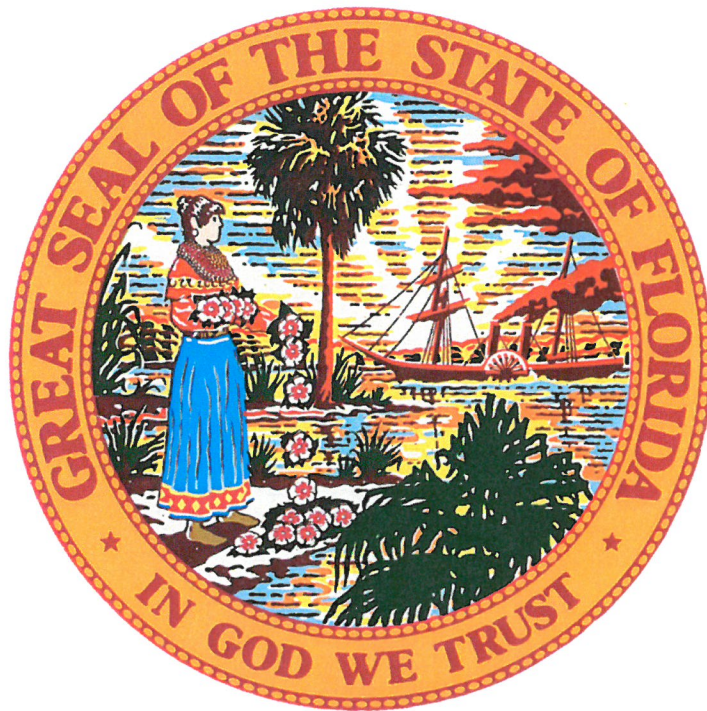


EXECUTIVE OFFICE OF THE GOVERNOR

OFFICE OF THE CHIEF INSPECTOR GENERAL



2014-2015 Annual Report

Presented

August 26, 2015

The Honorable Rick Scott
Governor of Florida

Melinda M. Miguel
Chief Inspector General



RICK SCOTT
GOVERNOR

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

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August 26, 2015

The Honorable Rick Scott
Governor of the State of Florida
The Capitol, PL 05
Tallahassee, Florida 32399-0001

Dear Governor Scott:

In accordance with Section 20.055, Florida Statutes, I am pleased to submit the Chief Inspector General's Annual Report for fiscal year 2014-2015 to highlight our efforts and activities during the year.

We are committed to providing leadership in the promotion of accountability and integrity and it is a privilege to serve in our effort to enhance public trust in government.

Sincerely,

A handwritten signature in blue ink that reads "Melinda M. Miguel".

Melinda M. Miguel
Chief Inspector General



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Office of the
CHIEF INSPECTOR GENERAL

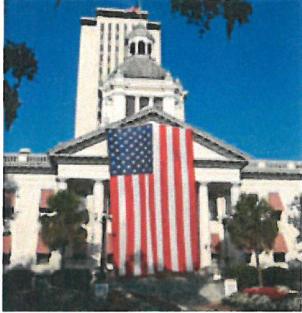
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EXECUTIVE SUMMARY



In accordance with Sections 14.32 and 20.055, Florida Statutes (F.S.), the Office of the Chief Inspector General is responsible for promoting accountability, integrity, and efficiency in the Executive Office of the Governor and in agencies under the jurisdiction of the Governor.

Consistent with these responsibilities, the Office of the Chief Inspector General completed the following activities during fiscal year 2014-2015:

- Received, reviewed, and processed 3,081 complaints and requests for assistance by Florida's citizens and government employees and closed 3,005 complaints and requests;
- Received and processed 225 final audit reports and corrective actions, pursuant to Sections 20.055(6)(f) and 20.055(6)(h), F.S., respectively, which requires Inspectors General in agencies under the jurisdiction of the Governor to submit final audit reports and provide information related to significant findings and related corrective action plans to the Chief Inspector General;
- Received and reviewed 18 annual audit plans pursuant to Section 20.055(6)(i), F.S., which requires Inspectors General to develop long-term and annual audit plans based on the findings of periodic risk assessments. In agencies under the jurisdiction of the Governor, Inspectors General are required to submit their annual audit plans to the Chief Inspector General;
- Received, reviewed, and processed 173 notifications pursuant to Section 20.055(2)(f), F.S., which requires Inspectors General in agencies under the jurisdiction of the Governor to keep the Chief Inspector General informed concerning fraud, abuses, and deficiencies related to programs and operations administered or financed by the state agency, recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action;
- Reviewed 165 personnel actions pursuant to Section 20.055(3)(b), F.S., which requires Inspectors General in agencies under the jurisdiction of the Governor to coordinate personnel actions with the Chief Inspector General and engage in consultations with the Chief Inspector General prior to taking personnel actions, as necessary;



