



# Department of Education Office of Inspector General

## ANNUAL REPORT

Fiscal Year 2014-2015



FLORIDA DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

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## INTRODUCTION

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### MISSION STATEMENT

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The mission of the Office of Inspector General (OIG) is to assist the Commissioner of Education in achieving the department's mission of increasing student proficiency and maintaining an accountability system that measures student progress. The OIG accomplishes this by providing independent audits and reviews of programs and activities, conducting investigations of alleged violations, and offering consulting services to assist management in their efforts to maximize effectiveness and efficiency.

### OIG RESPONSIBILITIES

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Section 20.055, Florida Statutes, establishes the Office of Inspector General within each state agency to provide a central point for coordination of, and responsibility for, activities that promote accountability, integrity, and efficiency in government. Additionally, in accordance with section 1001.20, Florida Statutes, the OIG will conduct or coordinate investigations into substantiated allegations that a district school board or college board of trustees is unwilling or unable to address relating to waste, fraud, or financial mismanagement, as determined by the Commissioner of Education.

This annual report is presented to the commissioner and chief inspector general to comply with statutory requirements and to provide departmental staff and interested parties with information on the OIG's progress in accomplishing its mission. The OIG's responsibilities include:

- Conducting audits, investigations, and management reviews relating to the programs and operations of the department, including employment screening and background investigations;
- Reviewing and evaluating internal controls necessary to ensure the fiscal accountability of the department;
- Keeping the commissioner and chief inspector general informed concerning fraud, abuse, and deficiencies relating to programs and operations administered or financed by the department, recommending corrective action, and reporting on the progress made in implementing corrective action;
- Advising in the development of performance measures, standards, and policies and procedures for department programs;
- Coordinating, and monitoring the implementation of, the department's response to recommendations made by the Auditor General, the Office of Program Policy Analysis and Government Accountability (OPPAGA), the Florida Department of Financial Services, the U.S. Department of Education, and other external agencies; and
- Ensuring that an appropriate balance is maintained between audit, investigative, and other accountability activities.

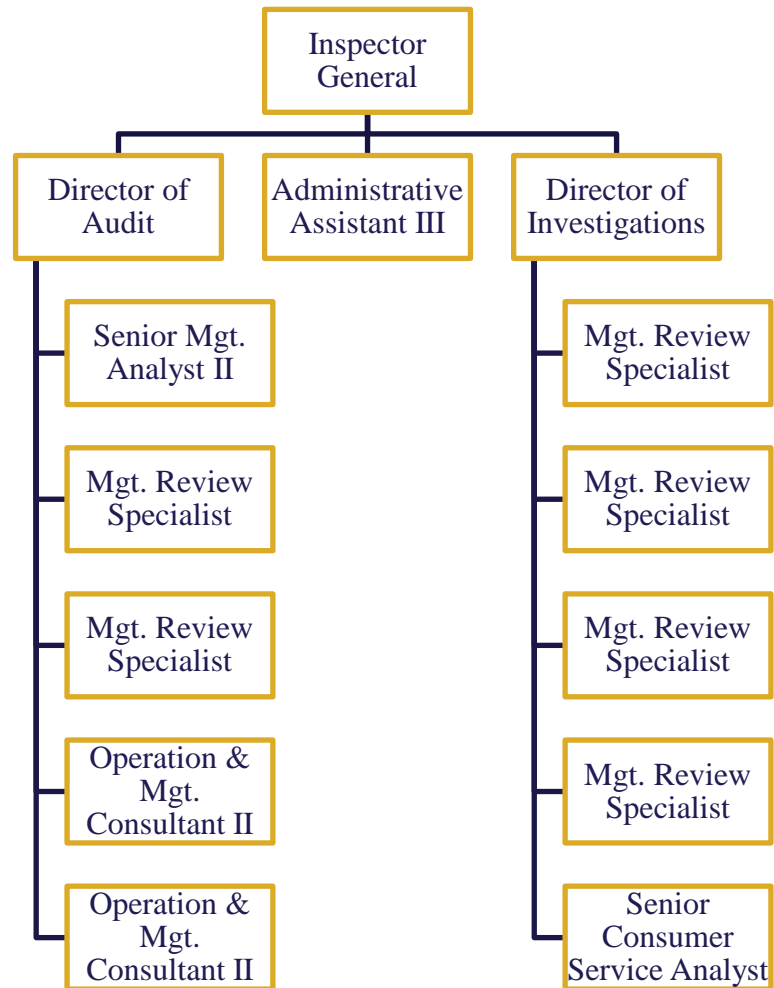
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## ORGANIZATION AND STAFF

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Effective July 1, 2014, Chapter 2014-144, Laws of Florida, changed the reporting structure for inspectors general in agencies under the jurisdiction of the Governor. The DOE inspector general remains under the general supervision of the Commissioner of Education but now reports directly to the Governor's Chief Inspector General. The OIG consists of 14 professional and administrative positions that perform internal audit and investigative functions, as shown below.

### Office of Inspector General Organization Chart



## OIG STAFF QUALIFICATIONS AND CERTIFICATIONS

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OIG staff is highly qualified and brings various backgrounds and expertise to the department. The collective experience spans a variety of disciplines, including auditing, accounting, investigations, and information systems.

