



Office of Inspector General

Annual Report

September 24, 2025

September 24, 2025

Mr. J. Alex Kelly
The Caldwell Building, Suite 212
107 East Madison Street
Tallahassee, Florida 32399

Ms. Melinda Miguel, Chief Inspector General
Executive Office of the Governor
The Capitol, Suite 1902
Tallahassee, Florida 32399

Dear Secretary Kelly and CIG Miguel:

I am pleased to submit the Office of Inspector General's Annual Report for fiscal year 2024 - 2025, as required by section 20.055, Florida Statutes.

We remain committed in our work with the Department's management and staff to promote efficiency, accountability, and integrity. Thank you for your continued support.

Sincerely,



James E. Landsberg
Inspector General

TABLE OF CONTENTS

HIGHLIGHTS	1
INTRODUCTION.....	2
Purpose of this Report	
Summary of the Department	
MISSION AND ORGANIZATION OF THE OIG.....	3
Accreditation	
Organizational Profile	
Professional Certifications	
Professional Affiliations	
INVESTIGATIONS SECTION	6
Summary of Investigative Activity	
Significant Investigative Projects	
AUDIT SECTION.....	8
Summary of Services	
Work Plan Development	
Significant Audit Projects	
ATTACHMENT I	11
Additional Investigative Activity	
ATTACHMENT II	13
Additional Audit-Related Activity	

HIGHLIGHTS

The Office of Inspector General (OIG) completed the projects below during the 2024 - 2025 fiscal year.

Investigative Activity

- Completed six inquiries, two management referrals, and six law enforcement referrals;
- Responded to approximately 1,900 requests for management resolution or general assistance, including over 1,350 Reemployment Assistance Program referrals; and
- Coordinated the resolution of complaints with Department management and with other parties having appropriate jurisdiction.

Audit Activity

- Conducted three audits and three reviews, resulting in 20 findings and 47 recommendations;
- Performed liaison activities for one external audit and three external reviews;
- Coordinated one external engagement with 17 findings and 18 recommendations; and
- Facilitated corrective action for all significant recommendations in prior audits and reviews.

Other Activity

- Conducted a Department-wide risk assessment;
- Prepared the annual and long-term audit work plan; and
- Provided technical assistance to Department managers as needed.

INTRODUCTION

Purpose of this Report

Section 20.055, Florida Statutes (F.S.), requires each Office of Inspector General to prepare an annual report describing its activities during the preceding state fiscal year. This report includes the following:

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

This document is presented to the Secretary of Commerce and the Chief Inspector General.

Summary of the Department

Section 20.60, F.S., states the mission of the Department of Commerce is to assist the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to promote economic opportunities for all Floridians. The divisions of the Department are as follows:

1. Economic Development
2. Workforce Services
3. Community Development
4. Information Technology
5. Finance and Administration

The Division of Economic Development provides support for attracting out-of-state businesses to Florida, promoting the creation and expansion of Florida businesses, and facilitating the state's economic development partnerships.

The Division of Workforce Services partners with CareerSource Florida and the state's Local Workforce Development Boards to strengthen Florida's business climate by supporting employers and helping Floridians gain employment, remain employed, and advance in their careers. The primary initiatives and activities of the Division of Workforce Services are carried out in the Bureaus of Workforce Statistics and Economic Research, One-Stop and Program Support, and Reemployment Assistance.

The Division of Community Development fosters economic development in the state's rural and urban communities through opportunities, assistance, and partnerships with entities that balance local and state growth management needs. The primary initiatives and activities of the Division are carried out in the Bureaus of Small Cities and Rural Communities, Community Planning and Growth, Economic Self Sufficiency, and the Office of Long-Term Resiliency.

The Division of Information Technology seeks opportunities where technology can help support the creation of jobs in Florida's economy. The primary initiatives and activities of the Division are designed to align everything information technology does with the Department's needs. The goals of the Division are to eliminate duplicative services, improve the governance model, and leverage third party verifiable sources for efficiency improvements while enhancing accountability and mission integrity.

The Division of Finance and Administration provides support through management of activities related to budget, finance, general services, and human resources. The primary initiatives and activities of the Division are carried out within the Bureaus of Budget Management, Financial Management, Financial Monitoring & Accountability, General Services, and Human Resource Management.

