

OFFICE OF INSPECTOR GENERAL

ANNUAL REPORT

JULY 1, 2012 – JUNE 30, 2013

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MARVIN DOYAL, INSPECTOR GENERAL

Promoting accountability, integrity and efficiency in government

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INTRODUCTION

MISSION

The mission of the Office of Inspector General (OIG) is to protect and promote integrity, efficiency and accountability by providing an independent appraisal function within APD. We perform and report objective analyses of APD operations thereby increasing assurances that APD assets are safeguarded; operating efficiency is promoted; and compliance is maintained with prescribed laws and regulations.

GOALS

Our goals are to:

- Excel in auditing and investigations;
- Demonstrate high levels of professional competence; and
- Accurately report observations and findings.

PRIORITIES

The priorities of the OIG are to:

- Respond to true emergencies (these could be any type of serious situation that might arise but could also include requests by the Governor, Chief Inspector General or other parties);
- Execute approved individual assignments which are designed to answer questions about the effective, efficient, economical and legal operation of APD;
- Study and evaluate the system of internal controls over APD's assets and liabilities; and
- Develop the information and databases necessary to respond to questions that are raised about whether APD is operating in an effective, efficient, economical and legal manner.

These priorities are interrelated and doing any one of them provides information useful in doing the others. All four are important and continuing tasks.

THE OIG'S RESPONSIBILITIES INCLUDE

- Promoting economy and efficiency in agency programs and operations, and to prevent and detect fraud and abuse;
- Conducting audits, management reviews, and investigations including background screening, review of incident reports and reports of death;

- Advising in the development of performance measures, standards, and procedures for the evaluation of agency programs; reviewing actions taken by the agency to improve program performance and meet program standards;
- Recommending corrective action concerning fraud, abuse, and deficiencies in agency controls and reporting on progress made in implementing corrective actions; and
- Coordinating engagements and reviewing actions by the Agency in response to recommendations made by: the Office of the Auditor General, the Office of Program Policy Analysis and Government Accountability, the Florida Department of Financial Services, and other external agencies during the course of their audits or reviews.

A RISK BASED PROGRAM

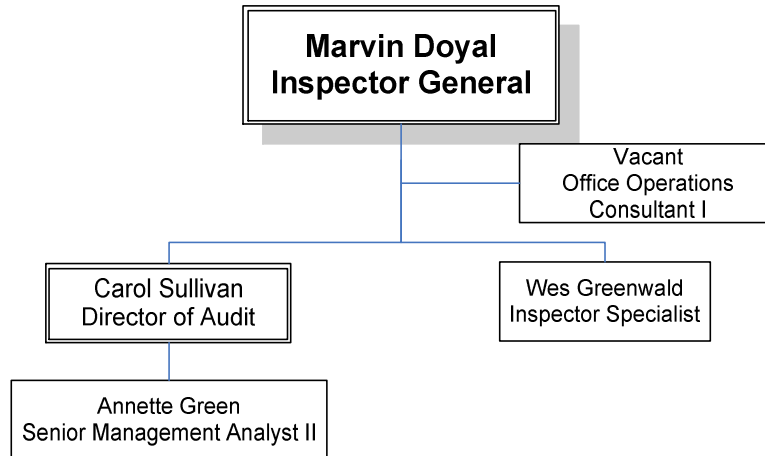
The OIG, to be responsive to management concerns, performs an annual risk assessment of Agency activities to identify and rank those activities to be reviewed each year.

ORGANIZATION AND STAFF

The OIG, pursuant to Section 20.055, Florida Statutes, provides a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government. The OIG reports to the Director of APD on APD investigative and audit policy, investigative and audit findings, internal control issues, guidance issues, and other matters as directed. The OIG also reports to and cooperates with the Chief Inspector General in the Executive Office of the Governor.

The OIG is organized into two sections: one stresses Internal Audit and the other stresses Investigations. However, because of the small size of the organization, audit staff assists in investigations and investigative staff assists on audits. The OIG has a staff of five professional/technical positions. Our organizational structure during the period July 1, 2012 – June 30, 2013 was as follows¹:

¹ From July 20, 2012 through April 17, 2013, Deleah Sims worked as our Secretary Specialist. The position was reclassified to an Office Operations Consultant I and remained vacant for the remainder of the year. We anticipate adding two positions in the next fiscal year.