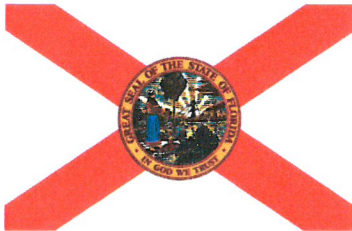
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- Reviewed 229 whistle-blower recommendations made by agency Inspectors General for compliance with Sections 112.3187-112.31895, F.S., Florida's Whistle-blower's Act, resulting in 23 approved whistle-blower designations;
 - Provided oversight for 9 whistle-blower investigations completed by agency Inspectors General, including reviews of final investigative reports and issuance of 8 final reports to mandatory recipients in compliance with statutes;
 - Completed or played a significant role in 10 investigations, reviews and audits that resulted in recommendations for improvement of efficiency, effectiveness and accountability in state programs;
 - Reviewed a number of investigative reports for sufficiency and accuracy at the request of agency Inspectors General;
 - Contacted 76 local governmental entities to gather information for use in determining their financial emergency status in accordance with the provisions of Section 218.503, F.S.;
 - Collaborated with agency Inspectors General regarding the implementation of House Bill 371 which amended Sections 14.32, F.S., to include providing authority for the Chief Inspector General to issue and enforce subpoenas under certain circumstances and 20.055, F.S., to include additional hiring requirements, employment qualifications and certain prohibitions for Inspectors General;
 - Served as a liaison between the Executive Office of the Governor and external auditors and investigators;
 - Revised the Office of the Chief Inspector General's Whistle-blower's Act protocol and conducted training for the Inspector General community on significant changes;
 - Collaborated with the Agency for Health Care Administration's Office of Inspector General to deliver training to Information Security Managers and Inspectors General on the Health Insurance Portability and Accountability Act provisions and the Florida Information Privacy Act; and,
 - Provided consultative services on Florida's Whistle-blower's Act to multiple Offices of Inspectors General.
-



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INTRODUCTION



The Chief Inspector General has a broad range of responsibilities outlined in Sections 14.32 and 20.055, F.S. These responsibilities include: carrying out activities designed to deter, detect, prevent, and eradicate fraud, waste, abuse, mismanagement, and misconduct in government; initiating, supervising, and coordinating investigations; coordinating complaint handling activities with agencies; coordinating activities of the Whistle-blower's Act and maintaining the Whistle-blower's Hotline; conducting, directing, and supervising audit activities; monitoring activities of agency Inspectors General; monitoring activities related to public-private partnerships; issuing and serving subpoenas; and conducting special investigations and management reviews at the request of the Governor. The Chief Inspector General is also responsible for appointing and removing Inspectors General in agencies under the jurisdiction of the Governor.

Our mission is to assist the Executive Office of the Governor in the accomplishment of its objectives by the conduct, supervision and coordination of accountability activities in order to enhance public trust in government. During the past year, the Office of the Chief Inspector General has worked diligently to meet statutory mandates and to ensure standards of excellence are applied consistently across state agencies by agency Inspectors General. This report details our efforts toward achieving our mission.

INDEPENDENCE

According to Sections 14.32(4) and 20.055(3), F.S., the Chief Inspector General serves as the Inspector General for the Executive Office of the Governor and reports directly to the Governor to ensure audits, investigations and other activities are independent and results are communicated in accordance with professional standards. Additionally, by Statute, the Chief Inspector General shall not be subject to supervision by any other employee except the Governor, and the agency head or staff shall not prevent or prohibit the Chief Inspector General from initiating, carrying out, or completing any audit or investigation.

PROFESSIONAL STANDARDS AND CODE OF ETHICS

Pursuant to Section 20.055(2)(j), F.S., the Office of the Chief Inspector General complies with the *Principles and Standards for Offices of Inspector General* as