OIG staff members continually seek to enhance their abilities and contributions to the office and the department. Many staff members have obtained certifications that demonstrate their knowledge, motivation, and commitment to the profession. Professional certifications held by OIG staff members include:

- Certified Inspector General (CIG)
- Certified Internal Auditor (CIA)
- Certified Fraud Examiner (CFE)
- Certified Information Systems Auditor (CISA)
- Certified Governmental Auditing Professional (CGAP)
- Certified Inspector General Investigator (CIGI)



## AFFILIATIONS

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OIG staff members participate in a number of professional organizations to maintain proficiency in their areas of expertise and certification. These associations allow them to establish and advance professional networks and participate in professional development activities. OIG staff members are affiliated with the following professional organizations:

- Institute of Internal Auditors (IIA)
- Association of Inspectors General (AIG)
- Association of Government Accountants (AGA)
- Association of Certified Fraud Examiners (ACFE)
- ISACA

## MAJOR ACTIVITIES AND FUNCTIONS

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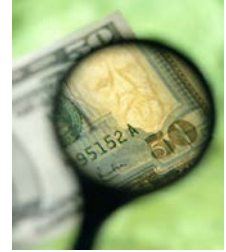
### INTERNAL AUDIT

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The purpose of the internal audit section is to provide independent, objective assurance and consulting activities designed to add value and improve the department's operations. Our vision is to help the department by facilitating change directed toward improving efficiency, effectiveness, accountability, and teamwork.

Responsibilities of the internal audit section include:

- Conduct compliance, electronic data processing, performance, and financial audits of the department to identify and recommend corrective action for deficiencies or matters of noncompliance.
- Conduct consulting activities in order to provide independent advisory services to department management.
- Assess the reliability and validity of department performance measures.
- Ensure effective coordination and cooperation with the Office of the Auditor General, OPPAGA, federal auditors, and other governmental bodies to ensure proper coverage and minimize duplication of effort.
- Conduct risk assessments of the department annually, taking into consideration the input of senior management.
- Develop annual and long-term audit plans outlining the audits to be conducted during each year and related resources to be devoted to the respective audits.
- Monitor the implementation of the department's response to audit reports issued by the department's inspector general, Office of the Auditor General, OPPAGA, or other oversight agency.
- Develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity, with an external assessment conducted every three years.
- Participate in enterprise projects and provide assistance as requested by the chief inspector general.



The internal audit section conducts audits and reviews in accordance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors, Inc. Reports are distributed to the Commissioner of Education, the Governor's Chief Inspector General, the Office of the Auditor General, the Office of Program Policy Analysis and Government Accountability, and affected department managers.

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## ACCOMPLISHMENTS

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Internal audit completed fifteen engagements during the 2014-2015 fiscal year, which can be viewed online at [www.fldoe.org/ig/auditreports.asp](http://www.fldoe.org/ig/auditreports.asp). The results of those engagements are summarized below:

**McKay Scholarship Program – 6-Month Status Report** – We followed up on the status of corrective actions taken in response to deficiencies identified in report #A-1314-007, issued February 28, 2014. Management has initiated or completed corrective action for each reported deficiency and will continue to do so until all deficiencies have been resolved.

**Information Technology Application Development and Procurement – 30-Month Status Report** – We followed up on the status of corrective actions taken in response to deficiencies identified in report #A-1011-014, issued January 30, 2012. Management indicated that corrective action has been initiated or completed for each of the five reported deficiencies.

**Jewish Community Services of South Florida** – The Division of Vocational Rehabilitation (DVR) contracts with Jewish Community Services (JCS) for the purpose of providing funding for the employment of qualified interpreters who are responsible for providing sign language interpreting services to the deaf and hearing impaired individuals residing in Broward and Palm Beach counties. We audited the contract in order to determine if there were sufficient controls in place to ensure the provision of interpretive services. The audit revealed control deficiencies involving the interpreter activity reports. We therefore recommended that DVR counselors provide written assignments to the interpreters as required by the contract, and the contract manager ensure the interpreter activity reports contain all required documentation prior to approving the invoices.



**Data Exchange Memorandum of Understanding** – At the request of department management, we conducted a management consulting engagement that involved reviewing the data exchange memorandum of understanding (MOU) entered into between the department's Office of Professional Practices Services (PPS) and the Department of Highway Safety and Motor Vehicles (DHSMV). The purpose of this engagement was to ensure the department, in compliance with the terms of the MOU, has the appropriate internal controls to ensure that personal data is protected from unauthorized access, distribution, use, modification, or disclosure. We were able to confirm PPS was operating in compliance with the terms set forth by the data exchange MOU.



### **Information Technology Application Development and Procurement – Final Status Report**

We followed up on the status of corrective actions taken in response to deficiencies identified in report #A-1011-014, issued January 30, 2012. As agreed upon with management, our office will no longer monitor the resolution of deficiencies identified in the original report. The responsibility for ensuring corrective action now lies with the Division of Technology and Innovation. At the request of senior management, our office will initiate a consulting engagement in which we will coordinate with the Division of Technology and Innovation and other appropriate divisions in order to assist in ensuring identified deficiencies are resolved in a manner deemed appropriate by the department.