MISSION AND ORGANIZATION

As stated in section 20.055, F.S., the role of the OIG is to provide a central point for coordination of, and responsibility for, activities that promote accountability, integrity, and efficiency in the Department.

The OIG has established the following priorities to help ensure success in fulfilling our mission:

- **Sufficiency** – Provide quality audits, investigations, reviews, and other services in accordance with professional standards and, where applicable, federal, and state regulations.
- **Timeliness** – Perform audits, audit resolution, investigations, and reviews in a timely manner.
- **Added Value** – Perform activities designed to add value and improve the Department's operations.
- **Awareness** – Promote awareness regarding OIG roles and responsibilities as well as awareness regarding the duty to report fraud, waste, and abuse.

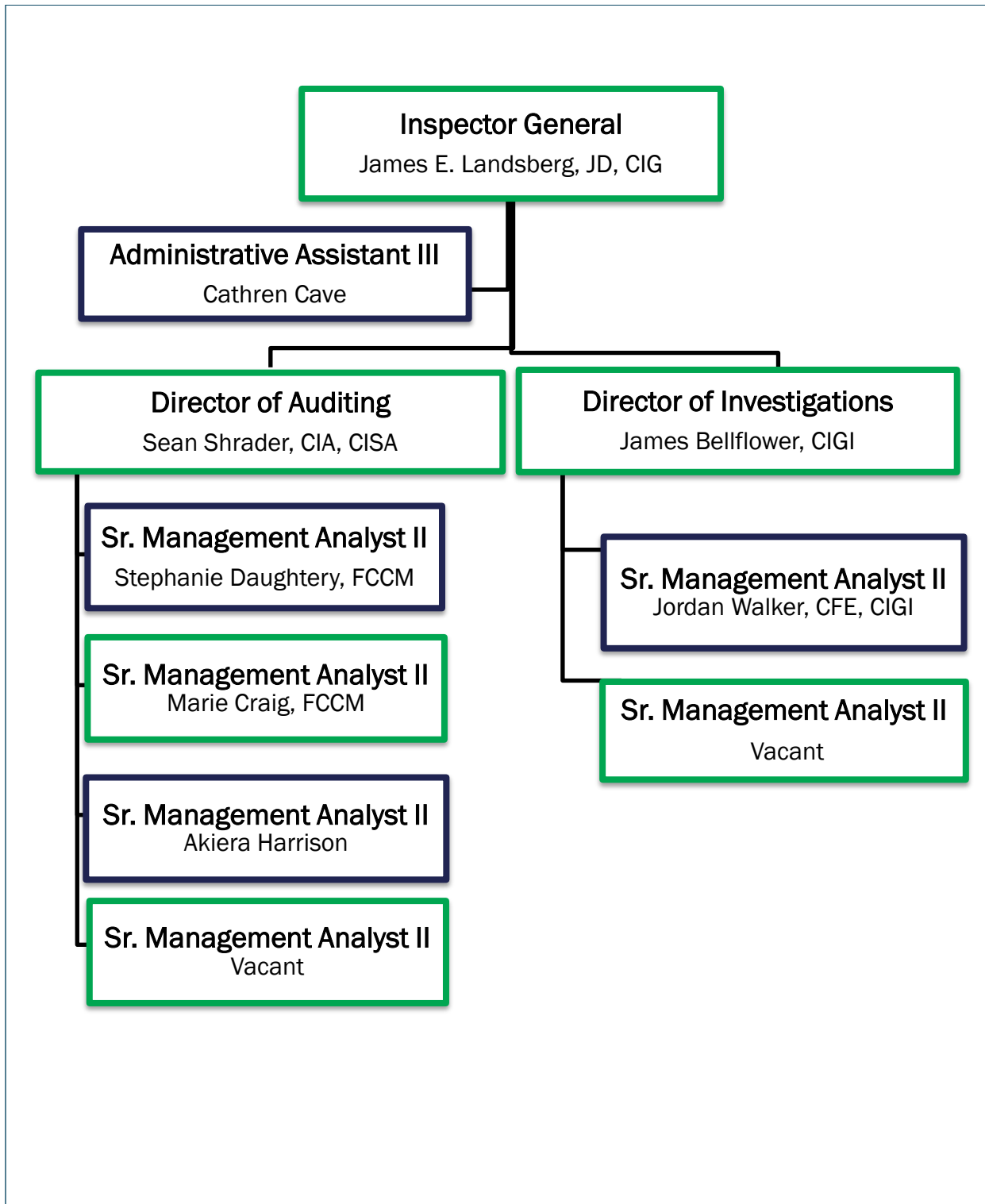
The primary goal of OIG is to provide independent and objective information in a timely manner to assist the Department's Secretary and management team in fulfilling their duties and responsibilities.