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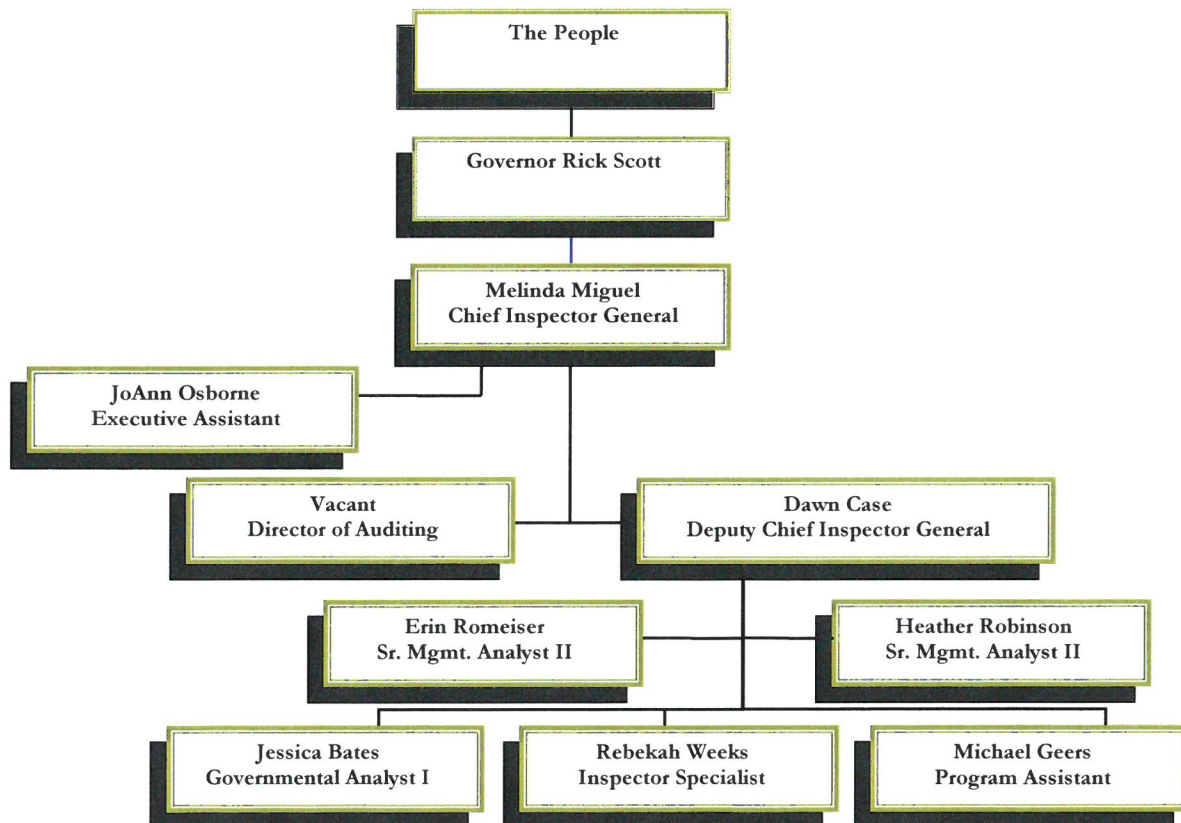
published and revised by the Association of Inspectors General. Staff abide by the Florida Code of Ethics for Public Officers and Employees as codified in Sections 112.311-112.326, F.S., and the Executive Office of the Governor's Code of Ethics.

Internal audits are conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and *Code of Ethics* published by The Institute of Internal Auditors, Inc.

ORGANIZATION AND STAFFING

The Office of the Chief Inspector General staff include the Chief Inspector General, the Deputy Chief Inspector General, the Director of Auditing, two Senior Management Analysts, a Government Analyst, an Executive Assistant, an Inspector Specialist, and a Program Assistant.

Office Organizational Chart



As of June 30, 2015



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Professional Certifications

Staff of the Office of the Chief Inspector General hold the following professional certifications:

- Certified Inspector General (2);
- Certified Inspector General Investigator (1);
- Certified Fraud Examiner (1);
- Certified Internal Controls Auditor (1);
- Certified Project Management Professional (1);
- Certified Financial Services Auditor (1);
- Certified Business Manager (1); and,
- Notary Public (3).

Professional Organization Affiliations

Members of the Office of the Chief Inspector General are affiliated with the following professional organizations:

- National Association of Inspectors General;
- Florida Chapter of the Association of Inspectors General;
- The Institute of Internal Auditors, Inc.;
- Tallahassee Chapter of The Institute of Internal Auditors, Inc.;
- Association of Government Accountants;
- Tallahassee Chapter of the Association of Government Accountants;
- Florida Audit Forum;
- Association of Certified Fraud Examiners;
- Institute for Internal Controls;
- Association of Professionals in Business Management;
- Project Management Institute; and,
- Association of Financial Services Auditors.



Leadership in Professional Organizations

Staff of the Office of the Chief Inspector General served in the following leadership roles in professional organizations during the fiscal year:

- President of the National Association of Inspectors General;
- Regional Vice-President Elect for the Gulf Coast Region of the





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- Association of Government Accountants;
- First Vice-President of the Florida Chapter of the Association of Inspectors General;
 - Members on the Board of Directors for the Florida Chapter of the Association of Inspectors General;
 - Members of the Association of Certified Fraud Examiners;
 - Member of the Partnership Steering Committee for the Association of Government Accountants;
 - Commission Member, Commission for Florida Law Enforcement Accreditation, Inc.;
 - Member on the Chapter Executive Committee for the Tallahassee Chapter of the Association of Government Accountants;
 - Member of the Technical Committee for the Association of Government Accountants; and,
 - Members of the Association of the Federal Bureau of Investigations Citizens' Academy Alumni Association, Tallahassee Chapter.

