



Department of Environmental Protection
Office of Inspector General
Annual Report
Fiscal Year 2020-2021

Candie M. Fuller
Inspector General

Shawn Hamilton
Secretary



FLORIDA DEPARTMENT OF Environmental Protection

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September 24, 2021

Melinda Miguel, Chief Inspector General
Executive Office of the Governor
The Capitol
Tallahassee, FL 32399-0001

Shawn Hamilton, Secretary
Department of Environmental Protection
3900 Commonwealth Boulevard
Tallahassee, FL 32399-3000

Dear Chief Inspector General Miguel and Secretary Hamilton:

I am pleased to present the Office of Inspector General's Annual Report for Fiscal Year 2020-2021. This report, which was prepared in accordance with Section 20.055(8), Florida Statutes, summarizes the activities performed by the Office of Inspector General based on its statutory responsibilities. This report highlights the accomplishments, findings, and recommendations of significant audit and investigative activities completed during Fiscal Year 2020-2021.

On behalf of the Office of Inspector General staff, I would like to thank you for your continued support, as well as all Department Managers and staff for their assistance and cooperation throughout the year.

The Office of Inspector General remains committed to promoting efficiency, accountability and integrity and in our efforts to detect and prevent fraud, waste, abuse, and mismanagement in Department programs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Candie M. Fuller".

Candie M. Fuller
Inspector General

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EXECUTIVE SUMMARY

The Department of Environmental Protection's (Department), Office of Inspector General's (OIG) Annual Report highlights the investigations, audits and reviews completed during the prior fiscal year, in accordance with Section 20.055(8), Florida Statutes (F.S.). Consistent with these duties, the following activities demonstrate significant efforts of the Department's OIG staff during Fiscal Year (FY) 2020-2021.

- ❖ Conducted 9 Audits containing 28 recommendations, which were agreed to by management.
- ❖ Conducted 10 Management Reviews containing 23 recommendations, which were agreed to by management.
- ❖ Performed liaison and coordination activities for six external projects.
- ❖ Reviewed and processed 385 Single Audit Reports.
- ❖ Opened 180 investigative cases.
- ❖ Closed 190 investigative cases, with 8 of those cases containing Sustained allegations.
- ❖ Assisted the Office of the Chief Inspector General with two projects.

Purpose of this Report

This report, required by Section 20.055(8), F.S., summarizes the activities and accomplishments of the OIG, during FY 2020-2021. This report includes, but is not limited to the following:

- ❖ A description of activities relating to the development, assessment, and validation of performance measures.
- ❖ A description of significant abuses and deficiencies relating to the administration of the Department's programs and operations disclosed by investigations, audits, reviews, or other activities during the reporting period.
- ❖ A description of the recommendations for corrective action made by the OIG during the reporting period, with respect to significant problems, abuses, or deficiencies identified.
- ❖ The identification of each significant recommendation described in previous annual reports of which corrective action has not been completed.
- ❖ A summary of each audit and investigation completed during the reporting period.

Department Background



The Department is the state's lead agency for environmental management and stewardship, protecting our air, water and land. The Department is one of the more diverse agencies in State government with more than 3,700 Department employees serving the people of Florida. The Department is divided into three primary areas:

- Land and Recreation programs acquire and protect lands for preservation and recreation. The Department oversees 175 state parks and trails and more than 12 million acres of public lands and 4 million acres of coastal uplands and submerged lands.
- Regulatory programs safeguard natural resources by overseeing permitting and compliance activities that protect air and water quality and manage waste cleanups.
- Ecosystems Restoration programs protect and improve water quality and aquatic resources including America's Everglades, Florida's iconic springs and Florida's world-renowned coastal resources.

Department Mission - Vision - Values

The Department's mission is, *to protect, conserve and manage the state's natural resources and enforce its environmental laws*. The Department's vision is, *to advance Florida's position as a world leader in protecting natural resources while growing the state's economy*. The Department's values are leadership, integrity, accountability, communication, innovation and service.

OIG Mission Statement

The OIG's mission is to promote accountability, integrity, and efficiency within the Department. The OIG conducts independent and objective audits, reviews and investigations of Department issues and programs, in order to assist in protecting, conserving, and managing Florida's environmental and natural resources. Audits, reviews and investigations are informative, logical, supported, and timely regarding issues and matters of importance to the Department.

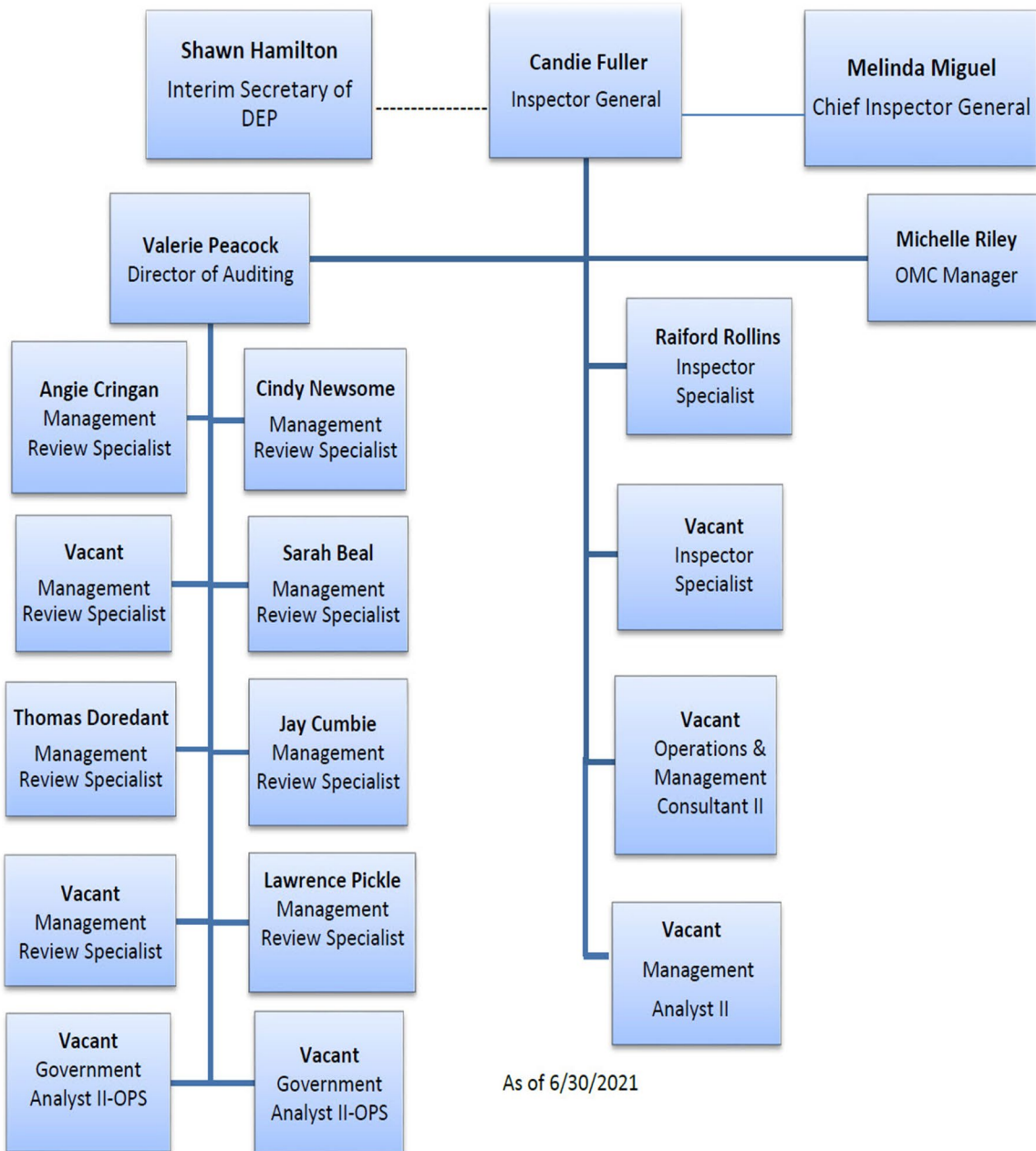
Duties and Responsibilities of the Inspector General

Per Section 20.055(2), F.S., the Office of Inspector General is established in each State agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government. It is the duty and responsibility of each Inspector General to:

- ❖ Advise in the development of performance measures, standards, and procedures for evaluating Department programs, assess the reliability and validity of performance measures, and make recommendations for improvement.
- ❖ Review the actions taken by the Department to improve program performance and meet program standards, while making recommendations for improvement, if necessary.
- ❖ Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the Department's operations.
- ❖ Conduct, supervise, and coordinate other activities to promote economy and efficiency and activities designed to prevent and detect fraud and abuse in the Department.
- ❖ Keep the Secretary and Chief Inspector General informed concerning fraud, waste, abuse and deficiencies in programs and operations, recommend corrective action, and provide progress reports.
- ❖ Ensure effective coordination and cooperation between the Auditor General, Federal auditors and other governmental bodies, with a view toward avoiding duplication.
- ❖ Review Department rules and make recommendations relating to their impact.
- ❖ Ensure that an appropriate balance is maintained between audits, investigations, and other accountability activities.
- ❖ Comply with the General Principles and Standards for Offices of Inspector General, as published and revised by the Association of Inspectors General.