PROFESSIONAL CERTIFICATIONS

Staff members in the OIG hold the following professional certifications:

- Certified Inspector General (2)
- Certified Internal Control Auditor (1)
- Certified Internal Auditor (1)
- Certified Inspector General Auditors (2)
- Certified Public Accountants (2)
- Certified in Financial Forensics (1)
- Certified Inspector General Investigator (1)
- Certified Fraud Examiners (2)

MAJOR ACTIVITIES AND FUNCTIONS

The OIG follows the Association of Inspectors General's *Principals and Standards for Offices of Inspector General*, the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and the Comptroller General's *Generally Accepted Government Auditing Standards* as applicable.

OIG WORKLOAD

The following chart lists all cases (audits, investigations, complaints and liaison activities) considered by the OIG. Because some allegations and complaints are untrue, and others are not substantiated we do not comment on all complaints received. However the more significant audits and investigations are discussed on the following pages.

Cases open at beginning of fiscal year	71
Cases opened during the year	105
Cases closed during the year	103
Cases open at end of fiscal year	73

INTERNAL AUDIT

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.” (*International Standards for the Professional Practice of Internal Auditing*)

Pursuant to Section 20.055(5)(h), Florida Statutes, the OIG prepared an annual audit plan for fiscal year 2012/2013 based on a generally accepted risk assessment process. Additionally, the OIG has provided formal and informal information to assist agency personnel in their operational capacities.

FAMILY CARE COUNCIL AUDITS

Section 393.502(9), Florida Statutes, requires a financial review of expenditures of the Family Care Councils. The Internal Audit Section selects five Family Care Councils per year for audit. These audits were conducted to determine whether the Family Care Council expenditures were in compliance with Florida Statutes, and other applicable state laws and rules. The five audits are presented below:

120803-01 AREA 1

Release Date: December 2012

Based on our review of expenditures and applicable procedures we did note that minutes for each meeting could not be provided and that travel reimbursements were incorrectly made for vicinity mileage when odometer readings were not recorded on the *Vicinity/Map Mileage Logs*. In addition, we noted that not all required travel documents were submitted.

We recommended the following:

- Area 1 FCC prepare minutes for all council meetings in accordance with Section 286.011, Florida Statutes and the *Family Care Council Orientation Manual*.
- APD conduct a more thorough preaudit process of the Area 1 FCC expenditures prior to payment.

121016-01 AREA 3

Release Date: January 2013

Based on our review of expenditures and applicable procedures we noted that an APD employee's purchasing card was inappropriately used to purchase hotel rooms for FCC council members and guests for a conference, and that one guest did not attend and did not timely cancel the hotel reservation resulting in APD being charged. In addition, an *Authorization to Incur Travel Expense* was not prepared.

We recommended the following:

- Area 3 FCC and APD employees follow state expenditure guidelines in the conduct of Family Care Council business.
- APD include in its purchasing card procedures that APD employees will be held responsible for all invalid charges made to their purchasing cards.
- Area 3 FCC and APD staff follow *APD Operating Procedure No. OP-15-010, Travel Policies and Procedures* to ensure the proper authorization of travel expenditures.

130110-01 AREA 8

Release Date: May 2013

Based on our review of the expenditures and applicable procedures we noted that the purchases related to 35% of the budget, or \$3,169.63, were not supported by the meeting minutes. In addition, we noted 1 sample item where the travel voucher did not contain the *Authorization to Incur Travel Expense* form and 1 voucher included reimbursement for meals that were included in the registration fee for a conference.

We recommended the following:

- Area 8 FCC cease using e-mails to conduct FCC business and prepare, approve and submit minutes for all council meetings to APD as required.
- Area 8 FCC and APD staff develop a process to adequately monitor the Area 8 FCC budget.
- APD conduct a more thorough preaudit process of the Area 8 FCC travel expenditures prior to payment.
- APD provide additional training to the Area 8 FCC and the Suncoast Region APD staff on the policies and procedures of completing and requesting travel authorizations and reimbursements.

130628-01 AREA 11

Release Date: June 2013

Based on our review of expenditures and applicable procedures we noted that 37 (\$4,507.83) purchases were not supported by the meeting minutes.