CHIEF INSPECTOR GENERAL INITIATIVES

During the fiscal year, the Office of the Chief Inspector General participated in the following activities:

Implementation of House Bill 371

During the 2015 Florida Legislative Session, Sections 14.32 and 20.055, F.S., were amended and the Governor signed House Bill 371 into law effective July 1, 2015. The passage and signing of House Bill 371 resulted in the following statutory changes:

Section 14.32, F.S.

- Providing authority for the Chief Inspector General to issue and enforce subpoenas under certain circumstances;
- Providing authority for the Chief Inspector General to hire or retain legal counsel.

Section 20.055, F.S.

- Providing additional hiring requirements, employment qualifications, terms of employment, political office restrictions, and certain prohibitions for Inspectors General;
 - Specifying the duty to cooperate with Inspectors General during any investigation, audit, inspection, review, or hearing.
-



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In preparation for the passage and signing of House Bill 371, the Chief Inspector General established a workgroup of Inspectors General under the jurisdiction of the Governor to identify matters surrounding the issuance and enforcement of subpoenas. The Office of the Chief Inspector General subsequently developed and disseminated a protocol to Inspectors General in agencies under the jurisdiction of the Governor which establishes guidelines for the issuance, service, and enforcement of subpoenas.

Update on Implementation of House Bill 1385

During the 2014 Florida Legislative Session, Section 20.055, F.S., was amended to include the following additional responsibilities for the Chief Inspector General:

- Appointing and removing Inspectors General from office, for agencies under the jurisdiction of the Governor, for cause including concerns regarding performance, malfeasance, misfeasance, misconduct or failure to carry out his or her duties outlined in Section 20.055, F.S.;
- Receiving reports, notifications, and status of corrective actions in accordance with Section 20.055, F.S.; and,
- Providing consultation to Inspectors General in agencies under the jurisdiction of the Governor on hiring and removal of staff within their respective offices.

As a result of the statutory changes, the Office of the Chief Inspector General developed and disseminated the following protocols for Inspectors General in agencies under the jurisdiction of the Governor to follow when reporting information to the Chief Inspector General in accordance with Section 20.055, F.S.:

- **Notification Protocol** – This protocol establishes guidelines for Inspectors General in agencies under the jurisdiction of the Governor to keep the Chief Inspector General informed concerning fraud, abuses, and deficiencies related to programs and operations administered or financed by the state agency.
 - **Personnel Action Protocol** – This protocol establishes guidelines for Inspectors General in agencies under the jurisdiction of the Governor to coordinate personnel actions and engage in consultations with the Chief Inspector General prior to taking personnel actions within their respective offices.
 - **Audit and Corrective Action Protocol** – This protocol establishes guidelines for Inspectors General in agencies under the jurisdiction of the Governor to provide audit reports and corrective action plans to the Chief Inspector General.
 - **Annual Report Protocol** – This protocol establishes guidelines for Inspectors General in agencies under the jurisdiction of the Governor to provide annual reports to the Chief Inspector General.
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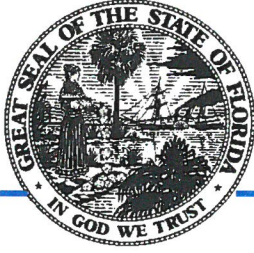
- **Annual Attestations Protocol** – This protocol establishes the requirement for Inspectors General under the jurisdiction of the Governor to submit annual attestations regarding their independence and their receipt of the Governor’s Code of Ethics and Code of Personal Responsibility to the Chief Inspector General.

Additionally, the Chief Inspector General continued to support the ongoing efforts of the Inspectors General workgroups established to identify issues and propose solutions regarding the statutory amendments.

Accreditation

On February 25, 2015, the Office of the Chief Inspector General’s investigative function was granted accredited status by the Commission for Florida Law Enforcement Accreditation, Inc. (Commission). The Office of the Chief Inspector General successfully complied with 40 mandatory standards pertaining to policies and procedures, management, operations, and investigative practices during a comprehensive on-site assessment by Commission assessors in December 2014 to earn accredited status. The Office of the Chief Inspector General’s investigative function is accredited for a three-year period, after which the Commission will reassess the office for continued compliance with applicable standards.