Organizational Chart

The OIG is under the direction of the Inspector General, who per Section 20.055, F.S., is under the general supervision of the Department’s Secretary and reports to the Chief Inspector General. As of June 30, 2021, the OIG consisted of seventeen budgeted positions. This included fifteen full-time positions and two Other Personal Services (OPS) positions. The distribution of the OIG positions is described in the below chart:



Professional Development

During FY 2020-2021, staff received the benefit from trainings which included but were not limited to:

- Fraud detection and incident responses
- Security awareness
- Digital forensics
- Conducting investigations remotely
- Cybersecurity awareness training
- Preventing harassment and bullying through diversity and inclusion in the workplace
- Investigating sexual harassment
- Fraud vulnerabilities in contracting
- The leader’s path to integrity and trust
- Addressing the climate as a systematic risk for financial regulators
- Maximizing resources across security, risk and audit
- Auditing organizational culture
- Embracing technology to thrive in a remote audit environment

These opportunities were afforded through trainings sponsored by the Institute of Internal Auditors, Association of Inspectors General, Association of Certified Fraud Examiners, Information Systems Audit and Control Association, Criminal Justice Information Services, U.S. Equal Employment Opportunity Commission, The Cyber Security Summit, and Florida Department of Financial Services.

Professional Qualifications and Affiliations

Staff within the OIG are highly qualified and bring a diversity of background experience and expertise to the Department. Staff have experience in auditing, accounting, program evaluation and monitoring, budgeting, personnel management, investigations, contract and grant administration, and local and State agencies’ activities. OIG staff 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 include:

- ❖ Certified Inspector General

- ❖ Certified Inspector General Auditor
- ❖ Certified Inspector General Investigator
- ❖ Certified Internal Auditor
- ❖ Certified Fraud Examiner
- ❖ Certification in Risk Management Assurance
- ❖ Florida Certified Contract Manager

OIG staff are affiliated with the following professional organizations:

- ❖ Association of Certified Fraud Examiners
- ❖ Institute of Internal Auditors
- ❖ National Association of Inspectors General
- ❖ Florida Chapter of the Association of Inspectors General
- ❖ Commission for Florida Law Enforcement Accreditation

INTERNAL AUDIT SECTION

The authority of the Internal Audit Section is established under Section 20.055, F.S., the Internal Audit Charter, and Department Administrative Policy ADM 260. The responsibility of the Internal Audit Section is to promote accountability, integrity, and efficiency within the Department. The Inspector General reports to the Chief Inspector General and maintains organizational independence of the internal audit activity. The purpose of the Internal Audit Section is to perform independent audits, reviews, and examinations to identify, report, and recommend corrective action for control deficiencies or non-compliance with laws, directives, policies, or agreements. Internal controls are evaluated as necessary to assist with Department fiscal accountability.

The Director of Auditing coordinates the development of an Annual Audit Plan, which identifies areas within the Department scheduled for review, using risk assessment criteria. Both a long-range plan and a one-year plan are included in the Annual Audit Plan. In the development of the Annual Audit Plan, the Internal Audit Section conducts a risk assessment to identify issues of concern to management, risks pertaining to fraud and misuse of funds, and other governance issues including information technology, ethical climate, and proper financial and performance reporting. The FY 2021-2022 Annual Audit Plan includes projects pertaining to Environmental Transparency and Accountability, Information Technology, Water Restoration Assistance, Environmental Assessment and Restoration, Resilience and Coastal

Protection, Water Policy and Ecosystems, Recreation and Parks, State Lands, Waste Management, and Air Resource Management. Additionally, administrative functions, department wide risk-based compliance audits and participation in multi-agency Enterprise-wide audit projects were included in the Annual Audit Plan. The Department’s Inspector General and Secretary approved the FY 2021-2022 Annual Audit Plan.

Audits are conducted in conformance with the Code of Ethics and the *International Standards for the Professional Practice of Internal Auditing* (Standards), published by the Institute of Internal Auditors. Where appropriate, the Internal Audit Section adheres to the standards developed by the Comptroller General of the United States and codified in the *Government Auditing Standards*. Financial-related audits may be subject to the standards promulgated by the American Institute of Certified Public Accountants, which is referred to as *Generally Accepted Auditing Procedures and Generally Accepted Auditing Standards*. Audit reports issued by the Internal Audit Section contain a statement that the audit was conducted pursuant to the appropriate standards. These reports are prepared and distributed to senior management, other applicable Departmental management, the Auditor General and the Chief Inspector General.

The Internal Audit Section provides a variety of services in addition to audits. These include, but are not limited to, investigative assistance, reviews, research, technical assistance, management advisory and performance measure assessments. Services provided are tracked with a project number and culminate in a written product, which is disseminated to the program area and other appropriate parties.

In addition, the Internal Audit Section assists the Department by coordinating audits and reviews of reports completed by the Office of Program Policy Analysis and Government Accountability, the Auditor General, and other oversight agencies. The Internal Audit Section reports on the status of the recommendations included in these reports, as required by Section 20.055, F.S.

Quality Assurance and Improvement Program

The Internal Audit Section has established quality assurance processes in conformance with the Standards. This includes both internal and external quality assurance assessments of internal audit activities. Ongoing monitoring is an integral part of the supervision, review, and measurement of internal audit activities. Continuous monitoring activities have been established through engagement planning, supervision, and review, as well as standardized procedures and approvals. An internal

assessment of the Internal Audit Section is conducted by the Audit Director annually. The internal assessment is submitted to the Inspector General for review and approval. An external assessment of the Internal Audit Section is conducted by the Auditor General in accordance with Section 11.45(2)(i), F.S., once every three years.

The OIG conducted an internal assessment of the Internal Audit Section activities during Fiscal Year 2020-2021 to evaluate conformance with the Code of Ethics and the Standards. Based on the internal assessment results, during Fiscal Year 2020-2021, the Internal Audit Section has fully implemented requirements specified under the Standards.

The most recent external Quality Assurance Review of the Internal Audit Section by the Auditor General was conducted October 2018 (Report 2019-035). The reported results stated, *In our opinion, the quality assurance program related to the Department of Environmental Protection, Office of Inspector General's internal audit activity was adequately designed and complied with during the review period July 2017 through June 2018 to provide reasonable assurance of conformance to applicable professional auditing standards and the Code of Ethics issued by the Institute of Internal Auditors. Also, the Office of Inspector General generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general internal audit activities.*

Federal and State Single Audit Act Responsibilities

The Department provides funding and resources from State and Federal funding sources to Florida Counties, Cities, Towns, Districts, and many other non-profit organizations within the State. Because of the Department's relationship with these entities, the OIG provided technical assistance to support and improve the operations of those entities. Section 215.97, F.S., states, *each non-State entity that expends a total amount of State financial assistance equal to or in excess of \$750,000 in any fiscal year, of such non-State entity shall be required to have a State single audit, or a project-specific audit, for such fiscal year in accordance with the requirements of this Section.* The Catalog of State Financial Assistance includes for each listed State project: the responsible State agency, standard State project number identifier, official title, legal authorization, and description of the State project, including objectives, restrictions, application, and awarding procedures, and other relevant information determined necessary. Federal pass-through grants administered by the Department are subject to Office of Management and Budget 2 CFR 200, subpart F requirements, provided the entity has expended \$750,000 in Federal financial assistance in its fiscal year. Each year, the OIG reviews single audit reports

submitted by entities that meet the requirements listed in Florida Statutes, as well as the audit requirements listed in the 2 CFR 200. During FY 2020-2021, our office reviewed 385 single audit reports.

Audit Work Plans and Risk Assessments

The OIG conducts an annual risk assessment in the development of the Annual Audit Plan. This assessment is based on program responsibilities, key areas of risk, budgets, management of contracts and grants, past audit activity, staffing levels, and internal control structure. Discussions are held with Department leadership team members, Division Directors, and other management staff to identify areas of risk and concern to managers. In conducting the risk assessment, the OIG evaluates risk factors of Department programs and functions to assess the associated risks of operating those programs and functions. Factors considered in the assessment include:

- ❖ Value of the financial resources applicable to the program or function;
- ❖ Dollar amount of program expenditures;
- ❖ Statutes, rules, internal controls, procedures, and monitoring tools applicable to the program or function, concerns of management, impact on the public safety, health, and welfare;
- ❖ Complexity and/or volume of activity in the program or function;
- ❖ Previous audits performed; and
- ❖ Identified areas of internal control concern or susceptibility to fraud.

Program and function areas of risk are evaluated based upon these factors, then prioritized to determine the most efficient audit schedule, given the resources available.

Prior Years Audit Follow Up

The OIG monitored the implementation of prior audit findings six months after completion and biannually as necessary to resolution. Of the 18 internal projects reported in the FY 2019-2020 Annual Report, 17 had recommendations that were fully implemented as of the end of FY 2020-2021. One project had recommendations in which corrective action was being monitored as of the end of FY 2020-2021. The project is listed below:

A-1920DEP-005 Review of Contract HW555 with GHD Services, Inc.

Recommendations:

Based on our review, procurement processes under the Contract were not consistent with contract negotiations as required under Section 287.055, F.S., in awarding the Contract. In addition, the Department has not adopted administrative rules guiding procurement procedures for the Division's Waste Cleanup Program (Program) response action contracts as required under Section 287.0595, F.S. The Program has also allowed costs for Project management that are not consistent with the Contract. In a sampled task assignment, the Program Contract Manager had not ensured that all tasked activities were documented consistent with task description.