Commission for Florida Law Enforcement Accreditation

As part of OIG's continuing effort to better accomplish its mission, the Investigations Section pursued credentials through the Commission for Florida Law Enforcement Accreditation. This Commission accredits law enforcement agencies and Offices of Inspectors General within the State of Florida that attain specific standards for operations, investigations, and other activities. The OIG's Investigations Section achieved reaccreditation on June 18, 2025, after establishing compliance with 50 standards.

Organizational Profile

The OIG had a staff of ten positions during the fiscal year, two of which were vacant as of June 30, 2025. Our structure was as follows:



Professional Certifications

Certifications held by the staff include:

- One Certified Inspector General (CIG)
- One Certified Internal Auditor (CIA)
- One Certified Information Systems Auditor (CISA)
- Two Certified Inspector General Investigators (CIGI)
- Two Certified Florida Contract Managers (FCCM)
- One Certified Fraud Examiner (CFE)
- Two Notaries Public
- Two Assessors - Commission for Florida Law Enforcement Accreditation (CFA)
- One Florida Bar Member (JD)
- One Certified Florida Law Enforcement Analyst

Professional Affiliations

OIG staff members are affiliated with:

- National Association of Inspectors General (AIG)
- Florida Chapter of the Association of Inspector General (FCAIG)
- Institute of Internal Auditors (IIA)
- Tallahassee Chapter IIA (TCIIA)
- The Florida Bar
- Information Systems Audit and Control Association (ISACA)
- Tallahassee Chapter ISACA (TCISACA)
- Association of Certified Fraud Examiners (ACFE)
- The Florida Commission for Law Enforcement Accreditation (CFA)

INVESTIGATIONS SECTION

The Investigations Section conducts and coordinates activities designed to detect, deter, and prevent fraud, waste, mismanagement, misconduct, and other abuses. These activities include investigations, inquiries, management referrals, and coordination with law enforcement.

Investigations

The OIG conducts investigations designed to provide Department management with objective, fact-based assessments to help ensure the integrity and efficiency of both management and operations. Topics of investigation may include contract procurement violations, conflicts of interest, gross mismanagement, disruptive behavior, falsification of records, and data manipulation. Investigations also encompass misconduct by workforce service providers and other vendors who offer products and services under contract with the Department.

Inquiries

Inquiry cases are opened when it is unclear whether a full investigation is warranted. In such cases, facts are gathered and a determination is made whether to proceed with a substantive investigation. Inquiries are used to report findings related to complaints or other issues to the Secretary and Department managers where no specific wrongdoing by any one person is implied. Inquiries concentrate on Department and/or partner processes rather than allegations against a specific subject. An inquiry can result in a written report which summarizes the issues and provides recommendations for correction, if necessary.

Management Reviews

Management Reviews are prompted for a variety of reasons. Primarily, management will request that OIG review a program for inefficiencies or vulnerabilities and make recommendations for improved delivery of programmatic services.

Management Referrals

Management Referral cases are opened when OIG receives complaints which do not rise to the level of significance that warrant a substantive investigation. These complaints are referred to management and are monitored until an outcome report is received and reviewed by OIG.

Law Enforcement Referrals

Law Enforcement Referral cases are those reported to the Florida Department of Law Enforcement or other law enforcement agencies, as appropriate, when the Inspector General has reasonable grounds to believe there has been a violation of criminal law.

Summary of Investigative Activity

The Investigations Section completed 14 projects and received approximately 1,900 requests for management resolution or general assistance. The table below summarizes significant projects completed during the fiscal year.

