



**Florida Department of Revenue**  
*Office of Inspector General*

**Jim Zingale**  
Executive Director

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August 14, 2020

Jim Zingale, Executive Director  
Department of Revenue  
2450 Shumard Oak Blvd  
Tallahassee, Florida 32399

Dear Dr. Zingale:

We are pleased to submit the Office of Inspector General's (OIG) Annual Report for the fiscal year ending June 30, 2020. This report is required by section 20.055(8), Florida Statutes, and reflects the major work activities of Internal Audits, Investigations, and Special Projects.

In retrospect, the year has been both challenging and rewarding. Due to these unprecedented times, we transitioned over seventy-five percent of our staff to telework. We successfully reengineered our audit and investigative business processes to address the challenges of remote work while maintaining productivity. The OIG staff rose to address these challenges and adapted to the changing environment.

We believe the OIG has a special responsibility to promote the accountability, integrity, and efficiency of the agency; we interpret that to mean we help the agency do the right things for the right reasons. We appreciate the confidence you have shown in this office and the cooperation and support of Department of Revenue (DOR) management. We look forward to continuing our service to you, DOR staff and management, and all Floridians by promoting excellence within DOR.

Respectfully submitted,

Sharon Doredant  
Inspector General

cc: Office of the Auditor General  
Office of the Chief Inspector General

# Department of Revenue Office of Inspector General



**Internal Audits   Internal Investigations   Special Projects**



## **ANNUAL REPORT FY 2019/2020**



# Table of Contents

Department of Revenue Vision, Mission, Values, and Guiding Principles.....	<u>1</u>
Executive Summary.....	<u>2</u>
OIG Responsibilities.....	<u>4</u>
OIG Organizational Chart .....	<u>5</u>
Staff Training and Qualifications .....	<u>6</u>
Internal Audit Section .....	<u>8</u>
Internal Investigations Section.....	<u>14</u>
Special Projects Section .....	<u>19</u>
Appendix A	
Outstanding Corrective Actions for Prior Audit Reports.....	<u>24</u>
Appendix B	
Summary of Closed Internal Investigations for FY 2019/2020.....	<u>26</u>

# Department of Revenue

## VISION

An Agency that is accessible and responsive to citizens, provides fair and efficient tax and child support administration, and achieves the highest levels of voluntary compliance.

## MISSION

To serve citizens with respect, concern, and professionalism;

To make complying with tax and child support laws easy and understandable;

To administer the laws fairly and consistently; and

To provide excellent service efficiently and at the lowest possible cost.



## VALUES

### **Character Values**

Integrity  
Honesty  
Trust  
Fairness  
Respect  
Concern for Others

### **Performance Values**

Service  
Excellence  
Innovation  
Commitment  
Communication  
Teamwork  
Knowledge



# Executive Summary

Section 20.055 (8), F.S., requires the Office of Inspector General (OIG) to complete an annual report by September 30, summarizing the activities of the office during the prior fiscal year. This report must include, at a minimum:

- 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 programs and operations of the agency disclosed by investigations, audits, reviews, or other activities during the reporting period.
- A description of recommendations for corrective action made by the Inspector General during the reporting period with respect to significant problems, abuses, or deficiencies identified.
- The identification of significant recommendations described in previous annual reports on which corrective action has not been completed.



**The following activities highlight the significant efforts of the Department of Revenue (Department) OIG staff during Fiscal Year (FY) 2019/2020:**

## Office Accomplishments

OIG team members contributed 909.25 hours to assist the Department of Economic Opportunity with processing the high volume of Unemployment Claims filed due to Covid -19.

Received, reviewed, and processed 477 complaints and requests for assistance by citizens.

### **Internal Audit Section**

Completed seventeen projects:

- Three audits
- Three formal consulting engagements
- Five management services projects
- Six response coordination activities

## **Office Accomplishments Continued**

One staff member served on the Coordinated Response for Federal Relief Acts committee. The committee's goals were to:

- Coordinate response to ensure effective statewide implementation
- Mitigate fraud and abuse
- Promote transparent communication
- Establish performance metrics
- Develop consistent and centralized reporting

### **Internal Investigations Section**

Completed 79 cases:

- 27 investigations
- 52 intake reviews

One staff member served on the Association of Inspectors General Peer Review Team for the Miami-Dade County OIG.

One staff member served as a mock assessor, assisting the Department of Insurance OIG and the Department of Emergency Management OIG in attaining re-accreditation by the Commission for Florida Law Enforcement Accreditation.

### **Special Projects Section**

Delivered 5 fraud awareness presentations.

Coordinated agency-wide National Fraud Awareness Week communications.

Completed one fraud/data analytics project.

Completed a review of administrative leave use.

Closed 16 current arrest reviews.

Timely assessed 172 workplace violence reports.