Actions Taken:

The Program began the rulemaking process to allow for the procedures and procurement of continuing contracts in August 2019. The Pollution Response Action Contracts for the Program Rule, Chapter 62-787 Florida Administrative Code (F.A.C.) were effective on 11/17/2020. The Program has been working with the Department's Procurement Office and the Office of General Counsel to draft the Request for Qualifications and contract documents required for the upcoming solicitation. Further, the Project Management category has been consistently applied as a percentage on the loaded labor rate for contracts awarded under the Solicitation and all similar multiple contracts awarded under prior solicitations. However, the wording of the Contract poorly defines Project Management as 12.5% of Direct Labor. This issue has been discussed with leadership and will be corrected in the upcoming contracts. The Program has held regular Project and Contract Management Training to ensure consistency across the Program and in determining appropriate levels of effort for activities that appear to be project management related. Regular reminders on deliverable deadlines are provided to Contract Managers to ensure timely and accurate review and approval of invoices.

Performance Measures

In accordance with Section 20.055(2)(b), F.S., the OIG assessed performance measures for inclusion in the FY 2021-2022 Long-Range Program Plan. On March 9, 2020, the Executive Office of the Governor, Office of Policy and Budget provided the Department approval for 24 performance measures, three of which were new. The OIG is in the process of conducting a performance measure assessment of these

three measures. During FY 2020-2021, we conducted a performance measure assessment for the existing measure, *Percent of Land Use Plans and Land Management Plans meeting land management and conservation goals* (Division of State Lands). Based on our assessment, this measure was not considered to be valid or reliable as defined in the Long-Range Program Plan. The assessment results were brought to the Division’s attention. The Division is developing an internal process to ensure that accurate and reliable data is being captured, including goal compliance and quality control measures.

External Audits and Reviews

There were no external audits or reviews completed during fiscal year 2020-2021.

Internal Audit Summary Reports By Program Area

DIVISION OF ADMINISTRATIVE SERVICES

A-1920DEP-023 Review of Department Processes for Refunds

The scope of this review included the Department’s refund activity beginning July 1, 2019.

Results of Review:

Based on our review, Department refunds were documented on an Application for Refund form submitted to the Division of Administrative Services (Division) Bureau of Finance and Accounting (BFA) Revenue Section and were signed by the authorized personnel from each program area. However, most of the approved refunds reviewed did not include documentation which would support the requested refund. In addition, most program area Cash Receiving Application (CRA) users indicated they did not follow up on outstanding refunds consistent with direction contained in the Department’s Revenue Collection Procedures.

Recommendations:

We recommended the Division work with BFA, as well as program area staff, to ensure submitted refund applications contain program specific documentation to support the validity of the request. We also recommended the Division work with BFA, as well as program CRA users, to ensure processes are in place to review outstanding refunds on a monthly basis, in accordance with the Department’s Revenue Collection Procedures.

Actions Taken:

The Division agreed with the recommendations and ensured that program areas have provided support documentation to justify refunds as required. The Division is now running the outstanding refund report on a monthly basis and communicating to program CRA users any outstanding refunds.

A-2021DEP-005 Review of Department Purchase Card Use

The scope of this review included Purchase Card (PCard) activities and payments made during Fiscal Year 2019-2020.

Results of Review:

Based on our review, Department PCards are generally being used in compliance with Chapter 60A-1002, F.A.C., DEP Directive 300 and the Department's Procurement and PCard Training, with some exceptions. We noted weaknesses in the areas of PCard administration, procurement requirements and management oversight of transactions. Noted weaknesses included the Purchasing Card Program Administrators' signature confirming cardholder training on the Cardholder Profile Form and the documentation of multiple quotes or single source procurement for purchases of \$2,500 or more. Weaknesses were also noted in management oversight of processing charges in the Florida Accounting Information Resource, use of object codes and divided purchases.

Recommendations:

We recommended the Division address the Purchasing Card Program Administrators' lack of documented confirmation of cardholder training and completed agreements. We also recommended the Division finalize updates to the Department's Procurement Guide and ensure clear direction is given to cardholders regarding procurement requirements for purchases of \$2,500 or more. We further recommended the Division work with Department program areas to ensure that cardholders and staff which review and approve transactions adhere to the PCard Training, PCard Works End User Manual, and Chapter 60A-1.002(5), F.A.C. The Division should consider providing additional training or guidance regarding processing timeframes, correct object codes, and the correct means by which purchases should be made.

Actions Taken:

The Division agreed with the recommendations and has begun efforts to revise the Cardholder Profile Form to document cardholder requirements prior to the cardholder receiving a PCard. For purchases of \$2,500 or more, the Division has implemented reviews to ensure quotes or justification of the procurement method are included in the PCard Works system. The Division has also created form DEP 55-199, PCard Single Source Justification Approval to document the steps taken to obtain quotes or justify single source procurement methods. The Division will also be developing a communication that will readdress processing timeframes, use of the correct object codes, and the proper means by which purchases should be made.

DIVISION OF AIR RESOURCE MANAGEMENT

A-2021DEP-012 Audit of Title V Program Administration

The scope of this audit included the Division of Air Resource Management's (Division) Clean Air Title V program revenues, activities, and cost during Fiscal Year 2019-2020.

Results of Audit:

Based on our audit of the Division's administration, Department Title V program revenues were used solely to support the direct and indirect cost of activities associated with the Title V program.

Recommendations:

There were no findings or recommendations.

DIVISION OF ENVIRONMENTAL ASSESSMENT AND RESTORATION

A-1920DEP-003 Audit of Contract WQ150 with Wildwood Consulting, Inc.

The scope of this audit included required activities, financial records, and task assignments for the period beginning October 2017.

Results of Audit:

Based on our audit, Wildwood Consulting, Inc. (Contractor) has operated in compliance with Contract WQ150) Contract. Reimbursed costs were allowable and supported by deliverables as outlined in the Contract and task assignments with the exception of documentation for some staff meetings and teleconferences. However, submitted invoices had not been approved within five business days, as required by the Contract and Section 215.422, F.S.

Recommendations:

We recommended the Division of Environmental Assessment and Restoration (Division) ensure documentation of staff meetings and teleconferences are received from the Contractor consistent with task assignment deliverable requirements prior to invoice approval. We also recommended the Division ensure invoices are approved within the timeframe required under the Contract and Section 215.422, F.S.

Actions Taken:

The Division agreed with the recommendations. The Division took steps to document staff meetings and teleconferences as required. The Division is working with the Bureau of Finance and Accounting regarding updates to the Contract for the required timeframe of approving invoices.

DIVISION OF RECREATION AND PARKS

A-1920DEP-001 Audit of Agreement MY-0813 with Captiva Cruises, Inc., at Gasparilla Island State Park

The scope of this audit included Agreement MY-0813 (Agreement) with Captiva Cruises, Inc. (Concessionaire) activities and financial records at Gasparilla Island State Park (Park) during the period beginning July 1, 2019.

Results of Audit:

Based on our audit, the Concessionaire provided ferry related services as outlined in the Agreement. However, we noted control weaknesses in the collection of Park entry fees on behalf of the Department, and in the Division of Recreation and Park's (Division) oversight of the Concessionaire's required Profit and Loss Statement, Limited Engagement Document, subcontracts, Minimum Accounting Requirements, Minimum Operational Requirements, and Capital Improvements.

Recommendations:

We recommended the Division work with Park management to ensure that the Concessionaire collects, and remits Park entry fees as required under the Agreement. If it is determined that the Concessionaire is not required to collect and remit at certain locations, the Agreement should be amended to clarify the requirement. We also recommended the Division work with the Park and Concessionaire to ensure the Annual Profit and Loss Statement and Limited Engagement Document are submitted timely by the required dates specified in the Agreement. We recommended the Division work with the District and Park to review the current subcontractors being used by the Concessionaire. Use of any subcontractor should be approved in writing by the District Bureau Chief as required under the Agreement. In addition, we recommended the Division work with the Bureau of Operational Services, District, and Park management to amend the Agreement to clarify and provide consistent direction regarding requirements for written subcontracts. We further recommended the Division work with the Park and the Concessionaire to ensure that the daily entries which account for gross sales under the Agreement equal the amounts deposited to the Concessionaire's bank account established for use solely for the Concessionaire's Agreement operations. We also recommended the Division work with the Park and Concessionaire to ensure that required services outlined in the Agreement are being provided. If it is determined that these services are no longer required, the Agreement should be amended to reflect updated service requirements. Additionally, we recommended the Division work with Park management to address the Concessionaire's continued non-compliance regarding completion of required Capital Improvements consistent with performance provisions under the Agreement and respond to the Concessionaire's most recent request for an additional extension.

Actions Taken:

The Division agreed with the recommendations. The Concessionaire will no longer use subcontractors under the new Agreement. The new Agreement will specify requirements for collecting Park entry fees. The new Agreement will also eliminate services outlined in the Agreement that are not provided by the Concessionaire. The Division will ensure all required financial reports will be submitted by the required due date. The Division also directed the Concessionaire to establish and maintain a bank account solely for the Concessionaire's operations under the Agreement. The Division will also ensure that the Concessionaire meets the expectations for Capital Improvements.