We recommended the following:

- Area 11 FCC prepare, approve and submit minutes for all council meetings to APD as required. APD staff in the Southern Region is responsible for approving all Area 11 FCC expenditures.
- The Southern Region staff develop a process to ensure that the Area 11 FCC submits minutes for each meeting; that all Area 11 FCC expenditures are authorized in those minutes; expenditures are in accordance with Section 112.061, Florida Statutes, and the Reference Guide for State Expenditures.

120712-01 MANAGEMENT REVIEW SOUTHERN REGION

Release Date: November 2012

This was a review of the operations in the Southern Region to address reports of employee dissention and a number of complaints from persons associated with the APD Southern Region Office (SRO). The review was to provide the Director and other agency managers a more focused understanding of the SRO.

We recommended the following:

- The Deputy Director for Operations and the Regional Operations Manager should provide the Director with a clear picture of the extent to which OPS personnel are conducting core activities of the Agency and how Regions are to conduct succession planning.
- The Deputy Director for Operations and the Regional Operations Manager need to initiate a program to document in detail the region's business processes. These processes can guide staff, provide guidance to managers, and serve as standards for performance of staff. Clearly established business processes will highlight duplicative and unproductive practices.
- The Deputy Director for Operations should encourage the maximum use of technology to improve processes and provide opportunities for data sharing and data mining.
- The Deputy Director for Operations and the Deputy Director for Budget and Planning should explore other means of reimbursing field staff for use of privately owned vehicles.
- The Regional Operations Manager must provide the Deputy Director for Operations and the Director assurances that covered persons are not required,

permitted or suffered to work hours for which they are not compensated. This would include a means of continuously monitoring for such conditions.

120712-02 MANAGEMENT REVIEW SUNLAND CENTER IN MARIANNA

Release Date: November 2012

This was a review of the operations at Sunland to address reports of employee dissention and a number of complaints from persons associated with the APD Sunland Center at Marianna (Sunland) and to provide the Director and other agency managers a more focused understanding of the conditions at Sunland.

APD's Deputy Director of Operations will need to work with the new Sunland Superintendent to distinguish between real and perceived concerns expressed by staff and to assure the Agency can continue to provide for the health and safety of the residents that are served at Sunland.

INVESTIGATIONS

The OIG is charged to conduct timely and efficient internal investigations of alleged administrative and employee misconduct in matters relating to the Agency. Initial complaints serve as grounds for an investigation and can be received from any number of sources such as Agency managers, employees, whistle-blowers, providers or other business entities.

120510-02 – INVESTIGATIVE REPORT ALLEGED EMPLOYEE MISCONDUCT

Release Date: July 2012

This matter involved allegations made by a client's parent against an APD employee. The parent felt that their child's services were improperly reduced and the parent had asked for a fair hearing. The parent's complaint was that an APD employee had: (1) withheld documents that she requested; (2) did not provide her child's entire APD file as requested; (3) did not provide Policies and Procedures or manuals as requested; (4) altered dates on the APD's Notice of Action, which is a legal notification; and (5) may have tampered with one of the parent's witnesses. The parent's allegations were not substantiated.

120402-02 – REPORT ON ALLEGATIONS ABOUT NURSING STAFF AT MRDP

Release Date: December 2012

This matter involved a number of allegations made about the Executive Nursing Director (END) for the Mentally Retarded Defendant Program (MRDP) located in Chattahoochee, Florida. The complainant refused to give a name but provided a list of allegations and a list of current and former employees who could provide information to substantiate the allegations. Earlier in the year, the OIG had received a complaint from an MRDP nurse that was dismissed from her nursing position during a probationary period and was upset about the manner in which she was fired. Her dismissal during a probationary period was upheld. However, the environment among nursing staff described by the anonymous complainant was similar to that described by the dismissed nurse. Additionally, the complaint contained allegations of disparate treatment based on race and allegations of misrepresentation of time and attendance. For these reasons, we initiated an investigation into the allegations made by the anonymous complainant.

The Deputy Director of Operations should work with other management staff to develop a well-defined organizational structure and flow of time and attendance information with clearly written and communicated policies and procedures setting forth the responsibilities of employees, supervisors, and others regarding recording, examining, approving, and reporting on time and attendance information. APD supervisors should obtain reasonable assurance that employees working at different sites and different schedules are properly reporting time worked. This is a matter that could be addressed during the reorganization program now underway.