During the fiscal year, the Office of the Chief Inspector General and agency Inspectors General, in collaboration with the Commission, continued efforts to enhance compliance with the *Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General through the advancement and support of the Office of Inspector General accreditation program. Throughout the fiscal year, the Office of the Chief Inspector General provided accreditation related assistance to numerous Offices of Inspectors General and conducted mock assessments for three Offices of Inspectors General to assist with preparation for their on-site assessments by Commission assessors. Further, in addition to the Office of the Chief Inspector General, the following Offices of Inspectors General were also granted accredited status by the Commission during the fiscal year: the Department of Juvenile Justice Office of Inspector General, the Office of Financial Regulation Office of Inspector General, the Broward County Office of Inspector General, the Polk County Clerk of the Circuit Court and County Comptroller Department of Inspector General, and the Sarasota County Clerk of the Circuit Court and County Comptroller Office of Inspector General. Also, the Department of Health Office of Inspector General and the Palm Beach County Office of Inspector General achieved re-accredited status during the fiscal year.



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Inspector General Information Technology Workgroup

In June 2013, the Office of the Chief Inspector General established an Inspector General Information Technology (IG IT) workgroup to evaluate information technology issues that affected all state agencies. The workgroup, which has remained in place, primarily consists of agency Inspectors General and Information Security Managers, with various other subject matter experts added as needed. The workgroup met 12 times during fiscal year 2014-2015. The workgroup also participated in six joint meetings with all agency Inspectors General and Information Security Managers.

During fiscal year 2014-2015, the IG IT workgroup completed the agency risk assessment review which was initiated during the prior fiscal year. The group's efforts culminated in a letter dated December 23, 2014, from the Chief Inspector General to the Executive Director of the Agency for State Technology (AST) outlining the following five recommendations:

- The AST develop a comprehensive risk assessment tool closely aligned with the National Institute of Standards and Technology (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 the Federal Information Processing Standards (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; and,
- The AST explore opportunities to provide additional resources to help the agencies conduct the comprehensive risk assessments.

Finally, the IG IT workgroup assisted the AST 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 workgroup for discussion and feedback. The workgroup provided verbal and written feedback to AST and attended rule review meetings through the end of the fiscal year. The Cybersecurity Standards Rule is expected to be finalized during fiscal year 2015-2016.



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Training for Information Security Managers and Inspectors General

The Office of the Chief Inspector General in collaboration with the Agency for Health Care Administration's Office of Inspector General presented training to agency Information Security Managers and Inspectors General on the Health Insurance Portability and Accountability Act Provisions and the Florida Information Privacy Act. The training was held at the Florida Department of Law Enforcement.

Enterprise Project – Assessment of Managed Care Organizations' Anti-Fraud Plans

To gain efficiencies of working together, the Chief Inspector General and various agency Inspectors General initiated a review of Managed Care Organizations' (MCOs) anti-fraud plans and the Agency for Health Care Administration's process for reviewing and monitoring the implementation of the anti-fraud plans. The objectives of the review included: determining whether anti-fraud plan requirements sufficiently addressed or mitigated the potential fraud risks inherent in MCOs; evaluating anti-fraud plans to identify best practices employed by MCOs to prevent Medicaid fraud and program abuse; and evaluating the Agency for Health Care Administration's Office of Medicaid Program Integrity processes for the review and monitoring of the MCOs' anti-fraud plans.

A team led by the Agency for Health Care Administration's Office of Inspector General, along with staff from various Offices of Inspectors General, conducted this project. The team identified areas for enhancements and made appropriate recommendations as needed.

INVESTIGATIVE ACTIVITY

Summary of Investigative Activity



Investigations often begin with allegations received by telephone, letter, fax, website or e-mail. Additionally, in accordance with Sections 112.3187 – 112.31895, F.S., the Whistle-blower's Act (Act), the Office of the Chief Inspector General maintains a statewide Whistle-blower's Hotline where employees of the state or contract providers may disclose allegations of gross mismanagement, gross neglect of duty or other activities prohibited by the Act.



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During fiscal year 2014-2015, the Office of the Chief Inspector General received 3,081 complaints and requests for assistance from various sources as follows:

Complaints or Requests By Source

| Source | Number |
|-------------------------|--------------|
| Email | 311 |
| Fax | 32 |
| Letter | 453 |
| Other | 3 |
| Telephone/WB Hotline | 1,796 |
| Referral from IG Office | 53 |
| Referral from Other | 221 |
| Walk-in | 14 |
| Website | 198 |
| Total | 3,081 |

Any complaint or request for assistance received which required action was recorded in the Office of the Chief Inspector General database. Overall, 3,081 complaints were opened and 3,005 complaints and requests were closed during the fiscal year as outlined below.

