



Office of Inspector General

Annual Report

September 24, 2026

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

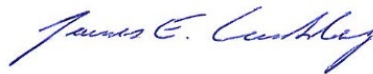
Ms. Melinda Miguel, Chief Inspector General
Executive Office of the Governor
The Capitol, Suite 1902
Tallahassee, Florida 32399

Dear Secretary Kelly and CIG Miguel:

I am pleased to submit the Office of Inspector General's Annual Report for fiscal year 2025 - 2026, as required by section 20.055, Florida Statutes.

We remain committed to 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

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HIGHLIGHTS

The Office of Inspector General (OIG) completed the projects below during the 2025 - 2026 fiscal year.

Investigative Activity

- Completed one formal investigation, three inquiries, three management referrals, two law enforcement referrals, and one management review;
- Responded to approximately 1,200 requests for management resolution or general assistance, including over 600 Reemployment Assistance Program referrals; and
- Coordinated the resolution of complaints with management and with other parties having appropriate jurisdiction.

Audit Activity

- Completed three audits, three consulting engagements, and three reviews, resulting in 23 findings and 66 recommendations;
- Performed liaison activities for two external audits and four external reviews;
- Coordinated two external engagements with 10 findings and 11 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 management and staff as needed.

INTRODUCTION

Purpose of this Report

Section 20.055, Florida Statutes (F.S.), requires each OIG 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 (FloridaCommerce or Department) 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 FloridaCommerce 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 needs of FloridaCommerce. 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

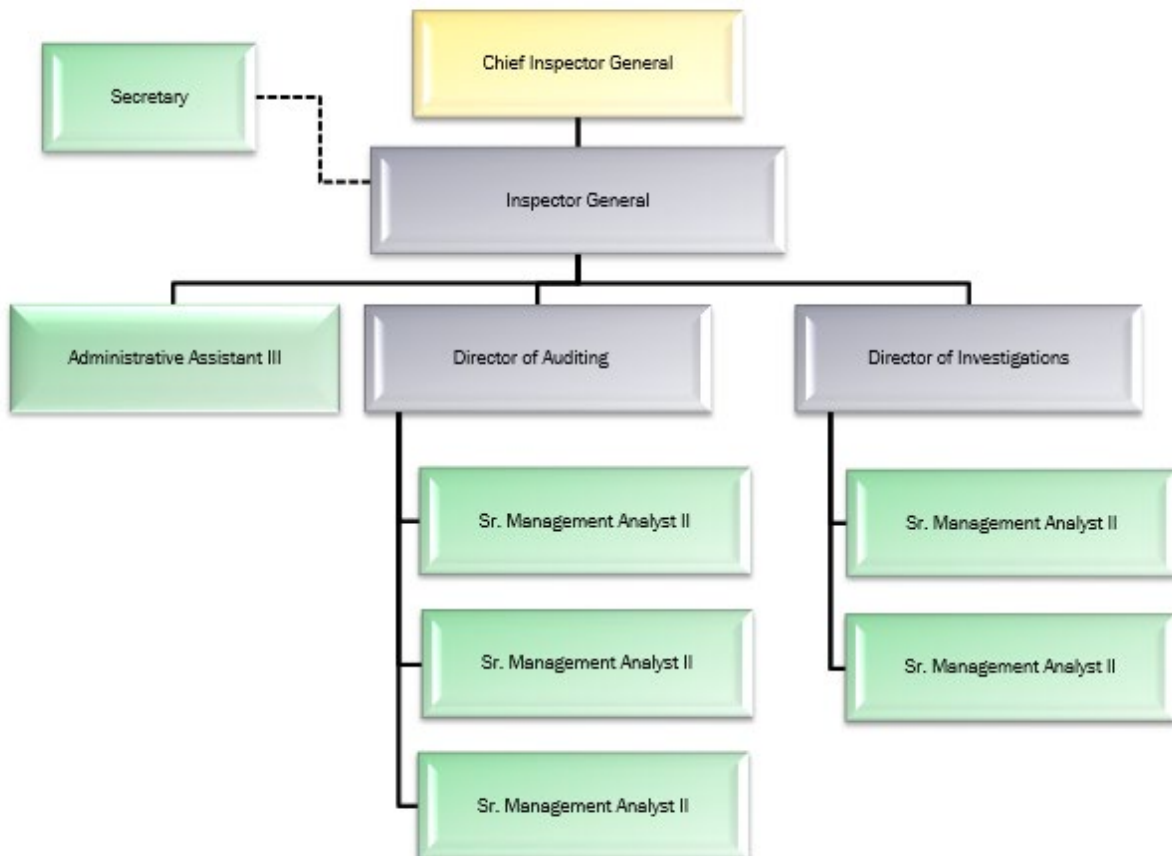
As part of OIG's continuing effort to better accomplish its mission, the Investigations Section pursued credentials through the Commission for Florida Law Enforcement Accreditation. This Commission accredits law enforcement agencies and Offices of Inspectors General within the State of Florida that attain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