**Goodwill Industries of Southwest Florida – 6-Month Status Report** – We followed up on the status of corrective actions taken in response to deficiencies identified in report #A-1314-012, issued June 27, 2014. Management has initiated or completed corrective action for each reported deficiency and will continue to do so until all deficiencies have been resolved.

**McKay Scholarship Program – 12-Month Status Report** – We followed up on the status of corrective actions taken in response to deficiencies identified in report #A-1314-007, issued February 28, 2014. Management has completed corrective action for each reported deficiency.

**Educator Certification** – The Bureau of Educator Certification (BEC) is responsible for implementing the educator certification provisions in Florida Statutes and State Board of Education administrative rules. The purpose of certification is to protect the educational interests of students, parents, and the public at large by assuring that teachers in the state are professionally qualified. We conducted an audit of the Educator Certification process to ensure educator certifications were issued in compliance with regulations.

The audit revealed instances where unauthorized personnel had access to the Bureau of Educator Certification Partnership Access & Services System (BEC-PASS). We therefore recommended the department remove access to the system for those department and district users who no longer require the use of BEC-PASS, and strengthen its controls related to the removal of access privileges, including the enhancement of policies and procedures to govern the removal of access privileges. We additionally recommended BEC develop additional targets and goals for the contact center and utilize the system to track the abandoned rate, busy rate, wait times, and other applicable measures.

**Jewish Community Services – 6-Month Status Report** – We followed up on the status of corrective actions taken in response to deficiencies identified in report #A-1314-025, issued November 6, 2014. Management has initiated or completed corrective action for each reported deficiency and will continue to do so until all deficiencies have been resolved.

**DBS Business Enterprise Program** – The Division of Blind Services (DBS) Bureau of Business Enterprise (BBE) was established to provide employment opportunities for blind individuals in the food service and vending machine industries. We audited the Business Enterprise Program to ensure DBS was effectively governing and monitoring the program.



The audit revealed instances where accounts with outstanding balances were not sent to collections in a timely manner and performance measures were not being met. We recommended DBS develop and implement policies and procedures to govern the collections process; make collection efforts for those accounts that had not yet exceeded the statute of limitations; refine its methodology for reporting on the measurement identified in the state plan in order to more accurately reflect numbers for each federal fiscal year; and set a percentage goal for the number of licensed operators staying at their first facility for at least 12 months.



**Center for Independent Living of Broward** – The Division of Vocational Rehabilitation (DVR) contracts with the Center for Independent Living (CIL) of Broward to provide funding for the provision, improvement, and expansion of independent living services for individuals with significant disabilities. The purpose of the audit was to determine compliance with the contract and to ensure DVR and the CIL had sufficient internal controls in place to govern the independent living program. The audit revealed instances where the CIL submitted invoices after the due date, failed to seek prior approval for budget modifications, did not consistently record service hours, did not ensure consumer service records contained all required documentation, and did not accurately record employee time.

We recommended DVR:

- Monitor the CIL to ensure submission of invoices and supporting documentation in accordance with contract terms;
- Include in its monitoring activities a review of expenditures, service hour documentation, customer service records, timesheets, and payroll registers;
- More closely review invoices to ensure expenditures are appropriate and align with the approved budget;
- Review previous and current expenditures for unallowable expenses, such as those identified in our audit; and
- Seek repayment from the CIL for those expenses deemed unallowable.

We recommended the CIL develop or enhance policies and procedures in order to ensure:

- The CIL timely submits invoices and supporting documentation;
- Expenses reimbursed through DVR's contract are allowable;
- The CIL receives written approval from the DVR contract manager prior to making modifications to the contract budget;
- Service hours are recorded accurately and the supporting documentation agrees with the monthly performance report;
- All required documents are maintained in the consumer service records and IL plans are reviewed at least annually; and
- Timesheets are completed in accordance with the federal regulations, and salary allocations are based on a determination of the actual hours worked and commensurate with the applicable benefits received by each funding source.

**Center for Independent Living Gulf Coast** – The Division of Vocational Rehabilitation (DVR) contracts with the Center for Independent Living (CIL) Gulf Coast to provide funding for the provision, improvement, and expansion of independent living services for individuals with significant disabilities. The purpose of the audit was to determine compliance with the contract and to ensure DVR and the CIL had sufficient internal controls in place to govern the independent living program. The audit revealed instances where the CIL submitted invoices after the due date, failed to seek prior approval for budget modifications, did not consistently record service hours, did not ensure consumer service records contained all required documentation, and did not accurately record employee time.

We recommended DVR:

- Monitor the CIL to ensure submission of invoices and supporting documentation in accordance with contract terms;
- Include in its monitoring activities a review of expenditures, service hour documentation, customer service records, timesheets, and payroll registers; and
- More closely review invoices to ensure expenditures are appropriate and align with the approved budget.