**Summary of Complaint Activity by Quarter
Fiscal Year 2014-2015**

| | Q1 | Q2 | Q3 | Q4 | TOTAL |
|--|-----|-----|-----|-----|-------|
| Number of Complaints and Requests Opened | 852 | 771 | 741 | 717 | 3,081 |
| Number of Complaints and Requests Closed | 822 | 763 | 696 | 724 | 3,005 |
| Number of Whistle-blower Hotline Calls Received | 112 | 79 | 86 | 96 | 373 |
| Number of Complaints Referred for Handling or Review to Other Entities | 655 | 606 | 574 | 585 | 2,420 |

Investigative Highlights



The following case summaries provide an overview of investigations or reviews completed by the Office of the Chief Inspector General or cases in which the Office of the Chief Inspector General played a significant role.



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Department of Corrections (DOC)

CIG Case #201311250006

On November 25, 2013, the DOC Office of Inspector General (OIG) notified the Office of the Chief Inspector General of a complaint regarding the possible mishandling of an investigation by the DOC OIG. The allegations included possible employee misconduct and discrimination. The Office of the Chief Inspector General initiated an investigation and requested assistance from the Florida Fish and Wildlife Conservation Commission OIG. The allegations were unfounded or not investigated due to insufficient information. The Office of the Chief Inspector General made recommendations to improve the quality and dissemination of DOC OIG investigative directives, policies, and guidelines and to clarify OIG procedures for search warrants and the collection of photographic evidence.

Department of Corrections (DOC)

CIG Case #201409290009

On September 29, 2014, the DOC OIG notified the Office of the Chief Inspector General of a complaint regarding possible discrimination during the interview and selection process for several DOC OIG positions. The Office of the Chief Inspector General requested assistance from the Department of Children and Families (DCF), Office of Civil Rights (OCR), in reviewing and evaluating the concerns. A final report from the DCF OCR indicated there was a finding of "No Reasonable Cause that a violation of the Age Discrimination in Employment Act of 1967, as amended, has occurred." Based on the Office of the Chief Inspector General review of the information provided by DCF OCR, no substantive evidence was found to warrant further investigative activities.

Department of Highway Safety and Motor Vehicles (DHSMV)

CIG Case #201209250007

On September 25, 2012, the DHSMV Inspector General requested that the Office of the Chief Inspector General conduct a review of two DHSMV OIG investigations. The Office of the Chief Inspector General conducted an independent review of the sufficiency of the evidence, findings, and conclusions contained within the DHSMV OIG investigations, and an assessment of whether the investigations were conducted in accordance with Section 20.055, F.S. Office of the Chief Inspector General reviewers determined that the investigations were conducted professionally and thoroughly and found no evidence to indicate the DHSMV OIG conducted either investigation outside the parameters of Section 20.055, F.S.



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Department of Business and Professional Regulation (DBPR)

CIG Case #201307260008

On July 26, 2013, the DBPR Inspector General notified the Office of the Chief Inspector General of a complaint regarding the possible mishandling of an investigation by the DBPR OIG. It was alleged that the DBPR OIG failed to conduct a complete or sufficient investigation and neglected to address concerns regarding the alleged falsification of an employment application by an employee within the Division of Alcoholic Beverages and Tobacco. The Office of the Chief Inspector General requested assistance from the DOC OIG in conducting interviews and reviewing the sufficiency of the evidence, findings, and conclusions contained within the DBPR OIG investigation. Office of the Chief Inspector General reviewers concluded that the evidence, findings, and conclusions in the DBPR OIG investigation were sufficient.

Department of Transportation (DOT)

CIG Case #201405190008

On May 19, 2014, the DOT Inspector General notified the Office of the Chief Inspector General of a complaint regarding the possible mishandling of an investigation by the DOT OIG. It was alleged that the DOT OIG was unprofessional and failed to conduct a complete or sufficient investigation. The Office of the Chief Inspector General conducted a review of the sufficiency of the evidence, findings, and conclusions within the DOT OIG investigation and determined the investigation was conducted professionally and thoroughly.

Division of Emergency Management (DEM)

CIG Case #201406100003

On June 10, 2014, the DEM Deputy Inspector General notified the Office of the Chief Inspector General of a complaint from a former DEM OIG employee regarding unlawful termination due to age and disability discrimination. The Office of the Chief Inspector General requested a response from the Deputy Inspector General regarding the allegations. The Office of the Chief Inspector General conducted a review of the information provided by the Deputy Inspector General and found no substantive evidence warranting further investigative activity.