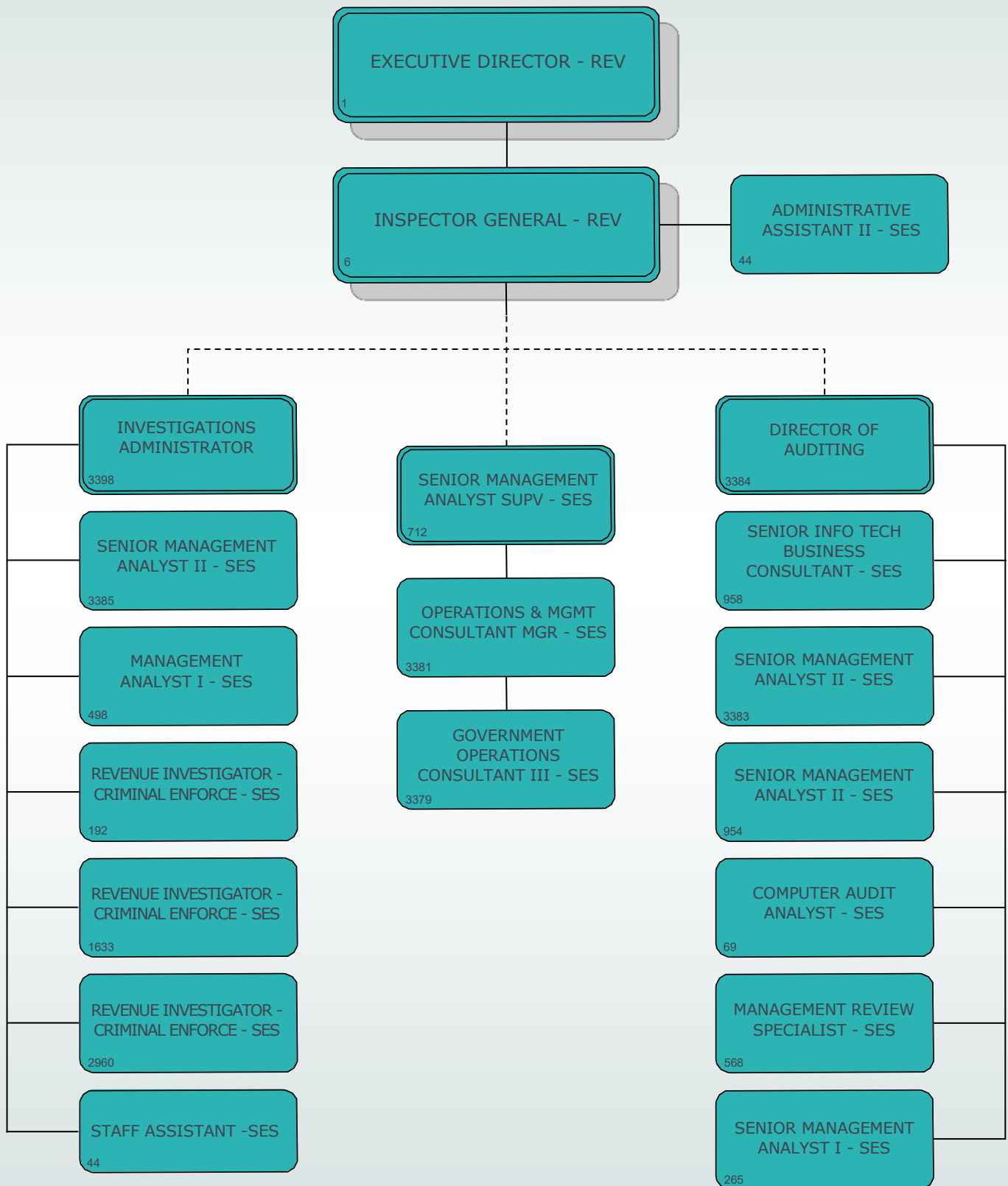
# OIG Responsibilities

Section 20.055(2), Florida Statutes (F.S.), states, in part, “An office of inspector general is established in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government.” Responsibilities of each Inspector General, as defined in s. 20.055, F.S., are reflected in the following table.

		<b>PROMOTE</b>						
<b>EFFICIENCY</b>		Informing and updating the Executive Director of fraud, abuses, and deficiencies concerning program operations; recommending corrective action; and monitoring progress made in corrective action.		Conducting, supervising, or coordinating activities to prevent and detect fraud and abuse and promote economy and efficiency in the administration of programs and operations.		<b>INTEGRITY</b>		
		Directing, supervising, and coordinating audits, investigations, and management reviews relating to the programs and operations of the Department.		Assessing the reliability and validity of the information provided on performance measures and standards, and recommending improvements.				
		Ensuring effective coordination and cooperation with the Auditor General, federal auditors, and other governmental bodies.	Reviewing actions taken by the Department to improve program performance and meet standards.	Reviewing rules, as appropriate, relating to the programs and operations of the Department.	Complying with General Principles and Standards for Offices of Inspector General.			
		Ensuring an appropriate balance is maintained between audit, investigative, and other accountability activities.		Advising in the development of performance measures, standards, and procedures for the evaluation of Department programs.				
		<b>ACCOUNTABILITY</b>						

The OIG is responsible for internal audits, internal investigations, fraud prevention and response, and special projects as directed by the Inspector General. These responsibilities are carried out by 19 full-time equivalent positions. The OIG is in the Executive Direction and Support Services Program (EXE), and the Inspector General reports directly to the Executive Director. The OIG’s seasoned and exemplary staff strives to provide the Executive Director and other Department leaders with timely information to improve operations, champion integrity, and ensure the security of Department employees and information. They exemplify the best of public service and work hard to accomplish this mission.

# OIG Organizational Chart





# Staff Training and Qualifications

Section 20.055, F.S., requires the OIG to comply with the *General Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General. These standards require OIG staff to obtain a minimum of 40 hours of continuing professional education every two years.

OIG staff backgrounds and experience cover a wide variety of disciplines including:

- Accounting
- Auditing
- Investigations
- Crime prevention
- Information systems
- Fraud prevention and detection



OIG staff participated in courses, conferences, seminars, and webinars made available through the Association of Inspectors General, the Association of Certified Fraud Examiners, the Institute of Internal Auditors, the Association of Governmental Accountants, and other national organizations and vendors who provide training focused on audit, investigation, fraud, data analytics, and workplace violence.

## Staff received training in the following areas:

Opposites Attract: Crash Course on Risk and Controls	Workplace Investigation Interviews
Cognitive Risk Sensing: Enabling Internal Audit to Anticipate Risks	Best Practices for Conducting Remote Interviews
Ethics: A Spy is Among Us	EEO Investigator Refresher Course
Honestly Dishonest	The New Psychology of Fraud
Apply the Concept of Agile to Deliver Next Generation Internal Audit	Catch Me If You Can - Today's Pink Collar Crime
Controllershship Analytics: From Data to Value	What Hides in the Shadows: Preventing and Detecting Fraud
Data Ethics	Through the Lens - Tips for Video Interviewing

Staff members hold professional certifications and participate in many professional organizations to maintain proficiency in their professions.

Below is a summary of professional certifications maintained by OIG staff members and the professional organizations in which they participate.

## Certifications

- ◆ Certified Inspector General (CIG)
- ◆ Florida Crime Prevention Practitioner (FCPP)
- ◆ Certified Fraud Examiner (CFE)
- ◆ Certified Government Auditing Professional (CGAP)
- ◆ Certified Public Manager (CPM)
- ◆ Certified Information Systems Security Professional (CISSP)
- ◆ Internal Auditor Certification in Information Technology Systems Management According to ISO/IEC 2000-1:2011
- ◆ Certified Internal Auditor (CIA)
- ◆ Certified Inspector General Investigator (CIGI)
- ◆ Certified Public Accountant (CPA)
- ◆ Certified Information Systems Auditor (CISA)
- ◆ Certified Inspector General Auditor (CIGA)
- ◆ Florida Crime Prevention through Environmental Design Practitioner (FCP)

## Professional Organizations

- ◆ Florida Chapter of the Association of Inspectors General
- ◆ National Association of Inspectors General
- ◆ Tallahassee Chapter of the Institute of Internal Auditors
- ◆ Tallahassee Chapter of the Association of Certified Fraud Examiners
- ◆ Association of Certified Fraud Examiners
- ◆ Institute of Internal Auditors
- ◆ North Florida Certified Public Managers Chapter