A-1920DEP-015 Audit of Concession Agreement CA-0518 and Friends of Fakahatchee, Inc., Citizen Support Organization

The scope of this audit included activities and financial records associated with the Friends of Fakahatchee, Inc. Citizen Support Organization (CSO) Agreement and Concession Agreement CA-0518 (Concession Agreement) during the period beginning July 1, 2018.

Results of Audit:

The CSO was established and operates in compliance with Section 258.015, F.S. Based on our audit, we noted control weaknesses regarding the CSO's Annual Program Plan, Volunteer Agreements, Concession Agreement Repair and Maintenance Plan and Safety Plan, as well as the Division's oversight of Concession Agreement activities.

Recommendations:

We recommended the Division work with the Park to provide additional oversight of CSO activities to ensure:

- Annual Program Plans are submitted on or before the end of the CSO's fiscal year
- All CSO fundraising activities and locations are designated in the Annual Program Plan and approved by the Park Manager
- All Volunteer Agreements are signed annually and maintained by the Park or in the Volunteer Service Tracking System (V Sys¹) as required
- A Maintenance and Repair Plan is established consistent with the Concession Agreement
- Annual revisions of the CSO's Safety Plan are evaluated and approved by the Department Safety Officer and Park Manager as required in the Concession Agreement

In addition, we recommended the Division work with the Park to address the CSO's lack of management oversight regarding subcontractor Safety Plans in order to ensure the consistent safety of all Park staff, volunteers, and visitors. We recommended the Division establish controls to prevent execution of agreements inconsistent with the Division's Delegation of Authority, DEP Directive 150. In addition,

¹ V Sys is the web-based application that the Department uses to record and store volunteer information.

given the CSO's marginal income in 2019 and the disproportionate financial obligation for Capital Improvement funding in the Concession Agreement, we recommended the Division consider whether a simplified agreement or permit model could provide the Division a more direct and manageable means for Park management to oversee commercial tours in the Park and encourage stewardship and incentivize financial accountability, while only containing terms applicable to the limited commercial activity being permitted. If the Division continues the current Concession Agreement with the CSO, we recommended the Division address the following:

- Since the Concession Agreement was not approved and executed at the Division level required under DEP Directive 150, the Division should work with the Department's Office of General Counsel to address this contractual deficiency so the Concession Agreement does not continue in conflict with the Directive.
- The Division should amend the Concession Agreement to correct the inconsistent direction regarding the CSO's Annual Program Plan tours and required interpretive tours and programming required under the Concession Agreement.
- The Division should address the CSO's January 30, 2020, letter which reported CSO Agreement Annual Program Plan related expenses as meeting its Concession Agreement Capital Improvement obligations. Activities under the CSO Agreement should be independent of obligations under the Concession Agreements. As such, the Division should ensure the CSO complies with its Capital Improvement funding obligation under the Concession Agreement.
- To avoid the need for unnecessary amendments going forward, when developing Concession Agreements, we recommended the Division, District, and Park work with Bureau of Operational Services to establish an evaluation process which incorporates input from a diversified review team. This process should document review sufficient to ensure Concession Agreements include clear and consistent direction, as well as reasonable and justifiable monetary terms.

Finally, we recommended the Division review the regular business service tours being operated by the CSO external to the Concession Agreement and determine whether these services are applicable for formal agreement consistent with the CSO Agreement. If so, the Division should work with Bureau of Operational Services, District, and Park management to establish a Concession Agreement for these services.

Actions Taken:

The Division agreed with the recommendations. The Park Manager will require the CSO's Annual Program Plan to be submitted on or before the deadline of December 31st and will require that the Plan designate specific locations and facilities for activities, programs and events anticipated to take place on Park property. All current CSO Board members have signed and approved Volunteer Agreements. The Park Manager will ensure that Volunteer Agreements for all CSO Board members are signed annually and maintained by the Park in VSys. The Division terminated the Concession Agreement with the CSO. The Division reviewed the business services and tours being operated by the CSO and determined the CSO Agreement provides discretion to the Division regarding the need for a separate agreement.

A-1920DEP-019 Audit of Agreement with the Friends of Lake Louisa State Park, Inc., Citizen Support Organization

The scope of this audit included the Division's Agreement with the Friends of Lake Louisa State Park, Inc., Citizen Support Organization (CSO) activities and financial records during the period beginning July 1, 2018.

Results of Audit:

Based on our audit, the CSO was established and operates in compliance with Section 258.015, F.S. Controls are in place regarding reported CSO revenues and expenditures. The CSO is operating in compliance with the Agreement and applicable requirements with the exception of the CSO's Annual Program Plan.

Recommendations:

We recommended the Division work with Lake Louisa State Park (Park) to provide additional oversight of CSO activities to ensure the CSO's Annual Program Plans are submitted on or before the end of the CSO's Fiscal Year. The Division should also work with the Park to ensure that all CSO fundraising activities and locations are designated in the CSOs Annual Program Plan prior to approval.

Actions Taken:

The Division agreed with the recommendations. The 2021 CSO's Annual Program Plan was submitted prior to the due date and included specific locations, facilities, dates, and times for activities, programs and events anticipated to take place on Park property.

A-1920DEP-020 Audit of Agreement CA-0316 with P3 Lake Louisa, LLC, at Lake Louisa State Park

The scope of this audit included Agreement CA-0316 (Agreement) activities with P3 Lake Louisa, LLC (Concessionaire) at Lake Louisa State Park (Park) for the period beginning July 1, 2018.

Results of Audit:

Based on our audit, gross sales reported during the audit period were generally supported by the Concessionaire's general ledger and Point of Sale documentation. The Concessionaire generally complied with requirements in the Agreement with the exception of Minimum Guarantee payments, operating hours, and refund documentation. We also noted weaknesses in the area of the Division's development and oversight of the Agreement and Agreement amendment.

Recommendations:

We recommended the Division work with the Park and Concessionaire to ensure the Department receives the required Minimum Guarantee 1 compensation due for Period 1 in accordance with the amended Agreement. The Division should also work with the Bureau of Operational Services to amend the Agreement to clarify whether direct payment amounts included in Minimum Guarantee 1 are to be made in addition to required calculated commission payments or serve as the minimum compensation due for each month specified. To avoid the need for unnecessary amendments going forward, when developing Concessionaire Agreements, we recommended the Division work with Bureau of Operational Services to establish an evaluation process which incorporates input from a diversified review team. This team should consist of staff with experience in areas of the Park's Land Management Plan and the Park's specific operating and functioning capacity. When determining monetary Agreement terms, the Division should document the justified methodology, factors considered, recent and historical financial data, and analysis by each team member to support the overall final Agreement requirements and conditions. As part of this final determination, the Division should also ensure Agreements outline Concessionaire obligations for utilities consistent with the Park's location and unique infrastructure. We also

recommended the Division work with Bureau of Operational Services to amend the current Agreement to ensure it includes requirements only for services, facilities, space, and equipment the Concessionaire is allowed and able to provide at the Park. In addition, we recommended the Division work with Park management to review the Concessionaire’s service offerings for consistency with the Agreement. Any request to expand or modify services should be reviewed for approval in writing by the Division. Any approved service modification should be incorporated in the Agreement by formal amendment. In addition, we recommended the Division work with the Department’s Office of General Counsel to address the Concessionaire’s lease of Park facilities. We further recommended the Division work with the Park and Concessionaire going forward to ensure all refunds are supported by customer signed receipts as required by the Agreement. Finally, we recommended the Division take necessary steps to ensure the Agreement amendment #1 is updated in the Florida Accountability Tracking System (FACTS²) as required under Section 215.985, F.S.

Actions Taken:

The Division agreed with the recommendations. The Division provided documentation for the remaining Minimum Guarantee 1 compensation for Period 1 paid by the Concessionaire. When developing Concession Agreements, the Office of Park Planning is now included in the Division’s review process. The Division’s Operations Manual was updated to include processes for concession negotiations, including financial analysis and methodology for decision making. The Agreement was amended to update the Concessionaire’s hours of operations, remove Wi-Fi as a requirement by the Concessionaire, and remove the beach area as an available resource to the Concessionaire. The Agreement was also amended to include vending services and the Concessionaire modified the lease with the third-party vendor to remove lease language. The Concessionaire is now documenting refunds supported by a customer signed receipt. Agreement amendments have been uploaded to FACTS as required.

A-1920DEP-024 Audit of Contract PL352 with Forestech Consulting, Inc.

The scope of this audit included Contract PL352 (Contract) with ForesTech Consulting, Inc. (Contractor) activities and financial transactions during the term of the Contract.

² FACTS is Florida’s centralized, statewide contract reporting system.

Results of Audit:

Based on our audit, the Contractor generally complied with the Contract with minor exceptions. However, we noted Division control weaknesses in the areas of Contract procurement, subcontracts, payment for professional service hours, oversight of hurricane response activities, and Timber Sale Agreements.