Department of Children and Families (DCF)

CIG Case #201406030007

On June 3, 2014, the Florida Department of Law Enforcement notified the Office of the Chief Inspector General of a complaint regarding the alleged cover-up of child deaths by



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DCF. The Office of the Chief Inspector General requested that the DCF OIG conduct an investigation into the allegations with investigative assistance from the Office of the Chief Inspector General. The investigation determined the allegations were not supported.

Citizens Property Insurance Corporation (CPIC)
CIG Case #201408010007

On August 1, 2014, the CPIC Inspector General notified the Office of the Chief Inspector General of a whistle-blower complaint regarding possible bid rigging and contract policy violations by a CPIC staff member. The CPIC Inspector General requested investigative assistance from the Office of the Chief Inspector General, and the Office of the Chief Inspector General assisted the CPIC OIG with the whistle-blower investigation. The investigation did not find evidence to support the allegations.

Summary of Whistle-blower Activity

During the fiscal year, the Office of the Chief Inspector General played a vital role in processing requests for whistle-blower protection in accordance with the Whistle-blower's Act (Act). The Office of the Chief Inspector General, in cooperation with agency Inspectors General, reviewed whistle-blower determinations to ensure a consistent assessment process for applying statutory requirements by agency Inspectors General and to provide coordination and oversight of investigative activities involving the most serious allegations.



Each of the 3,081 complaints and requests for assistance received by the Office of the Chief Inspector General were screened for compliance with the provisions of the Act. A total of 229 complaints warranted a more in-depth review resulting in 23 approved whistle-blower designations by agency Inspectors General.

During the fiscal year, agency Inspectors General closed 9 whistle-blower investigations. The Office of the Chief Inspector General monitored each case for completion and compliance with statutory timeframes and granted extensions when circumstances warranted. In addition, the majority of these investigative reports were submitted to and independently reviewed by the Office of the Chief Inspector General for investigative sufficiency prior to final release. Whistle-blower cases which produced evidence of criminal violations were referred, as required by statute, to the Florida Department of Law Enforcement.



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Whistle-blower Case Highlights

The following three case summaries represent examples of the types of investigations conducted in accordance with the Act.



Whistle-blower Case Summary #1 CIG Case # 201303210004

On April 2, 2013, the Agency for Health Care Administration (AHCA) OIG, in coordination with the AHCA Division of Health Quality Assurance, initiated an investigation to address allegations that an AHCA regulated Florida medical facility that serves Medicaid recipients failed to provide adequate care and services to meet the needs of patients. The AHCA OIG investigation determined the allegations were substantiated. A follow-up visit by AHCA's staff to the medical facility determined that previously noted deficiencies had been corrected.

Whistle-blower Case Summary #2 CIG Case # 201410220006

On December 1, 2014, the Department of Economic Opportunity (DEO) OIG initiated an investigation in response to an allegation that two members of one of Florida's twenty-four Regional Workforce Boards committed fraud by instructing staff to enter false job referral data in the Employ Florida Marketplace. It was further alleged that these actions manipulated performance metrics and affected funding received by the Regional Workforce Board. The DEO OIG investigation determined that no fraud was committed and funding amounts received by the Regional Workforce Board were not affected.

Whistle-blower Case Summary #3 CIG Case # 201401140010

On January 23, 2014, the Agency for Persons with Disabilities (APD) OIG initiated an investigation to address multiple allegations involving a Licensed Comprehensive Transitional Education Program. The allegations included concerns about negligence, client abuse, and employee misconduct. The APD OIG investigation determined the allegations were not supported.



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AUDIT ACTIVITY

During fiscal year 2014-2015, this office provided audit assistance to other agency Inspectors General, monitored the status of external audits, and performed responsibilities relating to financial emergencies as follows:

Internal Audit Activities

The Office of the Chief Inspector General conducted a survey of the controls over travel expenditures and reimbursement in the Executive Office of the Governor. The survey focused on reviewing and evaluating how the Executive Office of the Governor staff:

- authorized travel for employees of the Executive Office of the Governor;
- determined, processed and paid employees who traveled; and,
- determined, processed and paid vendors that provided travel-related-services at the direction of the managers in the Executive Office of the Governor.

The Office of the Chief Inspector General examined and tested Executive Office of the Governor processes and procedures for authorizing travel and reimbursing travelers and vendors for travel related costs and expenses for the fiscal year 2013-2014. The Office of the Chief Inspector General also examined 10 randomly selected state agency documents that represent reimbursements to travelers and vendors.