# Internal Audit

The OIG is responsible for conducting financial, compliance, IT, and performance audits, as well as management reviews relating to the programs and operations of the Department in accordance with sections 20.055 (2)(d) and 20.055(6), F.S. Additionally, the Internal Audit Section (IAS) reviews and evaluates internal controls necessary to ensure the Department's fiscal accountability. Engagements are performed under the direction of the Director of Auditing. IAS performs audits (assurance engagements) and consulting engagements in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*, published by the Institute of Internal Auditors (IIA), and the *Principles and Standards for Offices of Inspector General*, published by the Association of Inspectors General (AIG). Specifically, the internal audit activity governs itself by adherence to IIA's mandatory guidance contained in the International Professional Practices Framework (IPPF), which includes the "Core Principles for the Professional Practice of Internal Auditing," the "Code of Ethics," the "International Standards for the Professional Practice of Internal Auditing," and the "Definition of Internal Auditing." IIA's mandatory guidance constitutes the fundamental requirements for the professional practice of internal auditing.

## Definitions and Requirements

According to the *Standards*:

- Assurance engagements are an objective examination of evidence to provide "an independent assessment on governance, risk management, and control processes for the organization."
- Consulting engagements are advisory client services activities and may be formal or informal.
  - Formal consulting engagements are generally performed at the request of executive or program management.
  - Informal consulting engagements generally involve reviews of internal controls, performance measures, or policies and procedures, and may include other activities such as participation on teams or assisting in an internal investigation.

The *Standards* also require auditors to follow up on reported findings and recommendations from previous audits to determine whether management has taken prompt and appropriate corrective action. This includes monitoring responses and planned corrective actions to findings and recommendations made in reports issued by the Office of the Auditor General and the Office of Program Policy Analysis and Government Accountability, as required by s. 20.055(6)(h), F.S. Every six months, IAS requests status updates from management about the progress of corrective action plans and verifies corrective actions resolved the issues on any findings management reported as completed.

Note: There is a difference in terminology between Florida Statutes (audits) and the *International Standards for the Professional Practice of Internal Auditing*, published by IIA (assurance engagements). For brevity, the term "audit" will be used in this document except in sections specifically referencing the *Standards*.

## Internal Audit: Accomplishments

17 Projects Completed



## Audit Engagements

During FY 2019/2020, IAS completed three audits. Below is a summary of objectives and recommendations for each audit.

### 1. General Tax Administration (GTA) Business Technology Office—GTA System Support (GSS)

The objective of this audit was to determine if management has established adequate internal controls to ensure project goals and objectives are met.

#### Recommendations:

- For FY 2020/2021, GSS management should review and update individual job-specific performance expectations to ensure there are no overlapping measures; the measures created can be objectively assessed according to pre-determined and applicable measurements; and the measures clearly define the outcomes to be delivered, clearly specify delivery dates or schedules, and directly relate to the process's objectives.
- GSS should create and implement process-wide training and procedural documentation designed to fulfill the defined responsibilities for each position.
  - GSS should develop and implement procedures that ensure all employees receive documented training material.
  - When a work request is created, both the size of a work request and the type of work request are established. When developing procedural documentation, it may prove beneficial to develop specific procedures based on the work request type, such as different procedures for incidents, defects, enhancement requests, or other work request types that may require their own specific procedures.



## Audit Engagements Cont.

### 2. Information Services Program (ISP) Change Management Process

The objectives of the audit were to determine whether:

- ISP has adequate change management policies and procedures in place.
- All categories within ISP's change management ISO 20000 scope are following appropriate change management procedures.
- Requests for change are appropriately classified.
- Adequate security controls are in place to safeguard the Department's information and services that rely on the change management processes.
- ISP management is monitoring change management performance.



#### Recommendations:

- A review of change records and the Change Management Database (CMDB) performed after fieldwork showed significant improvement over the original audit sample for application and configuration related items. ISP Change Management personnel should continue efforts to include and document changes to in-scope Configuration Items (CI) categories.
- Normal changes should follow the requirements of the change management procedure. If management determines that some application development changes can be approved apart from the Change Configuration and Release Committee (CCRC) review, the procedures should be changed accordingly.
- ISP management should monitor and enforce emergency change procedures.

### 3. Service Center Audit FY 2019/2020

The objective of the audit was to determine whether the Department is in compliance with selected control activities for protecting confidential information from unauthorized use, access, and disclosure.

#### Recommendations:

- The Department's Confidential Incident Response and Disclosure Officer should distribute another Department-wide Key Communication related to protection of mobile devices.



## Audit Engagements Cont.

- The Department's Confidential Incident Response and Disclosure Officer should update the Confidential Information Policy and/or Procedures to include monitoring requirements.



- Employees that are exempt from the requirement that their external emails automatically encrypt should continue to follow the Department's policies and procedures for protecting confidential information.
- ISP should take steps to ensure that Department employees do not have the ability to choose to automatically unencrypt all Department emails.
- To immediately reduce the risk of unauthorized use, access, and disclosure of confidential information, ISP should monitor email signatures to detect the intentional disabling of encryption and notify the appropriate program or office.
- Once notified of intentional disabling of encryption, the programs should ensure "[unsecure]" is removed from default email signatures created in Outlook by employees.



See **Appendix A** for a list of "Outstanding Corrective Actions for Prior Audit Reports."

## Consulting Engagements

**IAS completed three formal consulting engagement during FY 2019/2020:**

### 1. ISO 20000 Internal Audit 2019/2020

The purpose of the engagement was to assist the Information Services Program (ISP) by conducting a review in accordance with the International Organization for Standardization (ISO). ISO 20000 is a set of international standards recognized in the information technology industry. The annual review identifies opportunities for improvement and allows ISP to begin making those improvements before an external audit is conducted.



**Note:** In the past, an outside consultant conducted the ISO 20000 review. By performing this function, IAS saved the Department approximately \$16,000.

### 2. GTA Cost Billing Study

Section 213.24, Florida Statutes (F.S.), requires the Florida Department of Revenue's Office of Inspector General to conduct a study on the cost to issue a bill or automated refund for any tax enumerated under ss. 213.05 or 443, F.S. The statutory requirements include the following:

- The study shall be conducted every three years and at such other times as deemed necessary by the Inspector General. A minimum billing and automated refund amount shall be established and adjusted in accordance with the results of such study.
- Any change in minimum billing or automated refund amounts is effective on July 1 following the completion of the study.