Recommendations:

Going forward, we recommended the Division discontinue the practice of awarding a single contract for a broad range of services using narrowly defined qualifications and experience. Contracts for projects identified by the Division should be procured in a manner that identifies the experience and qualification necessary for the specific activity or project being procured. We also recommended the Division ensure that subcontractor bid packages, pre-bid meeting summaries, and bids are obtained as required per task assignments. In addition, the Division should ensure that any subcontracts executed by the Contractor include the same conditions as specified in the Contract and include a release of any rights, claims or liabilities against the Department. The Division should also ensure subcontracts contain requirements consistent with the Contract with respect to maintenance and access to records and use of the E-Verify³ system. In addition, we recommended the Division ensure that future contracts and task assignment payment requirements include provisions for Division verification of invoiced quantities. The Division should work with Park management and staff to develop and document the methodology for verification of specific quantities of work reported, invoiced, and approved on Project Approval Forms. Further, we recommended the Division ensure that reimbursement requests received from the Contractor for payments to subcontractors be substantiated by copies of invoices with backup documentation identical to that required from the Contractor. Further, to establish accountability for approved payments for professional service hours, we recommended the Division ensure task assignments include a detailed budget of estimated hours and costs associated with projects outlined in the Scope of Services and deliverables. Task assignments should require that payments for invoiced professional hours specify the activity performed as it relates to the task assignment project, budget, and deliverables. The Division should work with Contract management to monitor task assignment

³ E-Verify is a web-based system that allows employers to confirm the eligibility of their employees to work in the United States.

funding and payments to ensure project costs are consistent with budgeted amounts. We also recommended the Division work with the Division of Administrative Services, as well as the Office of General Counsel, to ensure that any executed contract or task assignment for hurricane response activities contain reporting and documentation requirements necessary for submission to Federal Emergency Management Agency (FEMA) for reimbursement of eligible costs. This documentation and reporting should be required and obtained from the Contractor prior to approval of payment. Going forward, for any Timber Sale Agreements executed by the Department, we recommended the Division work with the Office of General Counsel to ensure agreements contain requirements consistent with Office of General Counsel direction and guidance consistent with DEP Directive 300. In addition, for accountability of the costs associated with any contract or task assignment issued for development and implementation of timber sales, we recommended the Division include requirements for compensation specifically related to the timber sale event. This compensation should be based on historic estimates of the level of activity necessary for timber sale management and oversight.

Actions Taken:

The Division agreed with the recommendations. The Contract expired December 21, 2020. The Division conducted a formal solicitation for a new Contract which was awarded to the Contractor. The Division is revising procedures for developing and implementing task assignments. The Contractor no longer subcontracts work under the new Contract. The Division is developing procedures for task assignments including verification of invoiced quantities. The Division will ensure task assignments will include a detailed budget of estimated hours and costs associated with projects. Task assignments will detail professional hours and specify activities performed related to the task assignment project, budget, and deliverables. The Division issued separate contracts with external vendors for hurricane debris removal which include requirements necessary for reimbursement from FEMA. Timber Sale Agreement templates were reviewed by Office of General Counsel to add necessary requirements. The Division will work to ensure Timber Sale Agreements will contain specific compensation including prices, hours, and activities for individual tasks.

A-2021DEP-001 Audit of Marjorie Harris Carr Cross Florida Greenway

The scope of this audit included Marjorie Harris Carr Cross Florida Greenway (Greenway) activities and financial transactions during the period of July 1, 2019, to June 30, 2020.

Results of Audit:

Based on the results of the audit, the Greenway was generally in compliance with Division requirements regarding revenue collection and reporting, tax exempt transactions, attendance reporting, expenditures, staff housing requirements and volunteer documentation with minor exceptions. However, we noted control weaknesses regarding deposits, property inventory procedures, and short-term permit procedures.

Recommendations:

We recommended the Division work with Greenway management to ensure all deposits are initialed by both staff who prepare the deposit and a staff member verifying the deposited amount. We also recommended the Division work with Greenway management to improve oversight over permit activities. Permit agreements should be approved prior to the event and applicable fees should be collected as required. In addition, required insurance documents should be obtained and sexual predator and sexual offender searches should be conducted as outlined in the permit agreements.

Actions Taken:

The Division agreed with the recommendations. The Greenway will ensure that all deposits are initialed by both the staff who prepare the deposit and a staff member verifying the deposited amount. Greenway administrative staff will review the deposit slips weekly to verify that two separate sets of initials are on each weekly deposit slip. The Greenway will ensure that permit agreements are approved prior to the event and applicable fees will be collected as required. In addition, required insurance documents will be obtained and sexual predator and sexual offender searches will be conducted as outlined in the permit agreement.

DIVISION OF STATE LANDS

A-1920DEP-022 Review of Division of State Lands Oversight of Lease Agreements

The scope of this review included current upland and sovereignty submerged land leases managed by the Division of State Lands (Division).

Results of Review:

Based on our review, the Division lacked oversight and sufficient controls in the areas of scheduling sovereignty submerged lease inspections, lease fee assessment, required revenue reports, and application of discounts. Control weaknesses were also noted regarding oversight of Land Use Plans and commercial lease reporting.

Recommendations:

We recommended the Division ensure that sites subject to lease are inspected once every five years, as required under Chapter 18-21.008(1)(b)4, F.A.C. To maintain a consistent inspection schedule, the scheduled inspection date in the Integrated Land Management System should be five years from the last inspection date, rather than the anniversary date for sites subject to lease. Going forward, we recommended the Division take steps to ensure the base fee and minimum annual fee are calculated and applied consistent with Chapter 18-1.011(1), F.A.C. This should include documented supervisory review, verification, and approval of the rates calculated and applied by the Director's Office staff. In addition, we recommended the Division address prior account billing errors to determine necessary steps for account adjustments. We further recommended the Division take steps to ensure that lessees certify income used to determine the annual lease fee from the previous year, consistent with Chapter 18-21.001(1), F.A.C. This should include processes to monitor submission of required certifications. Requirements for submission of annual certifications should be communicated to the lessees with each annual billing cycle. We also recommended added controls be put in place to ensure leases with outstanding certifications are not approved for renewal consistent with requirements outlined in Chapter 18-21.008, F.A.C. We recommended the Division put processes in place to verify the applicability of the discount for public access on an annual basis. This should include verification of advertisements or rate publications available online or required submission of rate sheet publications. We recommended the Division work with the Bureau of Public Land Administration to better track, monitor, and document submission of Land Use Plans, consistent with Section 253.034(5), F.S. The tracking mechanism should include required support and process controls regarding the accuracy and reliability of data to ensure Land Use Plans are submitted and reviewed as required. Finally, we recommended the Division work with the Bureau of Public Land Administration to better track, monitor and document submission of operational reports and required documentation consistent with requirements under Section 253.511(1), F.S., Chapter 18-21.018(3)(a)5d, F.A.C., and the lease. The

Bureau of Public Land Administration should establish a consistent process to follow up as necessary and ensure the reports and associated documents are submitted as required. This process should also include addressing lessee failure to submit the required reports within 90 days of the lease anniversary date as outlined under Section 253.511, F.S.

Actions Taken:

The Division agreed with the recommendations. Regulatory District office staff will conduct inspections up to a year in advance of the lease expiration date. Bureau of Public Land Administration and the District offices discussed the corrective action needed to comply with Chapter 18-21.008(1)(b)4, F.A.C. The Division has revised the base fee and minimum annual fees were recalculated based on Chapter 18-21.011 (1) F.A.C. The 2021/2022 Consumer Price Index rates reflect this recalculation and were reviewed and verified by senior level management. The new Revenue Processing Module is now being used by Revenue staff. A new workflow is being implemented. Leases are assigned to staff to manage all aspects of revenue collection to better monitor and ensure required documentation is up to date. Controls will be put in place to ensure certifications are submitted during lease renewal inspections and prior to lease renewal. On an annual basis, Division staff will confirm that documentation is on file that clearly states slips are open to the public on a first come, first served basis. The Revenue staff will run a report to obtain a list of the lessees that are eligible for the 30% discount prior to the beginning of each Consumer Price Index year. Accounts are reviewed by Bureau of Public Land Administration for appropriate documentation at renewal and reviewed by Revenue staff annually when reports are submitted. The Land Stewardship Module was enhanced to allow for viable mechanisms to track submission data. The Uplands Module within the Integrated Land Management System was upgraded to capture all payments or reports due for a given lease.

A-2021DEP-007 Review of Land Management Plan Oversight

The scope of this review included conservation uplands leases managed by the Division, Office of Environmental Services requiring a Land Management Plan.

Results of Review:

Based on our review, the Division has established a tracking system for Land Management Plans required under Section 253.034, F.S. However, this system does not include the date Land Management

Plans are received to determine statutory compliance. The Division has established a process for reviewing Land Management Plans which is consistent with statutory and rule requirements. Of the Land Management Plans that had not been updated in the past ten years, 40% (48) were managed by the Department.

Recommendations:

We recommended the Division work with Office of Environmental Services to better document and monitor the date of Land Management Plan submission by managing entities as a means of demonstrating the level of compliance with Section 253.034(5), F.S. We also recommended the Division work with Division of Recreation and Parks to identify current circumstances hindering overdue Land Management Plans and develop a process which documents and addresses causes of delay in order to ensure Land Management Plans under the Department’s responsibility are updated in compliance with Section 253.034(5)(e), F.S.

Actions Taken:

Office of Environmental Services has added a column for the submittal date to the current internal tracking spreadsheet. The submittal date is also a required field in the upcoming Land Stewardship Module of the Land Management System. Division of Recreation and Parks will conduct a review of circumstances that have hindered completion of Land Management Plans including process, products and availability of staffing to improve on the timely completion of Department Land Management Plans.