The Office of the Chief Inspector General survey indicated that (1) there are adequate controls to assure that travel is appropriate and authorized, and reimbursement is properly determined and approved; (2) there is little risk that material amounts would be subject to threat from fraud or abuse under the existing policies, procedures, and processes. The Office of the Chief Inspector General made recommendations for issues related to payment of state sales and use tax on hotel rooms, documentation for vicinity travel reimbursement, and need for prior approval of travel. The Chief Inspector General outlined the issues noted above in a memorandum provided to the Executive Office of the Governor's Director of Administration in November 2014.

External Audit Liaison Activities

In accordance with 20.055(2), F.S., staff of the Office of the Chief Inspector General serves as the liaison between the Executive Office of the Governor and the Auditor General on projects related to the Executive Office of the Governor. The Auditor General conducted no such projects during the fiscal year. However, the Office of the Chief Inspector General did prepare Schedule IX: Audit Findings and Recommendations for the Office of Policy and Budget for the following project:



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- Operational Audit, Executive Office of the Governor (EOG), State Budgetary Processes and Information Technology Controls, Report No. 2014-200, was issued by the Auditor General in June 2014. The audit disclosed that, in general, the Office of Policy and Budget efficiently and effectively administered the state budgetary processes in accordance with state law and had established, for the systems utilized in the budgetary processes, information technology controls that were effective overall. However, the Auditor General also found five areas in which Executive Office of the Governor procedures and controls could be enhanced. Two of these related to the state budgetary process and three related to information technology controls.

Financial Emergency Responsibilities

Sections 218.50–218.504, F.S., *Local Governmental Entity and District School Board Financial Emergencies Act*, describes the responsibilities delegated to the Office of the Chief Inspector General by the Governor for determining if state assistance is needed when a local governmental entity meets one or more of the conditions specified in Section 218.503(1), F.S. The Office of the Chief Inspector General collaborates with representatives from the Department of Economic Opportunity, the Department of Financial Services, the Joint Legislative Auditing Committee, the Auditor General, and the Executive Office of the Governor's Legal Office and Office of Policy and Budget in carrying out these responsibilities.



Local Governmental Entities in Financial Emergency Status

There are over 2100 local governmental entities¹ in Florida. As of June 30, 2014, there were 31 entities in financial emergency status as defined in Section 218.503(3), F.S. During the fiscal year, one local government entity was released from financial emergency status and thirty entities remain in financial emergency status as of June 30, 2015. These are listed in the following table.

| LOCAL GOVERNMENTAL ENTITIES IN FINANCIAL EMERGENCY STATUS | |
|---|--|
| • | Caryville, Town of |
| • | Crossings at Fleming Island Community Development District |
| • | Disston Island Conservancy District |

¹ Local governmental entities, as defined in Section 218.502, F. S., are counties, municipalities, and special districts.



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| | |
|---|---|
| • | Eastpoint Sewer and Water District |
| • | Eatonville, Town of |
| • | Falls Chase Community Development District* |
| • | Gretna, City of |
| • | Hamilton County Development Authority |
| • | Hampton, City of |
| • | Hawthorne, City of |
| • | Heritage Harbor Community Development District* |
| • | Heritage Isles Community Development District |
| • | Indian Creek Village |
| • | Lanark Village Water and Sewer District (Dissolved July 30, 2013) |
| • | Leon County Educational Facilities Authority |
| • | Noma, Town of |
| • | Ocean Highway and Port Authority of Nassau County |
| • | Pahokee, City of |
| • | Paxton, City of |
| • | Reserve Community Development District* |
| • | South Bay, City of |
| • | St. John's Water Control District |
| • | St. Lucie West Services District* |
| • | Stoneybrook Community Development District |
| • | Suwannee Valley Transit Authority |
| • | Suwannee Water and Sewer District |
| • | Viera East Community Development District |
| • | Wausau, Town of |
| • | Webster, City of |
| • | Westville, Town of |
| <p>* The Office of the Chief Inspector General staff conduct ongoing analysis of the financial condition of these entities to determine if they meet the criteria outlined in Section 218.504, F.S., and to recommend release from financial emergency status to the Governor when appropriate.</p> | |

During the year ended June 30, 2015, the Chief Inspector General received notices from the Auditor General or from the local governmental entities that 84 local governmental entities met one or more of the conditions specified in Section 218.503(1), F.S. The Office of the Chief Inspector General requested additional information from 76 entities for use in determining the entities' financial emergency status. The Office of the Chief Inspector General also monitored the financial condition of various local



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government entities based on concerns discovered through Joint Legislative Auditing Committee meetings, news articles, and correspondence from citizens and questions from state and local government officials. During fiscal year 2014-2015, no new entities were declared to be in a state of financial emergency as defined in Section 218.503(3), F.S.

CONCLUSION

It is an honor and privilege to serve and to provide a report on the accomplishments of the Office of the Chief Inspector General for fiscal year 2014-2015.



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