### 3. Quality Assurance—Review Activities During FY 2019/2020

In anticipation of the Quality Assurance Review performed every three years by the Office of the Auditor General, staff performs an engagement to ensure the Internal Audit Section has documented its compliance with the *Standards*. This review focused on the audits conducted during FY 2019/2020.

## **Internal Audit: Summary of Activities**

### **Review of Performance Measures**

In accordance with s. 20.055(2)(a), F.S., the OIG serves in an advisory capacity to program management and staff during the development of performance measures, standards, and procedures for the evaluation of the Department's programs. Additionally, IAS reviews and verifies the validity and reliability of related performance measures during assurance engagements performed during the year.

### **Annual Risk Assessment Activities**

IAS staff met with the programs and executive management to facilitate identification of areas with the highest levels of risk exposure. Criteria used for the risk assessment included complexity of operations, management interest, controls, financial materiality, changes in procedures and personnel, results of prior audits, public exposure, and potential for fraud. Results from the risk assessment are used to develop IAS's long-term and annual audit plans.



### **Assistance to Department of Economic Opportunity**

Members of the Internal Audit Section participated in the Department's efforts to assist the Department of Economic Opportunity with processing the large volume of reemployment assistance claims that were filed as a result of the Covid-19 pandemic.

### **Florida Single Audit Act Activities**

IAS staff acted as agency coordinator for the Florida Single Audit Act (FSAA). IAS acted as liaison with program FSAA leads, helped identify legislative effects on the Department related to the FSAA, and handled inquiries from the public or other state agencies. IAS was also responsible for the annual certification of the Department's FSAA projects to the Department of Financial Services.

### **Follow-Up on Corrective Action Plans as of 6/30/2019**

The purpose of this review was to follow up on the status of programs' corrective action plans as of June 30, 2019. A summary report provided to the Executive Director reflected 42 open findings, 26 findings verified by OIG staff as closed during the period, and 9 corrective actions overdue.

### **Follow-Up on Corrective Action Plans as of 12/31/2019**

The purpose of this engagement was to follow up on the status of programs' corrective action plans as of December 31, 2019. A summary report provided to the Executive Director reflected 41 open findings, 12 findings verified by OIG staff as closed during the period, and 11 corrective actions overdue.

### **External Audit Coordination**

During FY 2019/2020, IAS staff coordinated six external audits conducted by other entities and the Department's responses to those audits when necessary.

# Internal Investigations

Section 20.055(7), F.S., requires the Inspector General to “initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses” in the Department. The statutorily required investigative duties and responsibilities of the Inspector General, include:

Receiving complaints and coordinating all activities required by ss. 112.3187–112.31895, F.S. (the *Whistle-blower’s Act*) for the Department.

Receiving and considering complaints which do not meet the criteria for an investigation under the *Whistle-blower’s Act* and conducting, supervising, or coordinating such inquiries, investigations, or reviews when appropriate.

Promptly reporting to the Florida Department of Law Enforcement or other law enforcement agencies, as appropriate, when there are reasonable grounds to believe there has been a violation of criminal law.

Conducting investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the OIG. This includes freedom from any interference with investigations and timely access to records and other sources of information.

Submitting timely reports to the Department’s Executive Director regarding investigations conducted, except for whistle-blower investigations, which are reported as required by s.112.3189, F.S.

The Internal Investigations Section (IIS) is responsible for conducting internal investigations to resolve allegations of violations of the Department’s conduct standards and other policies, rules, directives, and laws impacting the Department. Investigations may be initiated because of information received from:

- Department Employees
- Private Citizens
- Other State or Federal Agencies
- The Whistle-blower Hotline

IIS staff review each complaint received by the section.

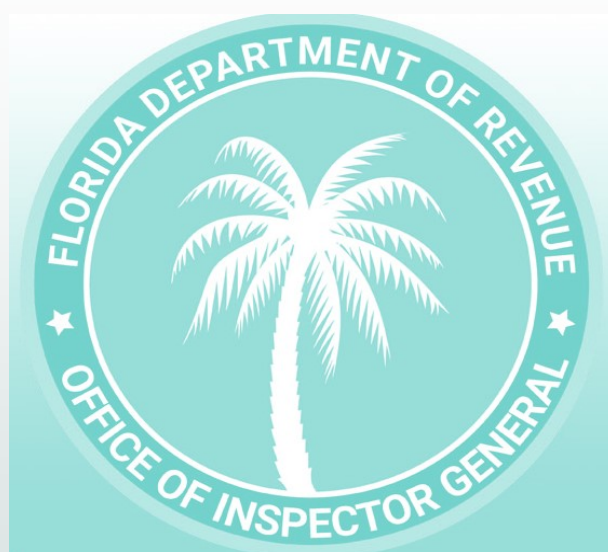
The review process filters complaints to ensure investigative resources are used effectively and efficiently.

Established criteria are used to evaluate each complaint to determine the appropriate course of action. When the review determines that a full investigation is warranted, an investigation is initiated.

Most allegations investigated involve violations of the Department’s *Standards of Conduct* such as:

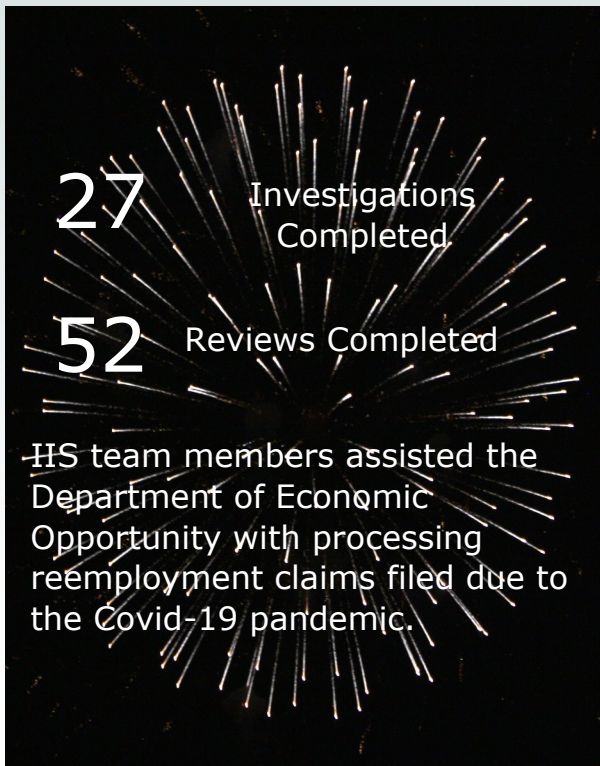
- Breaches of Confidentiality
- Employment Discrimination
- Falsification of Records
- Inappropriate E-mail or Internet Transactions
- Misuse of State Property
- Theft

Investigations may result in management issuing the employee disciplinary action, up to and including dismissal. IIS also refers information and provides assistance to local, state, and federal law enforcement agencies on cases related to possible criminal violations or activities.