We recommended the CIL develop or enhance policies and procedures in order to ensure:

- The CIL timely submits invoices and supporting documentation;
- Expenses reimbursed through DVR's contract are allowable;
- The CIL receives written approval from the DVR contract manager prior to making modifications to the contract budget;
- Service hours are recorded accurately and the supporting documentation agrees with the monthly performance report;
- All required documents are maintained in the consumer service records and IL plans are reviewed at least annually; and
- Timesheets are completed in accordance with the federal regulations, and salary allocations are based on a determination of the actual hours worked and commensurate with the applicable benefits received by each funding source.

**Differentiated Accountability** - Differentiated Accountability (DA) is a statewide network of strategic support provided to schools and districts, differentiated by need. Florida Statutes require the provision of accountability standards, assistance of escalating intensity to low-performing schools, direct support to schools in order to improve and sustain performance, and enhancement of student performance. We conducted an audit of the DA program to ensure the program is effective in its mission to facilitate improved student outcomes in districts and schools.

The audit revealed instances where the Bureau of School Improvement (BSI) did not adequately monitor the Turnaround Option Plan implementation; did not meet state-led initiative outcomes; did not make all required visits to monitor the fidelity of School Improvement Plan implementation; did not adequately track or monitor staff vacancy dates; and did not effectively monitor fiscal agent performance. The report additionally provided information regarding DA outcomes.

Recommendations to BSI included:

- Develop TOP monitoring procedures to ensure school districts implement turnaround options in compliance with state regulations;
- Establish reasonable and measurable performance goals for reading, math, and science;
- Monitor performance in the targeted persistently lowest-achieving schools to ensure accountability and continued school improvement;
- Continue to improve monitoring efforts to ensure implementation fidelity and compliance with the Florida Administrative Code;
- Capture vacancy dates and retain historical staff vacancy data to ensure the performance of the fiscal agents is in alignment with the scope of work dictated by the grants;
- Strengthen the grant agreements to specify a timeframe to fill staff vacancies;
- Ensure contract managers obtain appropriate training for grant monitoring; and
- Develop procedures to ensure fiscal agent performance is appropriately monitored for compliance with grant requirements.

**Goodwill Industries of Southwest Florida – 12-Month Status Report** – We followed up on the status of corrective actions taken in response to deficiencies identified in report #A-1314-012, issued June 27, 2014. Management has completed corrective action for each reported deficiency.

**Safety and Loss Prevention** – The safety and loss prevention program is a comprehensive departmental safety program that is responsible for providing regular and periodic facility and equipment inspections, investigating job-related employee accidents, and establishing a program to promote increased safety awareness among employees. In response to a request by management, we conducted an audit of the department’s safety and loss prevention program. The objective of this audit was to determine if the safety and loss prevention program is operating in accordance with regulations, policies, and procedures.

During the course of this audit, we cited discrepancies between the department’s Safety and Loss Prevention Plan and the Safety Manual, instances where the department did not conduct required training, and instances where the department did not review lost-time claims. We recommended General Services update their Plan and Manual to help ensure compliance with DFS standards, as well as consistency and quality in the safety and loss prevention program; provide the required training to all employees in accordance with DFS standards; review lost-time claims on a regular basis and enhance its Plan and Manual to ensure appropriate action is taken to reduce claims; and amend the member roster for the safety committee, designating the appropriate parties as chair and alternate chair.

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## REVIEW OF PERFORMANCE MEASURES

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Section 20.055, Florida Statutes, requires the Office of Inspector General in each state agency to advise in the development of performance measures, standards, and procedures for the evaluation of state agency programs; to assess the reliability and validity of the information provided by the state agency on performance measures and standards; and make recommendations for improvement, if necessary. Our review of performance measures is incorporated into our assurance activities.

We reviewed three current performance measures included in the department's long range program plan that relate to the DBS Bureau of Business Enterprise. The performance measures provided goals for the construction, renovation, and support of food service facilities. We provided comments regarding the accuracy, validity, and reliability of the performance measures.

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## REVIEW OF CORRECTIVE ACTIONS FOR PRIOR YEAR AUDITS

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Section 20.055(7)(c), Florida Statutes, requires the identification of each significant recommendation described in previous annual reports on which corrective action has not yet been completed. There were no corrective actions outstanding as of June 30, 2015.

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## AUDIT RESPONSE COORDINATION AND FOLLOW-UP

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The OIG provides a single point of contact for external agencies auditing the department. This is done to ensure effective coordination and cooperation between the Office of the Auditor General, federal auditors, and other governmental bodies and to minimize duplication of effort. We coordinate information requests and responses and assist in scheduling meetings for these entities. We provide coordination of the required responses to preliminary and tentative findings issued by the Office of the Auditor General, OPPAGA, U.S. Department of Education, and other oversight agencies. We also coordinate the six-month response on the status of corrective actions taken by the department on any audit findings and recommendations issued by the Office of the Auditor General or OPPAGA. During the 2014-2015 fiscal year, we coordinated the following external projects and follow-ups:



<b>OFFICE OF THE AUDITOR GENERAL</b>	
2014-173	SIX-MONTH STATUS: COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS
2014-187	SIX-MONTH STATUS: SURPLUS COMPUTER HARD DRIVE DISPOSAL PROCESSES
2014-201	SIX-MONTH STATUS: CLASS SIZE REDUCTION, IT CONTROLS, AND PRIOR AUDIT FOLLOW-UP
2015-007	FEDERAL FAMILY EDUCATION LOAN PROGRAM SYSTEM
2015-032	INTERNAL AUDIT ACTIVITY – QUALITY ASSESSMENT REVIEW
2015-166	COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS

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### RISK ASSESSMENT AND AUDIT PLAN

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Section 20.055, Florida Statutes, requires the inspector general to develop long-term and annual audit plans based on periodic risk assessments of the department. This helps ensure the OIG is responsive to management concerns and that those activities judged to have the greatest risks are identified and scheduled for review.