OFFICE OF TECHNOLOGY AND INFORMATION SERVICES

A-1920DEP-016 Review of Purchase Orders for Information Technology Staff Augmentation

The scope of this review included contracted Information Technology staff augmentation Purchase Orders and activities managed by Office of Technology and Information Services (OTIS) during the period beginning July 1, 2019.

Results of Review:

Based on our review, Department Information Technology staff augmentation services are being contracted consistent with service needs with minor exceptions. Background screenings have been

conducted for contracted Information Technology staff as required. In addition, the hourly rates paid for Information Technology staff augmentation are within the allowed rates published by the Department of Management Services. However, we noted areas of control weaknesses in the oversight of contracted staff activities.

Recommendations:

To improve the accountability and transparency of activities associated with Information Technology staff augmentation invoiced hours, we recommended OTIS work with the Enterprise Application Services section management to ensure hours are supported by documented activities consistent with assigned projects, activities, and management's expectations. OTIS should also work with supervisors to ensure Time Work Reports document the designated Division associated with invoiced activities prior to approval.

Actions Taken:

OTIS agreed with the recommendations and updated Purchase Orders to reflect detailed activity. Time Work Reports included added documentation to support specific activities outlined in the Purchase Order scope of work.

A-2021DEP-002 Audit of Purchase Order B60479 with Executive Information Systems, LLC, for Water Quality Software Services

The scope of this audit included a review of Purchase Order B60479 with Executive Information Systems, LLC (Contractor) for Water Quality Analytics (Project) deliverables, invoices, and management activities beginning September 30, 2019.

Results of Audit:

Based on our audit, approved payments for the Project were supported by required deliverables and evidence of required activities and services under the Purchase Order. The Contractor generally complied with the Purchase Order and task order. However, we noted weaknesses in the area of Department background checks.

Recommendations:

We recommended OTIS take necessary steps to ensure that all staff under Department contracts with access to Department Information Technology resources have background checks and level two background screenings conducted in accordance with DEP Directive 390.

Actions Taken:

OTIS agreed with the recommendation and will update relevant processes and documentation. The vendor has provided an updated list of 26 active consultants working on this Project. Level two background screenings for these consultants were being completed.

DIVISION OF WASTE MANAGEMENT

A-1819DEP-026 Review of Petroleum Restoration Program Active Facilities

The scope of this review included facilities with eligible state-funded petroleum cleanup discharges with limited activity listed as active per the January 2019 Petroleum Restoration Program (PRP) Monthly Dashboard Update, as well as current PRP processes and fiscal activities.

Results of Review:

For the sample of 38 facilities included in our review with limited or delayed activity, causes for limited progress were due in part to a lack of consistent adherence to PRP Standard Operating Procedures (SOP), applicable statutes, and rules. We noted that PRP's process for follow-up on discharges with limited activity resulted in minimal action.

Recommendations:

We recommended the Division of Waste Management (Division) work with PRP to address the management of Eligible State Funding CAP Exhausted (ESFCE) discharges which are nearing or have exceeded funding CAPs. These discharges should be actively managed consistent with PRP SOP Chapter 3 and PRP guidance documents. For circumstances where PRP continues to manage ESFCE discharges as a coordinated cluster, PRP should ensure that the SOP reflects this process. We also recommended the

Division work with PRP to address the inclusion of ESFCE discharges in the PRP Monthly Dashboard Update report. Once state funding limits are reached, these discharges should not be included in the number of discharges reported as being actively managed, as the on-going inclusion of these inactive discharges contributes to inflated reporting. We further recommended the Division work with PRP to address management of discharges with delayed progress due to Petroleum Cleanup Restoration Program (PCPP) Agreement circumstances. PRP should ensure that Site Managers document efforts to execute cost-share agreements for applicable discharges. If PRP and the owner/responsible party cannot complete negotiation of the cost-sharing agreement within 120 days after beginning negotiations, PRP should terminate negotiations and document that the discharge is no longer eligible for state funding consistent with Section 376.3071(13)(d), F.S. Further, we recommended PRP work with Site Managers to obtain documented proof of payment of its copayment obligation to the Contractor prior to continued funding. If the owner/responsible party does not provide proof of that payment within 21 days, PRP should document the material breach of the PCPP Agreement and take necessary steps toward rescinding eligibility for state funding consistent with the terms of the Agreement. We also recommended the Division work with PRP to address the inclusion of these discharges in the PRP Monthly Dashboard Update report, since these circumstances have resulted in delayed progress. We recommended the Division work with PRP to address the status and necessary steps forward regarding the noted Performance Based Cleanup (PBC) Work Order Agreement. PRP should work with the Site Manager to ensure that the discharge is actively managed to closure. Going forward, we also recommended PRP decisions regarding future Contractor work assignments are consistent with financial consequences outlined in original PBC Agreements. We recommended the Division work with PRP to actively manage the Florida Department of Transportation (FDOT) related discharges to closure. It is understood that the causes of many delays are due to factors external to the Department. However, where possible, PRP should address original discharges that have subsequently been acquired by FDOT to determine whether the discharge meets criteria necessary for alternative institutional controls consistent with the Memorandum of Understanding (MOU). This determination should be documented in OCULUS⁴ in order to maintain and document proactive management towards completion of the Department's responsibility for cleanup. We also recommended the Division work with PRP to address the discharges in Appendix E of the report, which listed discharges with delayed progress due to lack of

⁴ OCULUS is the Department's document management system.

consistent active management and oversight, to ensure appropriate courses of action are taken consistent with authoritative requirements and PRP guidance. Finally, we recommended PRP put additional processes in place to actively follow up on Site Manager status input in order to improve the use of the Focus List as an effective management tool.

Actions Taken:

PRP provided training to all Site Managers on the importance of tracking site funding CAPs and reminded Site Managers to review SOP Chapter 3 on how to proceed once the CAP is reached. The SOP Chapter 2 was updated to define the process for clustering sites and the SOP was also updated to include the CAP exhausted process. The Storage Tanks & Compliance Monitoring database was programmed to allow for a site to reflect when the CAP has been exhausted. PRP updated the PCPP process where the site is not assigned to a Site Manager until after the PCPP Agreement is issued; therefore, the site will not show as active on the Dashboard. Statutory changes effective July 1, 2020, no longer require PCPP Agreement negotiations be completed within 120 days and allow responsible parties the option to provide the state with a cost savings instead of a cost share. Responsibility for site assignments has been transitioned to a single Site Assignment Coordinator who assigns sites to the Team Supervisor. PRP will evaluate additional options for holding Team Leaders responsible for their staff actively managing assigned petroleum cleanup sites.

A-1920DEP-018 Follow-up Review of Storage Tank Fee Collections

The scope of this follow-up review included the actions taken by the Division in response to the recommendations in the OIG Review of Storage Tank Registration Fee Collections advisory memo dated May 7, 2019.

Results of Review:

Based on our review, the Storage Tank Registration Program (Program) ceased the practice of removing debt owed for storage tank fees. In addition, the Division established written procedures of fee processes. However, these procedures do not contain processes for the Program to ensure that amounts due are collected fully and recorded accurately, or reconciliation of account balances. Program refund requests submitted to the Bureau of Finance and Accounting do not contain documented justification to substantiate the claim. In addition, the Program had not established processes to follow

up on unpaid fees to ensure facilities without placards are not receiving fuel and that registration billing records represent accurate facility information.

Recommendations:

We recommended the Division work with the Program to update the *Standard Operating Procedure for the Storage Tanks Registration Fee Process* to include processes that ensure amounts owed for storage tank fees are collected fully and recorded accurately. These processes should include a monthly reconciliation of account balances at the end of each month, adjusted for payments received, write-offs and adjustments, to detect errors or weaknesses in internal controls. Reconciliation results could be used by the Division to assist County inspectors identify facilities dispensing fuel without a valid placard. As the responsible Program for storage tank registration fee billing and collections, the Program should also take ownership of these processes and cease excessive reliance on Office of Technology and Information Services and Bureau of Finance and Accounting staff for Program activities. We also recommended the Division ensure refund requests submitted to the Bureau of Finance and Accounting contain sufficient documentation of justification for the request as well as documented support to substantiate the claim.

Actions Taken:

The Program has ceased waiving any penalty fees and/or asking for accounts to be pulled from collections when an ownership change occurs. The *Standard Operating Procedure for the Storage Tanks Registration Fee Process* was updated to provide due diligence processes to ensure amounts due are collected fully and recorded accurately. The Compliance Assistance Section generates the Delivery Prohibition Report daily for fuel distributors to confirm the registration status of a facility before delivering fuel. Going forward, Storage Tank Registration will work with the Compliance Assistance Section to compare the reconciliation results with the Delivery Prohibition Report and available inspection information. If an inspection has occurred within the last six months and it confirms that fuel is being delivered to an unregistered facility, the information will be referred to the appropriate District for enforcement. The Division has updated its processes for refunds to include detailed support with Refund Request Forms to substantiate the refund claim.

A-2021DEP-003 Review of Petroleum Restoration Program Agency Term Contract Purchase Order B471B1 for Source Removal Activities with WES Environmental, LLC

The scope of this review included activities and financial records associated with Purchase Order B471B1 for source removal activities with WES Environmental, LLC (Contractor) at the Sunrise Food Mart #105, (Facility 8510269).

