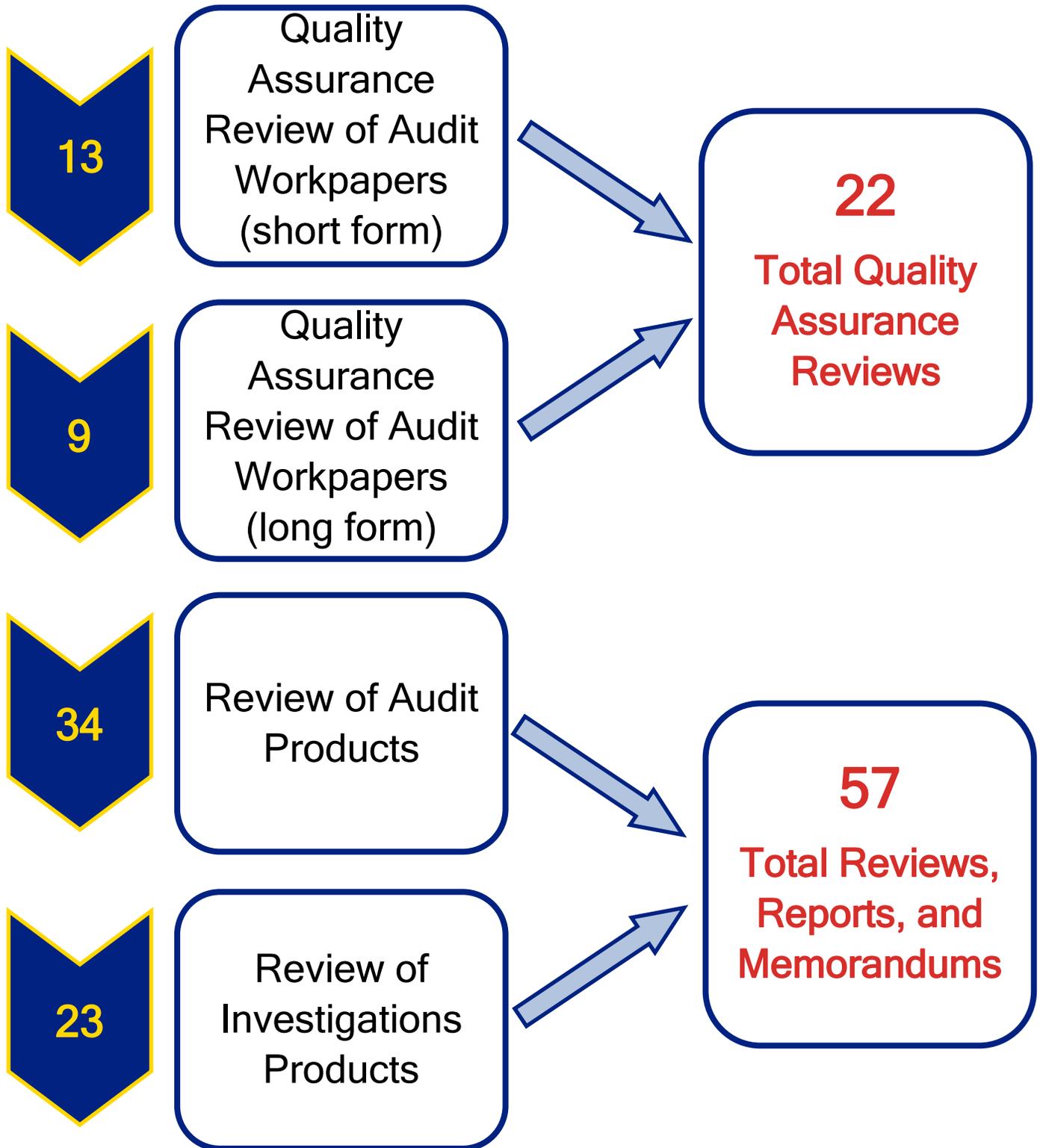
*The mission of the Quality Assurance and Operations Support Section is to ensure quality audit and investigative products that fully comply with all professional and office standards and support the operations of the Office of Inspector General.*

The Quality Assurance and Operations Support Section's duties and responsibilities are to:

- Ensure OIG policies and procedures are current and designed to conform with professional auditing standards.
- Perform internal assessments in accordance with professional auditing standards and OIG procedures, such as report reviews and quality assurance reviews of audit working papers.
- Conduct an annual risk assessment, develop the annual audit work plan, and prepare the annual report.
- Maintain all daily OIG operational functions including human resources, facilities management, travel, and inventory.
- Plan and maintain the OIG's budget and segregate duties for Purchasing Card transactions and approval.
- Maintain the OIG's information technology infrastructure, such as SharePoint, and publish reports on the Internet.
- Monitor staffs' training requirements and completion dates in compliance with professional standards: review training reports monthly.
- Publish the quarterly newsletter, [Office of Inspector General Examiner](#), which provides opportunities to share information, alerts, and latest developments.
- Administer and maintain the OIG's workforce management software, Replicon, for audit projects, budget hours, investigative cost recovery on cases, and generate information for quarterly reports to the Chief Inspector General.



# QUALITY ASSURANCE AND OPERATIONS SUPPORT



# QUALITY ASSURANCE AND OPERATIONS SUPPORT

## TRAINING, CERTIFICATIONS, AND AFFILIATIONS



Professional standards require the OIG's staff to be proficient, competent, and collectively possess and apply knowledge, skills, and experience when performing audit and investigative work. Additionally, auditors and investigators should complete Continuing Professional Education (CPE) courses related to their primary responsibilities.



Our auditors adhere to the *Government Auditing Standards* for completing 80 CPE hours in a 2-year period with 24 of those hours being related to government auditing.



Our investigators adhere to the *Principles and Standards for Offices of Inspector General* for completing 40 CPE hours in a 2-year period with 12 of those hours being related to investigations.



The Quality Assurance and Operations Support Section provides oversight of the training program to ensure staff meet the CPE requirements and completed courses are documented adequately. Our internal Procedure No. 450-a10-008, Training and Professional Development, has guidance to identify levels of expertise for meeting organizational requirements, evaluate the training program regularly to assure staffs' needs are being met and the best training sources are used, and maintain an adequate training fund.



Our staff demonstrates their expertise through certifications and affiliation in professional organizations.