The risk assessment included identifying programs and activities administered by the department and evaluating each activity based on indicators of risk exposure, or risk factors. The programs and activities were determined through discussions with responsible management personnel and review of organization charts and the department’s strategic plan. Senior management then rated the vulnerability of the identified programs and activities by assigning scores for each activity on seven risk factors: financial impact, public relations impact, control environment, changes in operations/systems, management interest, audit coverage, and sensitive data.



Using the results from these efforts and our professional judgment, we developed the audit plan for the 2015-2016 fiscal year. The audit plan provides the most effective coverage of the department’s programs and processes while optimizing the use of internal audit resources. Twenty percent of direct audit hours have been dedicated to enterprise projects at the request of the Chief Inspector General. During the 2015-16 fiscal year, audit resources will be allocated to the following engagements:

## 2015-16 Audit Plan

<b>DIVISION</b>	<b>PROJECT</b>
BLIND SERVICES	DISTRICT ALLOCATIONS
DIVISION OF TECHNOLOGY AND INNOVATION	DISASTER RECOVERY PLAN
DIVISION OF TECHNOLOGY AND INNOVATION	APPLICATIONS DEVELOPMENT AND SUPPORT
PUBLIC SCHOOLS	GRANTS MANAGEMENT
PUBLIC SCHOOLS	ESOL AND TITLE III
FLORIDA COLLEGES	RESEARCH AND ANALYTICS
MULTIPLE DIVISIONS	STUDENT DATA
FINANCE AND OPERATIONS	STATE SCHOLARSHIPS
VOCATIONAL REHABILITATION	FEE-FOR-SERVICE VENDORS
VOCATIONAL REHABILITATION	CENTERS FOR INDEPENDENT LIVING
VOCATIONAL REHABILITATION	VENDOR BACKGROUND SCREENING
VOCATIONAL REHABILITATION	SERVICE SOURCE
VOCATIONAL REHABILITATION	EMPLOYMENT SERVICES PROVIDER MONITORING

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## INVESTIGATIONS

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The investigations section works to deter, detect, and investigate allegations of fraud, waste, abuse or employee misconduct impacting the department. The section receives inquiries or complaints regarding departmental activity from many sources, including: the Whistle-blower's Hotline, the Florida Department of Financial Services' Get Lean Hotline, the Chief Inspector General's Office, an on-line complaint form on the OIG's website, letters, telephone calls, e-mails, and the Executive Office of the Governor.

If suspicion of potential criminal activity is discovered, it is referred to the appropriate law enforcement agency. The OIG coordinates with law enforcement on any criminal investigation, while ensuring that issues of an internal nature are addressed administratively.

Investigations staff monitor and track all cases:

- All case findings are reported to the Commissioner and appropriate managers.
- The OIG provides the necessary facts to the department's Office of Labor Relations, the Office of the General Counsel, and department managers to assist them in taking the appropriate actions.
- Cases involving criminal activity are referred to the appropriate law enforcement agency, in accordance with Florida Statutes.

Investigations are conducted in accordance with quality and quantitative standards as set forth in the *Association of Inspectors General Principals and Standards for Offices of Inspector General* and the *Commission for Florida Law Enforcement Accreditation*.

During the 2014-15 fiscal year, the OIG received 194 complaints from the public and other entities, referred 38 complaints to management, initiated 12 investigations, completed 11 investigations, completed 7 whistle-blower determinations and made 3 referrals to criminal agencies. The OIG also processed 641 applicants' background checks and 11 background check reviews.

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## ADDITIONAL INVESTIGATIVE AUTHORITY

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A part of Florida's school choice programs, the McKay Scholarships for Students with Disabilities Program provides Florida students with special needs the opportunity to attend a participating private school. Another program, the Florida Tax Credit Scholarship Program, encourages private, voluntary contributions to expand educational opportunities for children of families that have limited financial resources. In accordance with section 1002.39(6)(c) and 1002.395(9)(f), Florida Statutes, individuals may notify the department of any violation by a parent, private school, or school district of state laws relating to program participation. The department shall conduct an inquiry of any violation or make a referral to the appropriate agency for an investigation. Rules 6A-6.0960 and 6A-6.0970, Florida Administrative Code, provide that

the department may, at any point, refer an inquiry to the department’s Office of Inspector General or another appropriate agency for full investigation.

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### ACCREDITATION

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An accreditation program has long been recognized as a means of maintaining and verifying the highest standards. Accreditation is the certification by an independent reviewing authority that an entity has met specific requirements and prescribed standards. In 2009, the Commission for Florida Law Enforcement Accreditation (CFA) expanded its program to include inspectors general offices. In February 2014, the full CFA voted unanimously to award the certificate of accreditation to the DOE Office of Inspector General. The accreditation remains in effect for three years.