While the majority of the allegations made against the END were unfounded, the allegations that were sustained or were unresolved are sufficient to cause concern.

121026-01 – INVESTIGATION INTO ALLEGATIONS OF DIVERSION OF BENEFITS THROUGH USE OF FALSE NUMBERS

Release Date: March 2013

This matter involved a consumer's CDC+ account that had a negative balance. The consumer's parents assert this is because APD staff and others have created false Medicaid numbers for the consumer. These false numbers are used to drain money to which the consumer was entitled.

We found no evidence that the presence of numbers that did not match those of the consumer had impacted payments for services authorized for the consumer. Additionally, we did not find any improper payments associated with the numbers that did not belong to the consumer.

121026-01 – INVESTIGATION INTO ALLEGATIONS OF IMPROPER PAYMENTS TO MAGELLAN BEHAVIORAL HEALTH

Release Date: March 2013

This matter involved a CDC+ consumer, according to the parents, Magellan Behavioral Health of Florida (Magellan) has been paid for services that were never delivered to the consumer.

Payments were made on the consumer's behalf, in accordance with statute, to Magellan Behavioral Health Services. The payments were under a prepaid, capitated arrangement for Medicaid recipients who are not enrolled in a Medicaid Health Maintenance Organization. We found no evidence that the payments were illegal or improper.

121026-01 – INVESTIGATION INTO ALLEGATIONS OF DIVERSION OF BENEFITS TO SUPPORTED HOUSING

Release Date: March 2013

This matter involved a CDC+ consumer, the parents allege that APD is reporting that supported housing is being provided to the consumer each month. The parents state that they do not want APD fabricating what the consumer has received "...as they have done for years." The parents have made this allegation on several occasions.

We found that prior to February 2013, Explanation of Medicaid Benefits Letters displayed Supported Housing, Per Month as the service provided by Mains'l. The concerns that were raised by many persons have been addressed and the Explanation of Medicaid Benefits Letters now report the service provided by Mains'l as CDC+ Monthly Budget.

We found no evidence that the use of the description Supported Housing, Per Month decreased the amount of money available to the consumer. However, the use of the description did cause confusion.

121026-01 – INVESTIGATION INTO ALLEGATIONS OF THEFT BY PROVIDERS

Release Date: March 2013

This matter involved a CDC+ consumer, the parents allege that an APD employee, a certain CDC+ Consultant (Consultant), and a provider have stolen \$135,000 from the consumer.

We found no evidence that funds were diverted from the consumer's account to any of the persons identified by the parents.

121026-01 – INVESTIGATION APD EMPLOYEES LYING IN HEARINGS

Release Date: April 2013

This matter involved a CDC+ consumer, the parents alleged that APD hearings are fixed and those persons representing APD file false documents and make false statements at the hearings and in depositions. Specifically, the parents allege that a specific APD employee lied in a hearing. They also allege that an APD attorney lied in response to interrogatories filed in connection with a hearing.

Our review did not disclose any intentional false statements that were made with the intent to deceive in the testimony provided by the accused APD employee. The work of the APD attorney was supported by evidence provided by five different APD employees, each of which attested to the truth of the information provided. We did note differences of position and opinion. These were the basis for the matters in contention and the subject of the hearings.

121026-01 – INVESTIGATION INTO ALLEGATIONS OF DURABLE MEDICAL EQUIPMENT PURCHASE

Release Date: April 2013

This matter involved a CDC+ consumer, the parents allege that a certain wheelchair was required to protect the consumer's health and safety. The type wheelchair desired was rejected by a government employee even after a Medical Doctor said it was necessary. The parents allege an APD employee lied about the matter. The wheelchair the consumer received was much cheaper than the one the Doctor said was necessary. The parents assert that someone took the difference in cost between the two wheelchairs from the consumer's accounts.

We found no evidence that caused us to question the work or conclusion of the AHCA investigator. We concur with his conclusion. Additionally, we found no evidence that the difference in cost had been paid to any other person or firm.

121026-01 – INVESTIGATION INTO ALLEGATIONS OF IMPROPER ACTS BY A PERSON NAMED ALDAY

Release Date: April 2013

This matter involved a CDC+ consumer, the parents alleged that a person named Alday, who works for AHCA², APD or APS³ and who has multiple companies, has conspired to drain money from the consumer's account. The parents did not know

² Agency for Health Care Administration (AHCA)

³ Innovative Resources Group dba APS Healthcare Midwest, Inc. (APS)

whether Alday was the person's first name or last name and offered no additional information.