Organizational Profile

The OIG had a staff of nine positions during the fiscal year, one of which was vacant as of June 30, 2026. Our structure was as follows:



Under section 20.055, Florida Statutes, the Department's Inspector General reports to the Chief Inspector General and is under the general supervision of the Secretary for administrative purposes. The office is comprised of two main operational units known as Audit and Investigations.



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)
- One Certified Fraud Examiner (CFE)
- Two Notaries Public
- One Florida Bar Member (JD)
- One Certified Florida Law Enforcement Analyst

Professional Affiliations

Our staff members are affiliated with:

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

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, management reviews, and coordination with law enforcement.

Investigations

We conduct investigations designed to provide FloridaCommerce 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 to the Secretary and to managers when no specific wrongdoing by an individual 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 we review a program for inefficiencies or vulnerabilities and make recommendations for improved delivery of programmatic services.

Management Referrals

Management Referrals are opened when we receive complaints that are programmatic in nature and do not warrant a substantive investigation. We notify management of these issues and monitor them until an outcome report is received.

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 ten projects and received over 1,200 requests for management resolution or general assistance. The table below summarizes projects completed during the fiscal year.

**Closed Investigative Projects
July 1, 2025 – June 30, 2026**

Project	Summary
2024/25-0036 Referral to Law Enforcement	OIG gathered information which indicated unlicensed activities within the Weatherization Assistance Program. A subrecipient of FloridaCommerce operated the program. We prepared a report and referred the matter to the Florida Department of Business and Professional Regulation. The project is ongoing and we continue to support law enforcement as required.
2025/26-0006 Management Referral	A complainant alleged that a FloridaCommerce employee made inappropriate comments online. We gathered information and referred the matter to management for action deemed appropriate.
2025/26-0007 Management Review	At management's request, we assisted in gathering information related to fraud in the Reemployment Assistance program.
2025/26-0011 Management Referral	A program participant alleged he had been the victim of a scam and that personal information was exposed. OIG assisted in obtaining information from management and in providing feedback to the complainant. The complainant was satisfied with our assistance and the project was closed.
2025/26-0012 Referral to Law Enforcement	A Local Workforce Development Board notified OIG of suspected fraudulent activity occurring in one of its programs. We coordinated with state law enforcement and continue to offer support.
2025/26-0015 Investigation	This whistle-blower case involved allegations that a subrecipient of FloridaCommerce misused federal funds and failed to follow internal controls. OIG substantiated some allegations and found others to be unsubstantiated.
2025/26-0017 Inquiry	OIG received a complaint from a former employee regarding events leading to the employee's termination. We conducted an inquiry and found no mismanagement by FloridaCommerce. The project was closed.
2025/26-0019 Management Referral	A complainant made allegations regarding a FloridaCommerce employee's off-duty conduct. We gathered information and referred the matter to management for action deemed appropriate.
2025/26-0025 Inquiry	OIG received a complaint alleging inappropriate activities in the workplace. We conducted an inquiry and provided the information to management for action deemed appropriate.
2025/26-0027 Inquiry	A complainant alleged violations occurred regarding data security. OIG coordinated with the appropriate agency to obtain a review of information systems. This review did not support the allegation and the project was closed.

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 FloridaCommerce 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 2025-2026, the Internal Audit unit completed three audits, three consulting engagements, 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 OIG to develop risk-based annual and long-term audit plans which consider resource requirements and input from senior management.

In April 2026, we 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 Internal Controls regarding FLHSMV Data Exchange – Project No. 2025/26-0005

As part of the FloridaCommerce 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 HSMV Data Exchange.

In summary, we found that FloridaCommerce should create a process to report misuse of the system to HSMV.