## Internal Investigations: Accomplishments



- After implementing changes to the intake review process during the previous fiscal year, IIS has been able to sustain its goal of completing intake reviews in 20 days or less. For FY 2019/2020, IIS's average completion time for an intake review was 15 days.
- In FY 2019/2020, IIS focused on improving the investigations process. IIS staff met over several months to develop recommendations associated with process improvement for investigations. The team made two notable recommendations to the Inspector General and Accreditation Manager to streamline the process:
  - Reducing the number of work product reviews done in quality assurance.
  - Moving from having two products to select from for finalizing an investigation to only one.

## Highlights of Worked Performed

A number of significant investigations were conducted during FY 2019/2020. The following are highlights of some of these cases:

### **Conflict of Interest-Personal Relationships-Conduct Unbecoming**

The OIG received an allegation of inappropriate conversations and interaction between a manager and a relative involving the manager's hiring for a vacant position. The inappropriate conversations and interaction related to allegations the manager provided an advance copy of the Skills Verification Test to the relative who had applied for the position. During the OIG interview, the manager admitted to giving the test questions and answers to the relative, which are exempt from public disclosure. The manager demoted to a non-management position.

### **Confidentiality/Conflict of Interest**

The OIG received an allegation an employee contacted the other parties involved in a child support case when the custodial parent visited the office, and one of the parties on the case was a relative of the employee. The investigation determined the employee was not related to any of the parties on the case and the employee did not release any information to the parties or act outside the scope of the employee's job duties and responsibilities.



## **Internal Investigations Cont.**

### **Employment Discrimination**

Management referred a complaint to the OIG from an employee who alleged their manager made a comment with a racial connotation and other comments that were considered racial slurs. The employee also alleged the supervisor trained some employees before taking a Skills Verification Test, but not the employee. The investigation determined that although the employee described several events they felt demonstrated the supervisor was discriminating, the employee was not able to specifically identify anyone receiving more favorable treatment regarding work assignments, attendance, leave, or promotional opportunities. Additionally, the employee could not articulate or show disparate treatment by the manager based upon national origin. Several issues were identified and referred to management for further review and appropriate action.



### **Outside Employment and Misuse of Department Resources**

The OIG received an allegation a Department contractor misused Department resources. The investigation found the contractor misused his Department issued computer by using the computer to work an outside business, to store personal documents and documents related to the business, and by downloading unapproved software. The investigation also revealed a potential time accounting issue; however, insufficient information was obtained to establish the contractor recorded more hours than they worked on a time sheet. Several issues identified concerning the management of the contract were referred to management for further review and appropriate action.



### **Falsification of records**

The OIG received an allegation an employee submitted forms to the department under the Family Medical Leave Act and Americans with Disabilities Act that appeared to be completed by the employee, not the health care provider as required. The investigation found the employee completed the forms and falsified the forms from one of the providers. The employee received corrective action.

## Internal Investigations Cont.

### **Conflict of Interest-Personal relationships and Making a False Statement**

The OIG received an allegation an employee provided services to a department customer that conflicted with the employee's department duties and responsibilities. The investigation determined the employee used their employment to refer a department customer to the employee's personal business, did not have approval from the department for the business, and used department equipment for the business. The employee resigned from their position.

### **Theft: Stealing and Unauthorized Use of State Property**

Management referred information to the OIG, reporting a person who owed child support sent in fraudulent checks for payment of the child support. The individual was not given credit for the payment because the bank returned the checks to the state's payment processing center indicating they were fraudulent. The OIG referred the matter to the Florida Department of Law Enforcement (FDLE) for criminal investigation and coordinated with FDLE during the investigation. The investigation led to the arrest of the individual, who entered into a felony diversion program and made good on the child support.