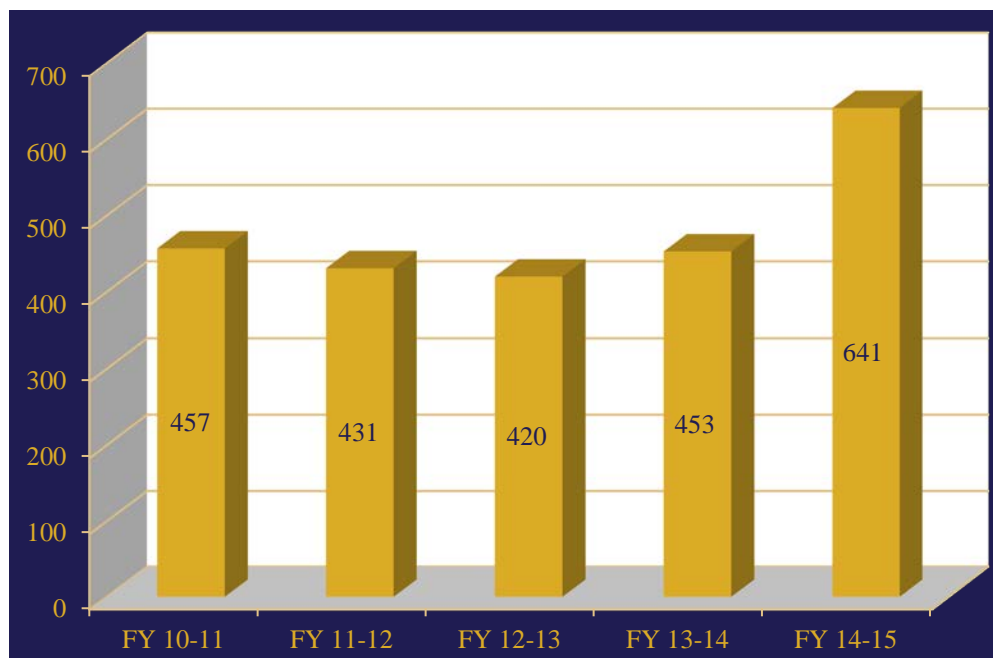
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### CRIMINAL HISTORY CHECK PROGRAM

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In accordance with section 435, Florida Statutes, all employees, volunteers, and applicants must undergo a level 2 screening as a condition of employment. The Office of Inspector General is responsible for processing the results of the level 2 screenings of each applicant. During the 2014-2015 fiscal year, the OIG analyst conducted 641 applicant background checks and conducted 11 background check reviews. The chart below depicts, by fiscal year, the number of background checks performed from 2009-2015.

Number of Criminal History Background Checks Performed



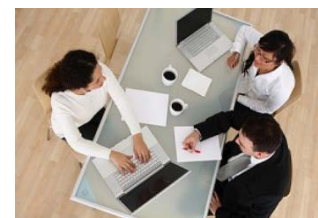


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## COMPLETED INVESTIGATIONS

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During the prior fiscal year, the OIG investigated allegations of misappropriation of funds, conflict of interest, and other employee misconduct allegations. A synopsis of those investigations is provided below.



- The OIG received an anonymous complaint alleging that a Division of Vocational Rehabilitation (DVR) placement service provider was violating his contract requirements by placing DVR clients in positions with two businesses he owned. According to a DVR data analysis, DVR made benchmark payments for 39 clients employed with the provider's two businesses. Based upon the information gathered during an OIG investigation, DVR fully suspended the contract with the provider and any existing client referrals assigned to the provider were transferred to other providers. The OIG reported this matter to the Florida Department of Financial Services, Office of Fiscal Integrity for suspected violations of criminal law.
- The OIG identified potential violations of DVR policies by a DVR Senior Counselor and a DVR Consultant. The OIG identified the potential violations during a separate investigation. The OIG determined that the senior counselor failed to review, inspect, and validate Notices of Approval within 10 business days of receiving them. Additionally, the OIG determined that the senior counselor approved benchmark payments to the placement service provider for clients placed in businesses owned by the provider. The OIG also determined that the DVR consultant approved benchmark payments and closed cases that were not eligible for case closure. The OIG concluded that the DVR consultant reviewed and validated Notices of Approval submitted by the placement service provider without contacting the clients for employment verification.
- The OIG received a complaint from DVR alleging that a DVR Senior Counselor forged her supervisor's signature on authorizations to obtain goods and services over \$500 for clients within her caseload. The OIG investigation determined the senior counselor requested that client cases be assigned to her without prior supervisor approval; that she initiated and approved goods and services for clients that were not listed in their Individualized Plan for Employment; and that she did not properly assess clients for self-employment. The senior counselor resigned from her position in lieu of termination and the OIG suggested several recommendations to DVR management. The recommendations included strengthening the authorization and prior approval policies, ensuring that supervisors review the purpose and amount of each authorization prior to approval, and the importance of offices adhering to the policies and procedures outlined in the DVR Counselor Policy Manual.
- The OIG received a complaint from an employee at the Division of Blind Services (DBS), Rehabilitation Center for the Blind and Visually Impaired concerning the Rehabilitation Center's maintenance superintendent. The employee alleged that the