Closed Investigative Projects July 1, 2024 – June 30, 2025	
Project	Summary
2023/24-0029 Inquiry	A Department employee alleged discrimination, wrongful termination, and a violation of security standards. OIG conducted an inquiry and determined management followed security standards. OIG also provided the complainant with referral information for the Department's Office of Civil Rights and the Florida Commission on Human Relations. The project was closed.
2024/25-0015 Inquiry	A Department employee expressed concerns regarding retaliation, adverse personnel action, and delayed benefit payments to claimants. OIG conducted an inquiry and determined management had appropriately addressed the issues. The project was closed.
2024/25-0025 Management Referral	A workforce training vendor alleged a Local Workforce Development Board caused delays in processing a training application. OIG coordinated with management in the Department's Division of Workforce Services and facilitated completion of the application. OIG also provided information to the vendor about local grievance procedures. The vendor thanked the Department and the project was closed.
2024/25-0031 Inquiry	A participant in the Rebuild Florida program disagreed with the terms associated with rebuilding his home. OIG found that the Department was properly following federal guidelines and therefore referred the matter to management for continued processing. The project was closed.

**Attachment I includes a summary of additional investigative activity.*

AUDIT SECTION

The Internal Audit function is designed to be an independent, objective assurance and consulting activity which adds value and improves the Department's operations. Its objective is to help the Department accomplish its goals by bringing a systematic, disciplined approach to the evaluation of internal controls and governance processes. Although conducting internal audits is the primary mission of the Audit Section, substantial benefit is provided to the Department through several other functions. These include consulting engagements, coordination with external auditors, resolution of audits with federal grantors, tracking audit findings, and risk analysis.

During Fiscal Year 2024-2025, the Internal Audit unit performed three formal audits and three reviews summarized later in this report. First, we will address the development of our annual and long-term audit work plan.

Work Plan Development

Section 20.055(6)(i), F.S., requires the Office of Inspector General to develop risk-based annual and long-term audit plans which consider resource requirements and input from senior management.

In March 2025, OIG sent a risk assessment survey to executive management and FloridaCommerce managers from all divisions and performed in-person interviews with selected senior managers. The risk assessment process had two purposes: (1) To help ensure that Department risk exposures are understood and managed; (2) To assist in identifying OIG work plan assignments. We considered the results of these surveys and interviews in the development of our annual audit plan.

Significant Audit Projects

Audit of CareerSource Florida Crown – Project No. 2023/24-0005

The purpose of this compliance audit was to evaluate CareerSource Florida Crown's administration of Workforce Innovation and Opportunity Act grants and Welfare Transition grants. The objectives were to determine the following: (1) whether Florida Crown's administration of these funds was sufficient to mitigate fraud; (2) whether Florida Crown had properly documented, expended, and accounted for the funds.

In summary, we found that Florida Crown should:

- Ensure food purchases for youth programs are in accordance with federal and state requirements.
- Improve accountability of leave payouts by ensuring compliance with allowances established in the Personnel Policies and Procedures Guide.
- Enhance accounting practices by ensuring adequate cash management.
- Enhance travel policies and practices to improve compliance with state regulations.
- Improve compliance with state and federal regulations by ensuring funds are not improperly commingled.
- Improve cash need projections to ensure compliance with federal regulations.

- Complete bank reconciliations in accordance with their Administrative Plan to enhance accountability of funds.
- Report fraud in a timely manner to ensure compliance with contractual obligations.
- Ensure cash draw operating procedures are in compliance with federal regulations.
- Avoid reclassifying costs to compensate for expense overages.
- Improve financial controls by ensuring processes include adequate segregation of duties.
- Ensure employees complete ethics training.

Audit of Cybersecurity Incident Response, Reporting, and Recovery – Project No. 2023/24-0010

This audit focused on the Department's cybersecurity controls related to incident response, reporting, and recovery. This audit report is confidential pursuant to section 282.318(4)(g), F.S.

Management Review of Florida Housing Performance Measures – Project No. 2023/24-0025

We performed this review on a quarterly basis to ensure Florida Housing Finance Corporation met and accurately reported their quarterly performance metrics. Each of the quarterly reports reviewed by OIG correctly reported the performance measures as being met.

Review of Internal Controls regarding DAVID System – Project No. 2024/25-0010

As part of the Department's Memorandum of Understanding with the Department of Highway Safety and Motor Vehicles (HSMV), we performed a review to ensure controls are in place for the protection of confidential information. We reviewed controls related to the Driver and Vehicle Information Database (DAVID) System.