Results of Review:

Based on our review, the PRP Site Manager ensured the Contractor met Contract and Purchase Order requirements regarding deliverables, Schedule of Pay Items documented support and retainage. The Site Manager also completed a Contractor Performance Evaluation as required. We further verified the Contractor paid subcontractors used under the Purchase Order timely as required. However, we noted control weaknesses regarding PRP's use of Change Orders.

Recommendations:

We recommended the Division work with PRP to discontinue including tasks that require additional site investigation under Purchases Orders awarded through eQuote⁵. Additional site investigation increases the potential for scope changes. Consistent with PRP SOP 24, scope changes should not be allowed for eQuotes as eQuotes are solicited and awarded based on costs for a specific scope. In addition, PRP should avoid issuing Change Orders for conditions which can be anticipated. Going forward, Change Orders for Purchase Orders awarded through eQuote should be highly scrutinized to avoid the perception of scope changes after the Purchase Order is issued.

Actions Taken:

PRP agreed with the recommendation. When additional site assessment is needed to define the remedial scope, the additional site assessment will be performed prior to the scope being created and offered under the eQuote process. PRP will take steps to ensure that anticipated items are included in

⁵ An eQuote is a sourcing application tool which utilizes MyFloridaMarketPlace to solicit quotes from selected vendors. MyFloridaMarketPlace is the State of Florida's online procurement processing system.

the eQuote to avoid Change Orders. PRP management directed staff to fully define the scope for offer under eQuotes with all anticipated items. All Purchase Orders and Change Orders issued under an eQuote, except for time extensions, will require review and approval by a member of the PRP eQuote Team to assure these processes are followed. The eQuote section of PRP's SOP was updated to clarify these requirements.

INTERNAL INVESTIGATIONS SECTION

The Inspector General is responsible for the management and operation of the Department's Internal Investigations Section. This includes planning, developing and implementing an internal review system to examine and investigate allegations of misconduct on the part of the Department's employees.

The investigative duties and responsibilities of the Inspector General, as defined in Section 20.055, F.S., include:

- ❖ Conducting, supervising, and coordinating investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in the Department;
- ❖ Receiving complaints and coordinating all activities of the Department, as required by the Whistle-blower's Act pursuant to Sections 112.3187 – 112.31895, F.S.;
- ❖ Receiving and reviewing all other complaints (non-Whistle-blower's Act), and conducting such inquiries and investigations as the Inspector General deems appropriate;
- ❖ Conducting investigations related to alleged employee misconduct or reporting expeditiously to the Florida Department of Law Enforcement or other law enforcement agencies, as deemed appropriate by the Inspector General;
- ❖ Conducting investigations and other inquiries that are free of actual or perceived impairment to the independence of the Inspector General or the staff in the OIG;
- ❖ Submitting the findings to the subject of each investigation in which the subject is a specific entity contracting with the State or an individual substantially affected, if the investigation is not confidential or otherwise exempt from disclosure by law; the subject shall be advised in writing that they may submit a written response 20 working days after receipt of the findings; the response and the Inspector General's rebuttal, if any, must be included in the final report; and

- ❖ Submitting in a timely fashion, final reports on investigations conducted by the OIG to senior management and applicable Departmental management, except for Whistle-blower investigations, which are conducted and reported pursuant to Section 112.3189, F.S.

Accreditation

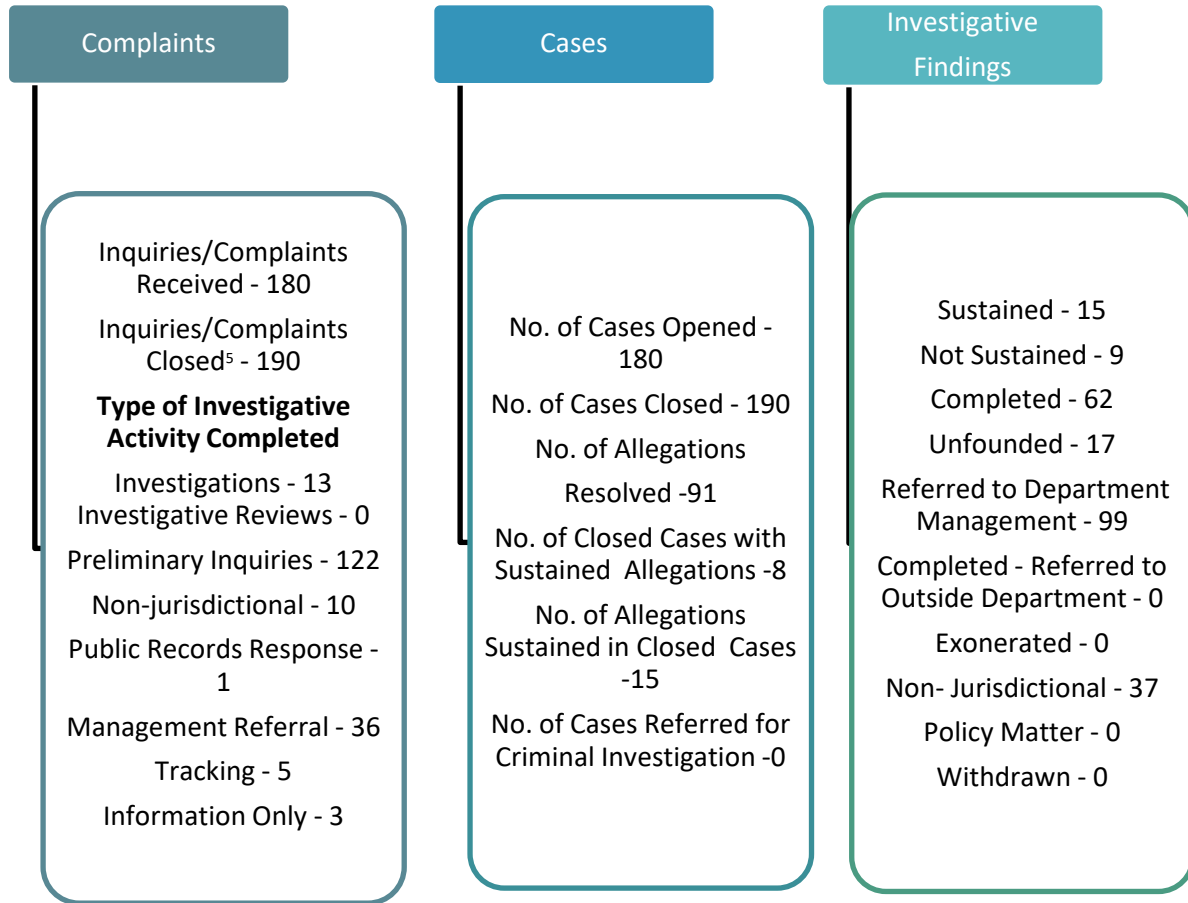


An accreditation program has long been recognized as a means of maintaining and verifying the highest standards of Investigation. The Commission for Florida Law Enforcement Accreditation (CFA) was formed in 1993, which initially was limited to law enforcement and correctional agencies. In 2009, Offices of Inspectors General were offered the opportunity to also become accredited. The CFA worked closely with Florida’s Inspectors General to develop professional standards for Florida Inspector General Investigative functions.

In October 2009, the Internal Investigations Section was awarded initial accreditation status by the CFA Commission for a three-year period. Reaccreditation assessments were completed, and the CFA Commission voted to award reaccredited status in September 2012, October 2015 and October 2018 respectively. The Internal Investigations Section completed the fourth reaccreditation onsite assessment on July 8, 2021. The CFA assessors advised they will recommend reaccreditation to the CFA Commission during the October 2021 commission meeting.



Types of Investigative Activity



⁵ Some cases closed during FY 2020-2021 were opened in previous fiscal years.

Case Summaries

II-01-07-2020-019

Complaint received from the Bureau of Human Resource Management regarding allegations of sexual harassment and conduct unbecoming a public employee. In addition, it was alleged that management was negligent by not reporting the concerns when they were notified of them. This investigation was conducted to determine whether the alleged subjects' conduct violated the DEP Directive 436, Discrimination and Harassment; the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee; and the DEP Directive 435 F (2), Negligence. Based on evidence gathered during the investigation, the subject's conduct did not meet the definition of Harassment, as defined by this directive; therefore, the

alleged violation of the DEP Directive 436, Discrimination and Harassment was Unfounded. Based on the witness and subject's testimony and the fact that some allegations were she said, he said, there was not sufficient evidence to support the subject violating the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee; therefore, the allegation was Not Sustained. This investigation determined that the subject failed to report the alleged allegations conveyed to them by an employee to management, the Bureau of Human Resource Management or the Office of Inspector General, and as a result, their conduct did not comport with the DEP Directive 435 F (2), Negligence; therefore, the allegation was Sustained.

II-01-07-2020-037

Complaint received from management regarding allegations of miscommunication and negligence. This investigation was conducted to determine if the subject's conduct violated the DEP Directive 435 F (2), Negligence. This investigation addressed whether the subject violated Covid-19 self-isolation and/or quarantine protocols, prematurely notified the witness that the self-isolation restrictions had been rescinded, allowed an employee to use sick leave for time that should have been annual leave until the employee retired, and facilitated a transfer of the utility account back to the Park account prior to the employee retiring. Based on interviews conducted and case supporting documentation gathered during the investigation, the alleged violation of the DEP Directive 435 F (4), Insubordination was Not Sustained; two violations of the DEP Directive 435 F (2), Negligence were Sustained; and the alleged violation of the DEP Directive 425 14 (2) (a), (b), & (c), Sick Leave was Not Sustained.