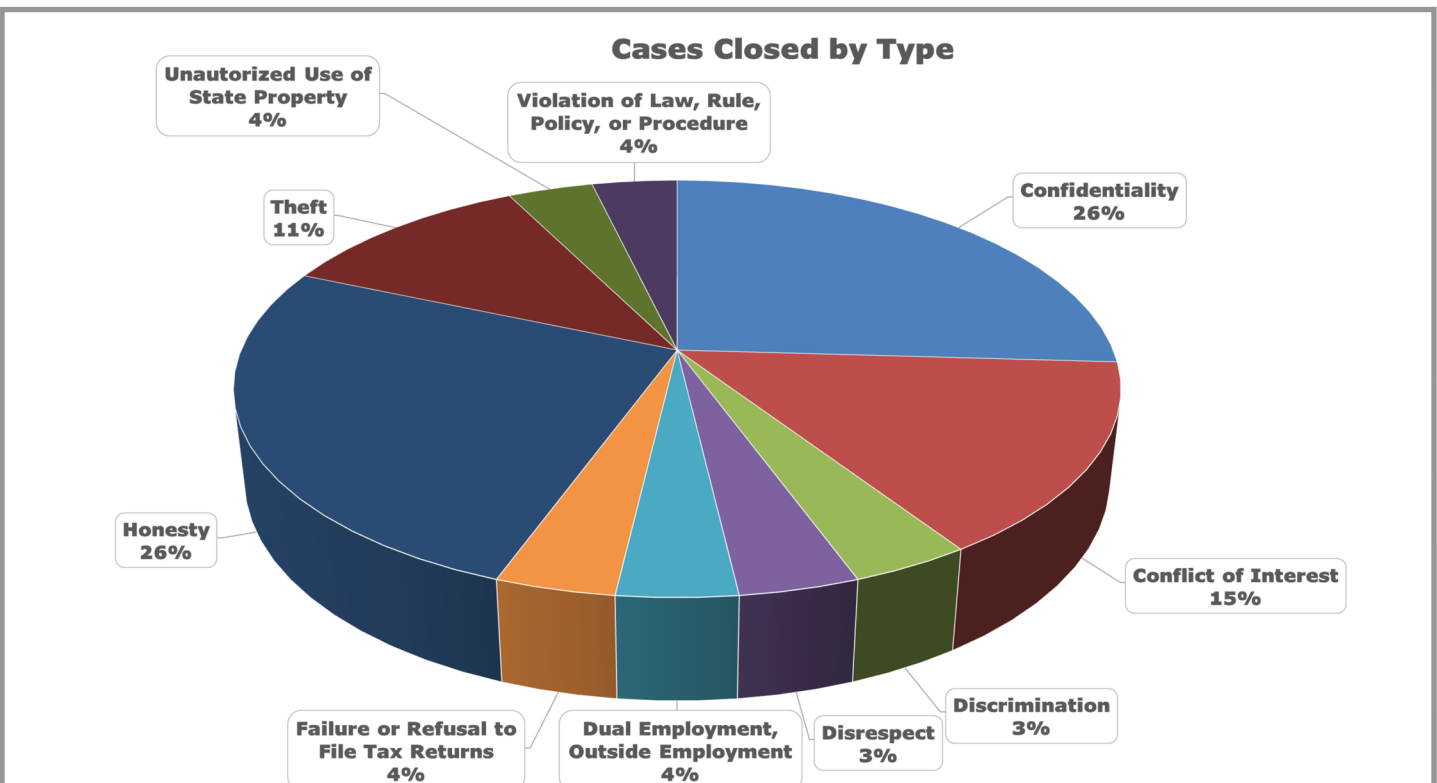
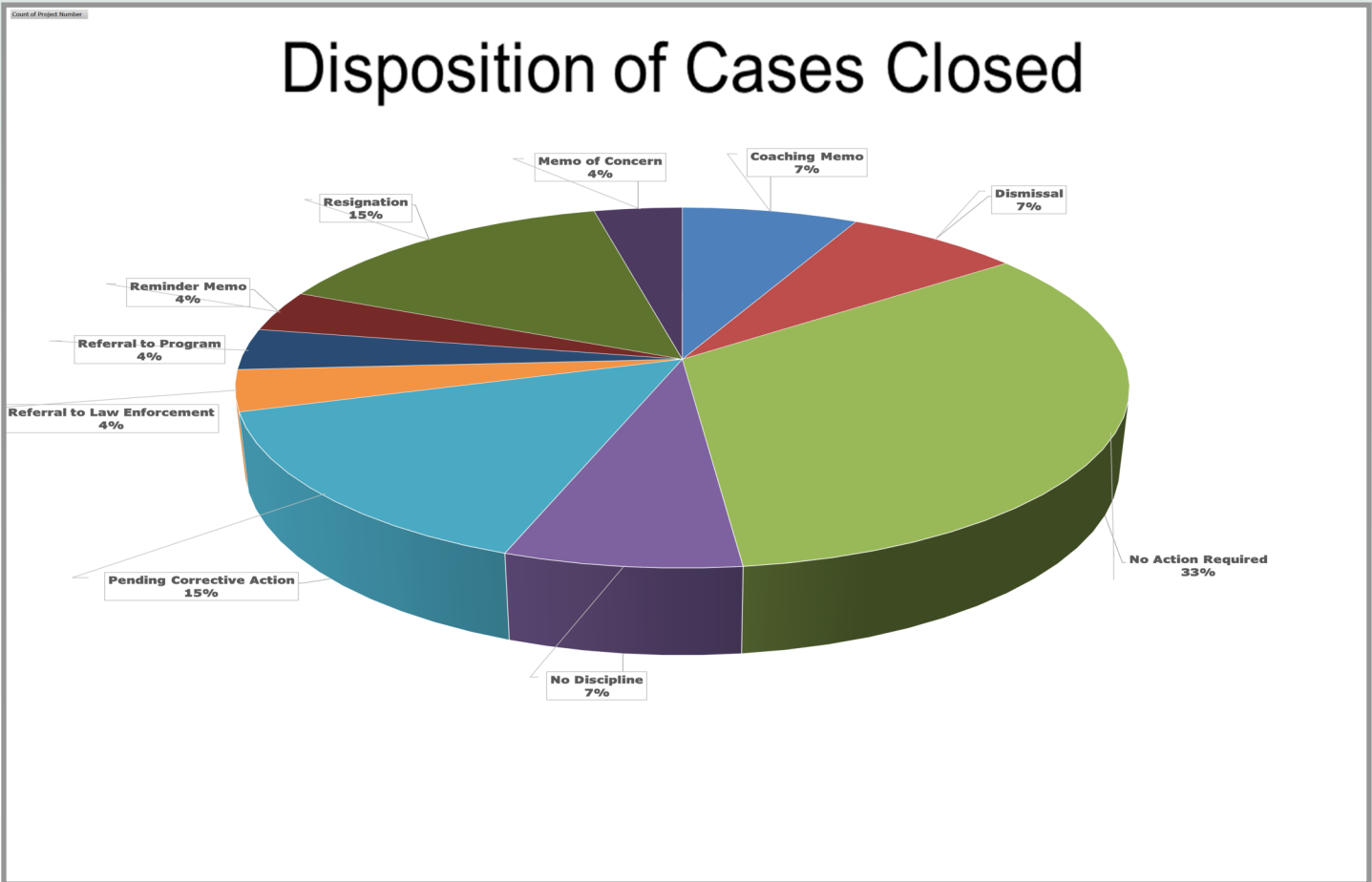


See Appendix B for a summary of closed cases for FY 2019/2020, including data from both intake reviews and investigations.

# Internal Investigations Cont.

## Information on Closed Internal Investigations for FY 2019/2020

Note: The charts include data from both intake reviews and investigations



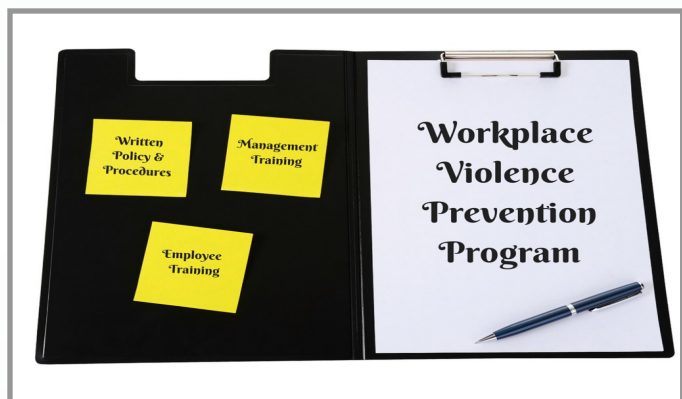
# Special Projects

The Special Projects Section (SPS) is assigned various responsibilities. These responsibilities include programs related to:

- Workplace violence prevention and response
- Employees' reports of current arrests
- Fraud prevention and response
- Risk assessments of proposed and revised agency policies

## Workplace Violence

The Department's workplace violence policies and procedures emphasize protecting employees from all forms of workplace violence, including assaults and threats from external customers, domestic violence affecting the workplace, and incidents of violent behavior between employees. The Department's *Workplace Violence Prevention and Response Policy*, which also addresses domestic violence affecting the workplace, requires the reporting of all incidents or threats of workplace violence to the OIG. Local law enforcement or other appropriate responders are notified when necessary to respond to a workplace violence incident. SPS staff ensures all potentially affected managers at the agency, program, region, and service center levels are timely notified of reported incidents and provides recommendations for appropriate action.