Audit of Cybersecurity Information Technology Asset Management – Project No. 2024/25-0013

This audit focused on FloridaCommerce cybersecurity controls related to Information Technology Asset Management. The audit report is confidential pursuant to section 282.318(4)(g), F.S.

Management Review of Florida Housing Performance Measures – Project No. 2024/25-0034

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 we reviewed correctly reported the performance measures as being met.

Review of Internal Controls regarding DAVID System – Project No. 2025/26-0009

As part of the FloridaCommerce Memorandum of Understanding with the Department of Highway Safety and Motor Vehicles, 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.

One Stop Consulting Engagement – Project No. 2024/25-0004

We conducted a consulting engagement for Bureau of One Stop and Program Support programmatic monitoring of Local Workforce Boards to ensure compliance with multiple programs' Federal Regulations, Florida Statutes, and FloridaCommerce Policy requirements.

In summary, we found the following:

- FloridaCommerce should ensure monitoring is completed in a timely manner;
- FloridaCommerce should ensure prior year findings and occurrences are being resolved.

SSBCI Consulting Engagement – Project No. 2024/25-0037

We conducted a consulting engagement of the State Small Business Credit Initiative (SSBCI) Program to ensure internal controls were adequate to deter fraud.

In summary, we found that FloridaCommerce should:

- Improve monthly reconciliations for SSBCI accounts;
- Ensure bank account information for active projects is available;
- Enhance oversight of the loan and investment application process;
- Ensure required documents are being retained in the loan and investment files;
- Ensure SSBCI policies and procedures reflect current practices and responsibilities.

FFATA Consulting Engagement – Project No. 2025/26-0022

We conducted a consulting engagement of FloridaCommerce Federal Funding and Transparency Act (FFATA) reporting to determine if internal controls ensure that subaward information is being reported in accordance with FFATA requirements.

In summary, we found the following:

- FloridaCommerce should ensure documentation supporting subaward information is available;
- FloridaCommerce should ensure accuracy of subaward data that is being reported.

Financial Review of CareerSource Capital Region – Project No. 2025/26-0008

This review focused on CareerSource Capital Region's fiscal controls.

In summary, we found that this Local Workforce Development Board should:

- Fully cooperate with FloridaCommerce during financial monitoring reviews;
- Establish and enforce comprehensive written policies and procedures governing all fiscal activities to strengthen internal controls and ensure compliance with applicable federal regulations;
- Ensure financial management resources are sufficient to maintain compliance with state and federal regulations;
- Ensure documentation is maintained to support the allowability of costs and improve compliance with federal regulations;
- Improve its process for the accountability and safeguarding of prepaid cards to ensure compliance with state and federal regulations;
- Improve financial management and oversight of cash flow to ensure compliance with federal regulations;
- Improve processes for determining allowability of costs to ensure purchases are in accordance with federal and state requirements.

Review of SelectFlorida – Project No. 2024/25-0032

This review focused on the required minimum level of service for the contract deliverable as specified in the Funding and Program Agreement between FloridaCommerce and SelectFlorida.

In summary, we found that FloridaCommerce should:

- Ensure the quarterly reports include details of the achievements that support reported metrics;
- Ensure detailed documentation to support the reported annual performance metrics is submitted to FloridaCommerce.

Internal Follow-up Projects

We followed up on nine internal projects during the fiscal year. FloridaCommerce has either addressed or is in the process of addressing each of the recommendations described above.

Additional audit related activity is shown in the chart below.

Additional Audit-Related Activity July 1, 2025 - June 30, 2026	
Project	Summary
2025/26-0004	Performed liaison activities related to the following state and federal audit projects: • Auditor General Federal Awards Audit for fiscal year 2024-2025; • Office of Program Policy Analysis and Government Accountability (OPPAGA) Review of Economic Development Program; • OPPAGA review of Entertainment Industry Sales Tax Exemption Program, Florida Sports Foundation, Space Florida, Supply Chain Innovation Grant Program, and Visit Florida; • Department of Financial Services Contract Management Audit; • Six-month follow-up on the Auditor General Federal Awards Audit for 2025, Report No. 2025-162.
2025/26-0010	Coordinated an update of the Catalog of State Financial Assistance.
2025/26-0023	Performed the 2026 - 2027 risk assessment and developed the annual work plan.

— End of Report —