maintenance superintendent used DBS employees along with a state owned vehicle and trailer to transport surplus or scrap state property to a metal recycling center to exchange for money. The employee also alleged that the maintenance superintendent purchased fuel with a state credit card for his personal vehicle. The OIG investigation determined that the maintenance superintendent used DBS employees and a state vehicle and trailer to transport surplus or scrap state property to a metal recycling center in exchange for money. The OIG also determined that there was insufficient evidence to substantiate the allegation that the maintenance superintendent purchased fuel with a state credit card for his personal vehicle. The maintenance superintendent resigned during the investigation.

- The OIG received information from the Florida Department of Revenue (Revenue), OIG concerning a thumb drive containing confidential FDOE information that was found in the Revenue's parking lot. The OIG completed an analysis of the thumb drive and determined that the thumb drive belonged to a former FDOE employee and that the thumb drive contained confidential FDOE information. The OIG determined that the former employee's personal thumb drive contained documents with FDOE employee social security numbers that he wanted to use in his new position at Revenue. The OIG recommended that the Bureau of the Comptroller work with Revenue to determine if disciplinary action was warranted. The OIG recommended that the Division of Technology and Information Services enhance the FDOE Information Security Acceptable Use Policy. The OIG further recommended that the Bureau of Personnel Management consider implementing the use of an acknowledgement form for employees separating from FDOE requiring them to confirm that they have returned all confidential information to FDOE that was in their possession.
- The OIG received a complaint an employee that was on Family Medical Leave Act (FMLA) status alleging that her bureau chief violated numerous federal requirements under FMLA. The alleged violations made her feel that her job was at risk due to her medical conditions. The employee also alleged that the bureau chief fostered a hostile work environment for her and other staff. The OIG investigation found no evidence to support the allegation that the bureau chief violated FMLA, treated employees in a wrongful manner, or condoned a hostile work environment.
- The Division of Accountability, Research, and Measurement (ARM) referred an elementary school to the OIG for investigation of an unusually high similarity index score on the Spring 2014 Florida Comprehensive Assessment Test (FCAT). An OIG investigation determined there was insufficient evidence to substantiate the allegation that school personnel at the elementary school inappropriately directed, aided, or assisted students during the administration of the Spring 2014 FCAT. The OIG confirmed that teachers at Coral Cove Elementary School administer the test to their everyday classroom students. The OIG recommended that the school prohibit teachers from administering the test to students they teach. The OIG also recommended that the School Board of Broward County and the elementary school provide additional training regarding test administration supervision to anyone involved in the administration of the FCAT.

Additionally, the OIG recommended that ARM capture and maintain change logs in future Computer-Based Testing (CBT), which would indicate when students change answers from one bubble to another bubble on a single item recording the wrong-to-right, right-to-wrong, or wrong-to-wrong responses on CBT.

- The Division of Accountability, Research, and Measurement (ARM) referred an elementary school to the OIG for investigation of an unusually high similarity index score on the Spring 2014 FCAT. An OIG investigation found no evidence to substantiate any inappropriate or irregular activities occurred during the administration of the Spring 2014 FCAT that would have affected student grades. The OIG confirmed the time stamps for the Computer Based Testing (CBT) did not indicate any irregular testing patterns or other abnormalities during testing. The OIG recommended that the Palm Beach School District ensure the elementary school understands the importance of test security when testing materials are received at the school per the Test Security Policies and Procedures section of the Test Administration Manual.
- The OIG received complaints alleging that the Chief Financial Officer (CFO) of the Jefferson County School District was circumventing the school board bidding process and preventing other contractors from bidding on projects. The CFO explained to OIG investigators that he could have consolidated the projects, but he did not have the time to manage large contracts. The CFO stated that he broke the projects into small jobs so he could better manage each contract, not to circumvent the bidding process. Based on the CFO's admission, testimony obtained, and documents reviewed during the investigation, the OIG concluded there was sufficient evidence to substantiate the allegation. The OIG recommended that the employees of the Jefferson County School District and School Board review, understand, and follow Florida Administration Code 6A-1.012 – Purchasing Policies, which states that districts may not divide the procurement of commodities or contractual services to avoid monetary threshold requirements.
- The OIG received a complaint concerning an alleged conflict of interest between a Commission for Independent Education (CIE) program specialist and the Campus President of the Institute of Healthcare Professionals, (IHP). Specifically, the complainant alleged that the FDOE employee was living with the campus president and that the FDOE employee was a two percent shareholder of IHP. An OIG investigation determined that the allegations were not substantiated. The investigation determined that the FDOE employee did not own any percentage of IHP and though she conducts evaluations at educational institutions, she never completed any reviews of IHP that would have constituted an actual or perceived conflict of interest. The OIG recommended that the CIE consider implementing a policy that requires employees that complete reviews or investigations of educational institutions sign a statement of independence for each institution they are assigned to review or investigate.
- A DVR employee forwarded a complaint to the OIG concerning a DVR contract that provides a method of funding to the contract for the delivery of services to DVR clients. These services assist persons with disabilities seeking employment to choose, obtain,

maintain, and retain integrated employment in the community. According to the DVR employee, he conducted research and found that the organization responsible for the DVR contract, was placing DVR clients in temporary employment positions, not providing supported employment services during their employment, and a third party company was paying the clients. Based upon information gathered during the OIG investigation, DVR suspended the contract with the organization and subsequently worked with the FDOE General Counsel staff to terminate the contract. Additionally, the OIG reported this matter to the Florida Department of Financial Services, Office of Fiscal Integrity for possible criminal violations.