Workplace violence can originate from internal or external sources. Most workplace violence incidents reported to the OIG originate from external sources. External workplace violence incidents include assaults and threats made by customers against Department employees as a result of their official duties. Generally, threats against employees are reported to a local law enforcement agency with jurisdiction where the threat was made.

External sources of workplace violence also include threats made or reported to the Department by a customer, but directed toward someone else, such as a parent owing support in a child support case threatening to harm the parent owed support or a child in the case. The *Workplace Violence Prevention and Response Policy* requires that Department staff notify local law enforcement of the threat and attempt to notify the person who the threat was directed toward so they can determine the most appropriate action to provide for their safety.

Altercations between customers while on Department property that don't directly involve Department employees are also reported as external sources of workplace violence. These types of incidents could escalate and endanger Department employees and other customers. Generally, local law enforcement is called to respond to these types of incidents.

## Special Projects Cont.

Threats of suicide made by customers to Department employees are also reported to and logged by SPS as an external source of workplace violence. Response may include notifying local law enforcement in the area where the person making the threat lives and requesting a wellness check on the individual who made the suicide threat.

When it is determined that a potentially violent person may be associated with a tax account or child support case, a Potentially Dangerous Contact (PDC) indicator is placed on applicable primary databases used within the Department's operating programs. The PDC indicator serves as notice to an employee that special care should be taken in any contact or action on the account. SPS staff is available to assist the operating programs in determining appropriate action to help ensure the safety of staff while also helping to ensure the Department's statutory tax and child support administration responsibilities are carried out in relation to an account flagged as a PDC.



Internal workplace violence incidents occur when an employee or contractor's employee feels threatened or endangered due to the actions or statements of another employee or contractor's employee. Internal workplace violence incidents are generally addressed by assembling the Department's Workplace Violence Response Team (WPV Team). The WPV Team consists of the Inspector General, the SPS Manager, the Office of Workforce Management Director, the Employee Relations Manager, and the Chief Assistant General Counsel for the Executive Direction and Support Services Program. The WPV Team works cooperatively to determine, and advise management of, the recommended response to reported incidents. The WPV Team's recommendations to management may include disciplinary action, counseling, referral to the Employee Assistance Program (EAP), or other mitigating action. The WPV Team may also request an internal investigation if facts of the incident cannot be determined.

Domestic violence affecting the workplace is a concern for any agency or business. A domestic violence concern can be initiated by an external or internal source. The Department's *Standards of Conduct* require any employee who is named as the respondent in an injunction for protection against domestic violence, or any similar injunction, where the petitioner is also a Department employee, to report the injunction to the OIG.

The Department's *Workplace Violence Prevention and Response Procedures* encourage employees to report if they are the petitioner in an injunction for protection against domestic violence and they have any concern the respondent may come to the workplace. SPS works with appropriate management to take necessary actions to help protect victims of domestic violence in the workplace, as well as to help ensure the safety of co-workers. The WPV Team may be convened if needed to address more serious incidents of domestic violence affecting the workplace.



## Special Projects Cont.

### Current Arrests / Prompt Reporting

The Department's *Standards of Conduct* require employees promptly report the following events to the OIG:

- Any arrest, charge, or receipt of a Notice to Appear for a crime that is punishable by more than sixty days imprisonment and/or more than a \$500 fine
- The final order or other disposition of an arrest or charge for a crime that is punishable by more than sixty days imprisonment and/or more than a \$500 fine
- The resolution of an outstanding arrest warrant

SPS is responsible for receiving and following up on reports of Department employees who are arrested or charged with criminal offenses. When a report is received from an employee or other source, SPS staff will notify the program director for the employee's program so they can determine any conflict with employment and ensure staff integrity. SPS will also open a review file to monitor court actions and ensure the employee meets all reporting requirements established in the Department's *Standards of Conduct*.

When the final disposition of the charge(s) is entered by the court, program management is notified of the outcome of the criminal case and whether the employee complied with reporting requirements. Program management may issue corrective action due to an employee's failure to timely report an arrest or the final disposition of a charge, and/or the nature of the offense and how it affects the employee's ability to perform assigned duties.

### Fraud Prevention Program

SPS is responsible for developing and implementing programs to aid in the prevention, deterrence, and detection of fraud within the agency. The Department's *Fraud Prevention and Response Policy*, developed by SPS staff and adopted by the agency in 2014, provides clear guidance to management and employees on actions to take if they suspect fraudulent activity within or affecting Department services.

SPS staff continue to champion the agency-wide fraud prevention and response program. To help ensure the efficiency and effectiveness of the fraud program, SPS develops an annual risk-based fraud work plan and accounts for direct and indirect project time.

## Special Projects Cont.



During the year, SPS continued its focus on raising employee fraud awareness. Activities associated with National Fraud Awareness Week included a fraud awareness week poster developed by the Association of Certified Fraud Examiners (ACFE) to all managers for posting throughout the Department. An agency-wide communication was also distributed to inform all Department staff of National Fraud Awareness Week and remind them of their responsibility to report suspected fraud to the OIG.

Five instructor-led training sessions were delivered:

- Four fraud awareness presentations to new supervisors
- One "Red Flags of Fraud" presentation to managers in the General Tax Administration Program

SPS responsibilities include looking globally at departmental data to perform data analysis. Anomalies are referred to the internal audit or internal investigations sections for further review. Management is made aware of potential control weaknesses or other issues that could affect ability to prevent or detect fraud. When appropriate, referrals are made to law enforcement or other appropriate agencies.

## Special Projects: Accomplishments



## Highlights of Work Performed

The following are highlights of some of the projects performed and a summary of the most significant issues identified by SPS staff during FY 2019/2020:

### **Administrative Leave Codes:**

The use of Administrative Leave Codes was reviewed to ensure compliance with applicable law, rule, and Department of Management Services policy. Recommendations were provided to the Office Workforce Management to ensure accurate application of administrative leave and time worked during emergency office closings.