II-01-17-2020-012

Complaint received from a former employee regarding allegations of disparate treatment based on age. This investigation was conducted to determine if the subjects' conduct violated the DEP Directive 436, Discrimination and Harassment. Based on sworn testimonies provided by the complainant, witnesses, and subjects, as well as documentation analyzed, there was no evidence to support the complainant was discriminated against based on age. While witnesses did provide testimony that the work environment is stressful due to staff absences, there was no evidence to substantiate the alleged poor working environment. Therefore, the alleged violation of the DEP Directive 435, Discrimination and Harassment was Unfounded.

II-01-06-2020-055

Complaint received from the Bureau of Human Resource Management regarding allegations of discrimination based on race, gender and pregnancy by their supervisor. This investigation was

conducted to determine if the subject's conduct violated the DEP Directive 436, Discrimination and Harassment. Based on sworn testimony provided during this investigation, as well as documentation reviewed, there was no evidence provided to support a violation of the DEP Directive 436, Discrimination and Harassment; therefore, the allegation was Unfounded.

II-01-07-2020-141

Complaint received from management regarding allegations of sexual harassment by a male employee directed toward female employees. This investigation was conducted to determine if the subject's conduct violated the DEP Directive 436, Discrimination, Harassment and Sexual Harassment and the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee. Based on the supporting documentation obtained during this investigation and the subject's subsequent admission of guilt, it was determined that the subject's conduct did create an offensive and hostile working environment and the alleged action was Sustained. The subject resigned from his position prior to the investigation being finalized. The investigation was closed as completed based on the subject's resignation.

II-01-02-2020-138

Complaint received from the Bureau of Human Resource Management regarding allegations of an employee sending an obscene text message and photos of themselves to a fellow employee. This investigation was conducted to determine if the subject's conduct violated the DEP Directive 436, Discrimination, Harassment and Sexual Harassment. Based on the subject's admission of guilt and the supporting documentation obtained during the investigation, the subject's behavior did not comport with the DEP Directive 436, Discrimination, Harassment and Sexual Harassment; therefore, the allegation was Sustained. Additionally, a violation of the DEP Directive 435 F (6)(a), Conduct Unbecoming a Public Employee was Sustained based on the fact the subject sent the obscene text message to their co-worker.

II-01-07-2020-108

An anonymous complaint was received regarding allegations of sexual harassment, building code and permit violations, and personal and public safety violations in the workplace. This investigation was conducted to ascertain the veracity of the complaint and to determine if the subjects' conduct violated the DEP Directive 436, Discrimination, Harassment and Sexual Harassment; the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee; and the DEP Directive 435 F (5), Violation of Law or Department Rules. Based upon the facts and circumstances of this investigation, the alleged violation of the DEP Directive 436, Discrimination, Harassment and Sexual Harassment was Not Sustained; the

alleged violation of the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee was Sustained based upon the witness's testimony and the subject's admission of guilt; a second alleged violation of the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee was Not Sustained based on the fact the complainant was anonymous and did not provide any documentation to support the allegation; and the alleged violation of the DEP Directive 435 F (5) Violation of Law or Department Rules was Sustained based on witness testimony and the subject's admission of guilt.

II-01-07-2020-113

Complaint received from management regarding allegations of a hostile work environment. This investigation was conducted to determine if the subjects' conduct violated the DEP Directive 436, Discrimination, Harassment and Sexual Harassment and the DEP Directive 407, Employment of Relatives. Based on testimony provided in this investigation, there was no credible evidence to support the alleged violation of DEP Directive 436, Discrimination, Harassment and Sexual Harassment; therefore, the allegation was Unfounded. Additionally, the sworn testimonies provided during this investigation found no credible evidence to support a violation of the DEP Directive 407, Employment of Relatives; therefore, the allegation was Unfounded.

II-01-07-2021-003

Complaint received from management regarding allegations of theft by an employee in the workplace. This investigation was conducted to determine if the subject's conduct violated the DEP Directive 435 F (5), Violation of Law or Department Rules. Based on the subject's admission of guilt during the sworn interview, the allegation was Sustained.

II-01-07-2019-070

Complaint received from the Division of Administrative Services regarding allegations of missing deposits. An initial review of the documentation provided, as well as communication with management regarding internal controls, identified the subject of the investigation. A lack of internal controls was identified during the investigation and measures were taken to implement new procedures in order to strengthen the internal controls. During the investigation, the subject submitted a resignation; however, a sworn interview was taken on the last day the subject was employed with the Department. The subject denied taking the missing deposits. Therefore, based on a denial by the subject and considering the lack of internal controls in place at the time the deposits were determined to be missing, the alleged violation of the DEP Directive 435 F (5), Violation of Law or Department Rules was Not Sustained. However, considering the resignation of the subject, the investigation was closed as Completed.

II-01-07-2021-032

Complaint received from the Bureau of Human Resource Management regarding allegations of discrimination and harassment in the workplace. This investigation identified four subjects who were alleged to have violated the DEP Directive 436, Discrimination, Harassment and Sexual Harassment and the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee. Based on the testimony provided in this investigation, there was no credible evidence to support that either of the four subjects violated the DEP Directive 436, Discrimination, Harassment, and Sexual Harassment. Additionally, there was no evidence of any adverse employment action taken by management. Therefore, the alleged violation was Unfounded. Testimony provided, determined that two of the four subjects did not violate the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee based on insufficient evidence and the allegation was Not Sustained. The remaining two subjects were determined to have violated the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee and the allegation was Sustained. During the investigation it was further determined that one of the subjects had used a State-owned computer to support the subject's personally owned business and also failed to submit and obtain required approval for employment outside of state government. Therefore, it was determined that the subject violated the DEP Directive 390, Information Technology Security Policies and Standards, 2.4, Acceptable Use of IT Resources and the Internet and the Administrative Policy Adm 401, Dual Employment and Dual Compensation, and Employment Outside of State Government and the allegations were Sustained.

II-01-03-2021-068

An anonymous complaint was received regarding allegations that an employee had used a Department FedEx account for a personal shipment. This investigation was conducted to ascertain the veracity of the complaint and to determine whether the subject's conduct violated the DEP Directive 435 F (5), Violation of Law or Department Rules. Based on the subject's sworn testimony the Department's FedEx account was used to send unauthorized personal packages/shipments to family members; therefore, the allegation was Sustained.

II-01-07-2021-055

Complaint received from the Bureau of Human Resource Management regarding allegations of discrimination based on race, gender, and pregnancy by management. This investigation was conducted to determine whether the subject's conduct violated the DEP Directive 436, Discrimination, Harassment and Sexual Harassment. Based on the sworn testimony provided and documentation reviewed, there was no evidence to support an alleged violation of the DEP Directive 436, Discrimination and Harassment. Therefore, the allegation was Unfounded.

II-04-07-2021-088

Complaint received from the Bureau of Human Resource Management regarding allegations of an employee making inappropriate comments and actions toward another employee. This preliminary inquiry was initiated to ascertain the veracity of the complaint and to determine whether the subject's conduct violated the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee. Based on the interviews conducted, the witness and subject had conflicting testimony regarding the timeframes of comments being made and the alleged inappropriate actions by the subject. However, the subject admitted to the actions and comments which did not comport with the directive; therefore, the allegations were Sustained.

II-04-07-2021-102

Complaint received from the Bureau of Human Resource Management regarding allegations of discrimination and conduct unbecoming by an employee. This preliminary inquiry was conducted to determine whether the subject's conduct violated the DEP Directive 436, Discrimination, Harassment and Sexual Harassment, and the DEP Directive 435 F (6) (a), Conduct Unbecoming a Public Employee. It was determined that the subject did not make the alleged dismissive or racially driven remark and there was no credible evidence to support the allegations; therefore, the allegations were Unfounded.

Recommended Corrective Actions

Internal Investigations may make recommendations for the purpose of process improvement or corrective action. These recommendations are provided to Division management and are tracked to completion. There was one program recommendation provided in investigative reports during FY 2020-2021, and it was agreed to and completed by management.

Conclusions of Fact Definitions

- ❖ Exonerated - Alleged actions occurred but were lawful and proper.
- ❖ Not Sustained - There is insufficient evidence to prove or disprove that a violation occurred.
- ❖ Sustained - There is sufficient evidence to justify a reasonable conclusion that the allegation is true.
- ❖ Unfounded - The allegation is proved to be false, or there is no credible evidence to support it.
- ❖ Policy Matter - The alleged actions occurred but were not addressed by Departmental policy.

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- ❖ Non-Jurisdictional - Not within the jurisdiction of the Department of Environmental Protection.
- ❖ Withdrawn - The cancellation of an investigation, after agreement between management and the Office of Inspector General that the original complaint was filed, but no longer warrants review. (Complainant requests withdrawal or is non-responsive to investigative efforts).
- ❖ Completed - Closure for background checks, public records requests, preliminary inquiries, investigative reviews, and miscellaneous complaints that do not warrant an investigation.

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