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### OTHER INVESTIGATIVE ACTIVITIES

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- The OIG received an anonymous complaint alleging that a father in south Florida falsified an application for a Florida Tax Credit Scholarship. The father reported that his daughter was living with, and being cared for by, her grandmother. The anonymous complainant further alleged that the father and mother earn over \$80,000 per year and, the child was actually living at home with the father and not with the grandmother who lived in an assisted living facility. The OIG referred the complaint to the provider of the scholarship. The provider of the scholarship contacted the father for further proof of his daughter's living situation. The father failed to respond, so all future scholarship monies were withheld.
- The Office of The Chief Inspector General (OCIG) forwarded a complaint to the OIG alleging possible fraud relative to the McKay Scholarship program. The complainant alleged that a school in south Florida was submitting false forms requesting reimbursement from the McKay Scholarship program for services that the school did not provide to the students. The OIG referred the complaint to the Office of Independent Education and Parental Choice (IEPC). IEPC determined that the school was paid \$3050.00 in McKay Scholarship funds for services that the school never provided to the students. IEPC obtained a reimbursement from the school in the amount of \$3050.00
- The OIG received allegations concerning a University of Central Florida (UCF) associate professor using copyrighted materials for his Florida Educational Leadership Examination (FELE) Review Seminar. The OIG coordinated this information with the Board of Governor's OIG. The UCF Chief Audit Executive obtained the materials used by the associate professor and initiated a review of his actions. In collaboration with FDOE, the materials that were examined revealed that the associate professor plagiarized 72 out of 276 sample questions in his FELE materials from FDOE copyrighted materials. The UCF Audit team provided a Memorandum to the UCF Assistant Vice-Provost containing their findings and recommendations concerning disciplinary action for the associate professor.

- The OIG received a complaint from a DVR client alleging that DVR was breaching their contract with him. The OIG referred the complaint to DVR for their review and any action deemed appropriate. DVR advised the OIG that they would not sponsor an online training program at a different technical university where the client enrolled without discussion with his counselor. The technical university where the client was enrolled is not a vendor for the Florida DVR. The client's plan of services included training at a university that was an approved vendor. DVR advised the client verbally and in writing of the appeal process for his particular situation and he continued to receive other services from DVR.

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### WHISTLE-BLOWER DETERMINATIONS

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The investigations section completed seven whistle-blower determinations during Fiscal Year 2014-2015. After assessing each complaint, the OIG determined that the allegations did not demonstrate reasonable cause to suspect that the department or independent contractor violated any federal, state, or local law, rule or regulation. Based upon further review, the complaints were referred to the necessary entities for action deemed appropriate.

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### OTHER OIG ACTIVITIES

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In June 2013, Melinda Miguel, CIG, appointed an IG IT Working Group to evaluate information technology issues that affected all state agencies. The Working Group primarily consists of agency inspectors general and information security managers, with various other subject matter experts added as needed. The Working Group met 12 times during fiscal year 2014-15. The Working Group also participated in six Inspector General and Information Security Manager Joint Meetings.

During the 14-15 FY the IG IT Working Group completed the agency risk assessment review that the group began the prior fiscal year. The group's efforts culminated in a letter dated December 23, 2014, from CIG Miguel to the Agency for State Technology (AST) Executive Director Jason Allison outlining five recommendations from the group. The group recommended the following:

- The AST develop a comprehensive risk assessment tool closely aligned with the NIST 800-30 risk assessment methodology to assist agencies in becoming fully compliant with statutory and rule requirements.
- The AST issue interim guidance to state agencies (by June 30, 2015) instructing each agency to perform an information technology resource classification in accordance with FIPS 199, as required in Rule 71A-1.020.
- The AST provide training to each agency Information Security Manager (by June 30, 2016) on performing the FIPS 199 information technology resource classification and conducting a comprehensive risk assessment aligned with the NIST risk assessment methodology.
- The AST conduct an enterprise analysis of the comprehensive risk assessments received in 2015 to identify and address risks within individual agencies and across the enterprise.

- The AST explore opportunities to provide additional resources to help the agencies conduct the comprehensive risk assessments.

Finally, the group assisted the Agency for State Technology by reviewing proposed changes to the Florida Information Resource Security Policies and Standards Rule. The draft rule, now called the Cybersecurity Standards Rule, was presented to the group for discussion and to solicit feedback. The group provided verbal and written feedback to AST. These rule review meetings continued through the end of the fiscal year. The rule is expected to be finalized during the 2015-16 fiscal year.



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