### **Child Support Suspense Account Analysis:**

An analysis and review of “unidentified collections” processed by the Florida State Disbursement Unit vendor was conducted to determine whether unidentified collections processed by the vendor exhibited anomalies that could indicate the existence of fraud, waste, or abuse. A memo identifying recommendations to enhance existing controls was provided to CS management. One suspicious item indicating potential fraud was referred to the Internal Investigations Section (IIS) for further review. IIS’s review did not identify fraudulent activity.

# Appendix A

## Outstanding Corrective Actions as of June 30, 2019

Project #	Audit Name	Recommendation(s)
2012-0115	Department-wide Data Security	One confidential outstanding corrective action
2013-0106	Agency Information Technology Security Governance	One confidential outstanding corrective action
2016-0101	Agency-wide Software Purchasing	The Information Services Program (ISP) should work with the Office of Financial Management (OFM) to ensure agency-wide procedures governing software purchases are adequate to support ISP's primary functions. At a minimum, the procedures must be clear and consistent, and define software-related terms. Additionally, the procedures should specify approval requirements, including ISP delegations of approval.
		ISP should work with OFM to review commodity codes and object codes to determine which should be routed for IT approval. Additionally, ISP should determine whether efficiency could be improved by removing the need for a separate STAIRS ticket and approving all IT software purchases using My Florida Marketplace's built-in approval flow.
		The Department should implement a software asset management (SAM) system to assess agency-wide software needs and coordinate enterprise-wide software purchases.
		Executive Leadership should ensure ISP devotes adequate resources to develop and implement a SAM system, including agency-wide SAM policies, processes, and procedures that comply with requirements of Rule 74-2, F.A.C.
		The Department should monitor software installations to identify uncategorized software, block the installation of unauthorized software, and ensure removal of unauthorized software installations.
		The Department should ensure that software is properly documented.
2017-0115	Service Center Audit- Management Memorandum to the OFM Director	OFM should work with the Office of Workforce Management to publish <i>Department of Revenue Procedures on Managing State-owned Property on the Department procedures intranet site</i> in compliance with the <i>Policy Administration Policy</i> . In addition, OFM should ensure the procedure is communicated to Department staff.
2017-0115	Service Center Audit - Management Memorandum to the ISP Director	Two confidential outstanding corrective actions
2017-0115	Service Center Audit -GTA Service Center (West Palm Beach)	Management should ensure mobile storage devices are encrypted and appropriately accounted for and safeguarded.
2017-0116	Multi-Functional Devices	Six confidential outstanding corrective actions

Project #	Audit Name	Recommendation(s)
2019-0031	Outsourced Security Functions	Five confidential outstanding corrective actions
2019-0050	Service Centers	Seven confidential outstanding corrective actions
2019-0052	Data Exchange Memorandum of Understanding with Florida Department of Highway Safety and Motor Vehicles	GTA should establish and implement a policy to immediately deactivate separated staff accounts in SunVISN.
		GTA management should establish and implement a monitoring program for user access to the HSMV data in SunVISN.



# Appendix B

## Summary of Closed Internal Investigations for FY 2019/2020

Note: This data includes both intake reviews and investigations

Disposition	Project #	Investigation Type
Substantiated (16 Cases)	17337	Conflict of Interest
	18126	Failure or Refusal to File Tax Returns
	18131	Unauthorized Use of State Property
	18157	Honesty
	18234	Theft
	18264	Conflict of Interest
	18281	Conflict of Interest
	19014	Violation of Law, Rule, Policy, or Procedure
	19027	Honesty
	19083	Disrespect
	19114	Honesty
	19140	Confidentiality
	19145	Honesty
	19162	Confidentiality
	19179	Honesty
	19208	Conflict of Interest
Referral (22 Cases)	18290	Violation of Law, Rule, Policy, or Procedure
	18291	Retaliation
	19008	Violation of Law, Rule, Policy, or Procedure
	19009	Violation of Law, Rule, Policy, or Procedure
	19013	Conflict of Interest
	19017	Conflict of Interest
	19019	Confidentiality
	19037	Unauthorized Use of State Property
	19042	Confidentiality
	19048	Violation of Law, Rule, Policy, or Procedure
	19066	Violation of Law, Rule, Policy, or Procedure
	19067	Theft
	19071	Confidentiality
	19073	Theft
	19089	Violation of Law, Rule, Policy, or Procedure
	19107	Honesty
19147	Violation of Law, Rule or Policy - SOC III.L.2	

Disposition	Project #	Investigation Type
Referral-continued	19155	Violence
	19174	Unauthorized Use of State Property
	19178	Confidentiality
	19223	Unauthorized Use of State Property
	19241	Confidentiality
Unsubstantiated (41 Cases)	17007	Theft
	17060	Theft
	18285	Violation of Law, Rule, Policy, or Procedure
	19002	Confidentiality
	19006	Retaliation
	19018	Discrimination
	19022	Violation of Law, Rule, Policy, or Procedure
	19025	Discrimination
	19044	Theft
	19045	Violation of Law, Rule, Policy, or Procedure
	19049	Confidentiality
	19051	Conflict of Interest
	19057	Conflict of Interest
	19070	Honesty
	19076	Violation of Law, Rule, Policy, or Procedure
	19092	Conflict of Interest
	19095	Violation of Law, Rule, Policy, or Procedure
	19109	Violation of Law, Rule, Policy, or Procedure
	19111	Conflict of Interest
	19165	Conduct Unbecoming a Public Employee
	19193	Violation of Law, Rule, Policy, or Procedure
	19198	Conflict of Interest
	19200	Confidentiality
	19206	Honesty
	19207	Confidentiality
	19226	Conduct Unbecoming a Public Employee
	19235	Conflict of Interest
	19240	Confidentiality
	19249	Violation of Law, Rule, Policy, or Procedure
	19257	Violation of Law, Rule, Policy, or Procedure
	18115	Theft
18269	Confidentiality	
18277	Discrimination	

Disposition	Project #	Investigation Type
Unsubstantiated- Continued	18301	Confidentiality
	19001	Honesty
	19020	Confidentiality
	19038	Honesty
	19106	Confidentiality
	19129	Confidentiality
	19169	Theft
	19224	Dual Employment, Outside Employment

**Department of Revenue**  
**Office of Inspector General**  
**Annual Report 2019/2020**



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