In summary, we found that FloridaCommerce should:

- Ensure quarterly reports are completed in a timely manner;
- Ensure misuse of the DAVID system is reported to HSMV in a timely manner;
- Ensure timely deactivation of users' access and accurate completion of the activation and deactivation forms.

Audit of Contract Management – Project No. 2024/25-0008

We conducted a compliance audit of the Department's contract procurement procedures pursuant to section 287.136, F.S. We did not identify any vendor preference within the Department.

In summary, we found the following:

- The findings in the 2021 - 2022 Contract Management Audit had not been fully corrected.
- FloridaCommerce should ensure all required procurement documents are properly maintained and accurate.

Review of Florida Sports Foundation – Project No. 2024/25-0016

This review focused on Florida Sports Foundation’s fiscal controls and resulted in a referral to law enforcement. The case is ongoing.

Internal Follow-up Projects

We followed up on thirteen internal projects during the fiscal year. As of June 30, 2025, the majority of prior recommendations had been closed leaving only three projects with a total of sixteen open recommendations.

**Attachment II includes a summary of additional audit-related activity.*

ATTACHMENT I

Additional Investigative Activity July 1, 2024 – June 30, 2025	
Project	Summary
2022/23-0027 Inquiry	A complaint filed with the Department of Management Services (DMS) Office of Inspector General alleged mismanagement of a State Term Contract that affected multiple state agencies, including the Department of Commerce. OIG coordinated with DMS and the Office of the Chief Inspector General. The final report was issued and the project was closed.
2023/24-0012 Inquiry	A complainant alleged that a county improperly administered housing projects. OIG coordinated with management, who then communicated with the complainant and addressed the concerns.
2024/25-0003 Law Enforcement Referral	Management notified OIG of unauthorized transactions within a Department account. OIG coordinated with law enforcement. The project is ongoing, and OIG continues to support law enforcement as required.
2024/25-0007 Law Enforcement Referral	Management notified OIG of suspected fraudulent activity within a Department program. OIG coordinated with state and federal law enforcement. The project is ongoing, and OIG continues to support law enforcement as required.
2024/25-0020 Law Enforcement Referral	A Reemployment Assistance claimant threatened to harm himself. OIG contacted law enforcement and requested a wellness check. OIG also ensured that program management assisted the individual with his claim. The project was closed.
2024/25-0022 Law Enforcement Referral	Management notified OIG of suspected fraudulent activity within a Department program. OIG communicated with local law enforcement. The project is ongoing, and OIG continues to support law enforcement as required.
2024/25-0024 Law Enforcement Referral	A Reemployment Assistance claimant contacted OIG and stated she was a victim of human trafficking. OIG coordinated with law enforcement and confirmed that they contacted the claimant. The project was closed.
2024/25-0028 Law Enforcement Referral	Management notified OIG of correspondence from a citizen that raised security concerns. OIG coordinated with law enforcement. The project was closed.

2024/25-0030 Inquiry	The Department of Housing and Urban Development's Office of Inspector General (HUD OIG), Office of the Chief Inspector General, and OIG received correspondence from an individual stating her employer was engaging in financial mismanagement and was out of compliance with regulations. We determined HUD OIG had jurisdiction and confirmed HUD was in contact with the complainant. The project was closed.
2024/25-0038 Management Referral	An employee in the Reemployment Assistance program requested OIG's assistance in sharing her concerns with management. The employee had suggestions to improve the processing of claims. OIG coordinated with management and the project was closed.

ATTACHMENT II

Additional Audit-Related Activity July 1, 2024 - June 30, 2025	
Project	Summary
2023/24-0020	Performed liaison activities related to the following state and federal audit projects: • Auditor General Federal Awards Audit for fiscal year 2023-2024; • Office of Program Policy Analysis and Government Accountability (OPPAGA) Review of Economic Development Program; • OPPAGA review of Connected City Corridor Pilot Program; • OPPAGA review of Affordable Housing Policies; • Six-month follow-up on the Auditor General Federal Awards Audit for 2024, Report No. 2024-174.
2024/25-0029	Coordinated an update of the Catalog of State Financial Assistance.
2024/25-0027	Performed the 2025 - 2026 risk assessment and developed the annual work plan.

— End of Report —