We found no evidence to support the parent's allegation that Alday had conspired to drain money from the consumer's account. Further, we identified no company listed in Florida Corporate records that reported Alday as owner, director or officer.

121026-01 – INVESTIGATION INTO ALLEGATIONS CONCERNING HOPES PLACE

Release Date: April 2013

This matter involved a CDC+ consumer, the parents identified an organization named Hope's Place L.L.C. Documents provided by the parents show that Hope's Place L.L.C. has the same Federal Employee Identification Number (FEIN) as the number shown on W-2 forms received from APD/CDC+⁴. According to the parents, this is proof that money due to the consumer is paid to others.

We found no evidence that Medicaid payments due to the consumer were made to Hope's Place L.L.C. The FEIN cited by the parents belongs to APD/CDC+ and not to the consumer.

121026-01 – INVESTIGATION INTO IMPROPER CLAIM OF EMPLOYMENT

Release Date: April 2013

A parent of the consumer asserted that he was employed by APD from November 1999 to November 2012 as a Direct Care Service Provider to the consumer. The parent asserted that he was dismissed by APD in November 2012 and filed a claim for unemployment compensation with the Department of Economic Opportunity (DEO) specifying that his employer had been APD. The parents assert that the parent was terminated on November 24, 2012, and that the reasons given were pretext and the real reason the parent was terminated was in retaliation for exposing fraud in APD.

The parent's assertion that he was employed by APD from November 1999 to November 2012 as a Direct Care Service Provider to the consumer is not supported, nor is the assertion that APD dismissed the parent in retaliation for exposing fraud in APD.

130511-01 – MAY 8, 2013 INCIDENT AT SUNLAND

Release Date: May 2013

On Thursday, May 9, 2013, in an email titled "Pathways – Cowboy UP!!!!" three pictures were distributed widely among Sunland employees. The email was sent by the

⁴ Agency for Persons with Disabilities Consumer Directed Care Plus Program (APD/CDC+)

Assistant to the Superintendent of Sunland. The three photographs were also posted on the bulletin board in Pathways.⁵ These were 3 of a total of 33 photographs taken of the events participated in by Pathways staff. One photograph shows 12 Sunland employees (11 of which are assigned to Pathways) posing in front of a horse drawn wagon. One employee is shown holding a rope (lasso) that is loosely around the neck of another employee. After the photographs were posted, complaints were received that the incident depicted may have been racially motivated.

Based on the totality of the evidence received, we believe that there was no malice in the actions by the supervisor. However, the actions of the supervisor and the management of Sunland in subsequent distribution of the pictures, demonstrates a lack of sensitivity. We concur in the recommendation that Sunland supervisors should be required to take refresher sensitivity training.

OTHER OIG ACTIVITIES

OIG BACKGROUND INVESTIGATION CHECKS

A little-known but time-consuming duty of the OIG is to perform personnel background checks against OIG case files and documents. In fiscal year 2012/2013, the OIG performed over 250 background checks for new hires, promotions and other personnel actions. This duty will continue to grow as the agency and OIG case files continue to grow.

REFERRALS

Some complaints and issues that come before the OIG are found to be actually intended for or within the purview of another office, agency or department. When a complaint or correspondence needs to be referred or redirected elsewhere, OIG staff insures the matter is directed to the proper governmental office and follow-up as required.

INCIDENT REPORTS

The OIG receives copies of major incident reports from the Deputy Director of Operations. All major incident reports are reviewed by OIG staff to ascertain if further OIG action is necessary.

⁵ Pathways is a step-down forensic unit located on the Sunland Campus where developmentally disabled individuals declared incompetent to stand trial are housed while efforts are made to restore competency.

ANTI-FRAUD ACTIVITIES

The OIG is responsible for coordinating agency anti-fraud activities. The OIG is a member of and attends bimonthly Inter-Agency Medicaid Fraud and Abuse Meetings hosted by AHCA. Other attendees include the Office of the Attorney General, the Department of Health, Medicaid Program Integrity, the Department of Financial Services and the Department of Children and Families.