

# OFFICE OF INSPECTOR GENERAL

Ron Russo, Inspector General

## ANNUAL REPORT FISCAL YEAR 2011-2012



Florida Department of Agriculture and Consumer Services

Adam H. Putnam, Commissioner



FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
COMMISSIONER ADAM H. PUTNAM

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September 28, 2012

The Honorable Adam H. Putnam  
Commissioner of Agriculture  
Florida Department of Agriculture  
and Consumer Services  
The Capitol, Plaza Level 10  
Tallahassee, Florida 32399-0810

Dear Commissioner,

I am pleased to present the Office of Inspector General Annual Report which, pursuant to Section 20.055, Florida Statute, summarizes the activities and accomplishments for the 12-month period ended June 30, 2012.

During this reporting period, our audits and reviews resulted in the continued strengthening of department operations. Specifically, findings and recommendations related to our review of the Office of Energy, the Florida State Fair, department ethics, the Florida Agricultural Museum and revenue collection procedures yielded corrective actions that reduced opportunities for fraud and increased operational efficiencies. In addition, we conducted several special projects that provided valuable and timely information to department managers which aided their decision-making processes. These projects continued to strengthen our relationship with management and serve to demonstrate our mutual commitment to good government.

The Investigative Section conducted 112 investigations statewide, resulting in 33 personnel actions, 4 arrests and several policy modifications. Working in conjunction with the Audit Section, the investigative team identified fraudulent activities and corresponding cost avoidances of nearly \$2.5 million taxpayer dollars. Additionally, we recovered over \$1,700 resulting from fines, restitution and administrative costs.

We are proud of our pro-active initiatives designed at reducing employee misconduct. Through the use of the training materials we developed, we continue to augment employee awareness regarding appropriate conduct. During this past year, we provided ethics-related training to several divisions, new supervisors, and new employees and continue to expand these outreach measures.

I would like to take this opportunity to thank you for the support that you have provided to our office. We look forward to working closely with you and your leadership team to promote economy, efficiency, and effectiveness and to help the department accomplish its critical mission and initiatives in the years ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Russo".

Ron Russo  
Inspector General



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"The Office of Inspector General is hereby 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..."

Section 20.055(2), Florida Statutes

## EXECUTIVE SUMMARY

The Office of Inspector General (OIG) has prepared and issued this Annual Report pursuant to the provisions of Section 20.055 Florida Statute, commonly referred to as the *Inspector General Act*, and covers the period from July 1, 2011, to June 30, 2012. The report is organized to reflect the responsibilities and accomplishments of our office.

During this reporting period, we completed significant audit, special project, and investigative work to promote the economy, efficiency and effectiveness of the department's programs and operations.

Specifically, the Audit Section conducted 12 projects which included assurance audits, special reviews, and internal consulting. Our reports provide department leadership with an objective assessment of the issues, while offering specific recommendations to correct deficiencies and improve program effectiveness.

Our audits and investigations resulted in over 60 recommendations and cost avoidances of nearly \$2.5 million. In addition, our work identified unsupported costs of over \$820,000.

In the investigative area, we received 225 complaints and conducted 112 investigations. Our investigations resulted in 4 arrests and 33 personnel actions. Additionally, we recovered over \$1,700 resulting from fines, restitution and administrative costs.

**MISSION:** The OIG promotes the effective, efficient, and economical operation of department programs.

**VISION:** The OIG provides the highest quality work product and services that facilitates positive change.

**VALUE:** The OIG places value on making a positive difference through the work we do. We are committed to constantly improving how we operate, embracing innovation, and using persistence and determination to achieve results.

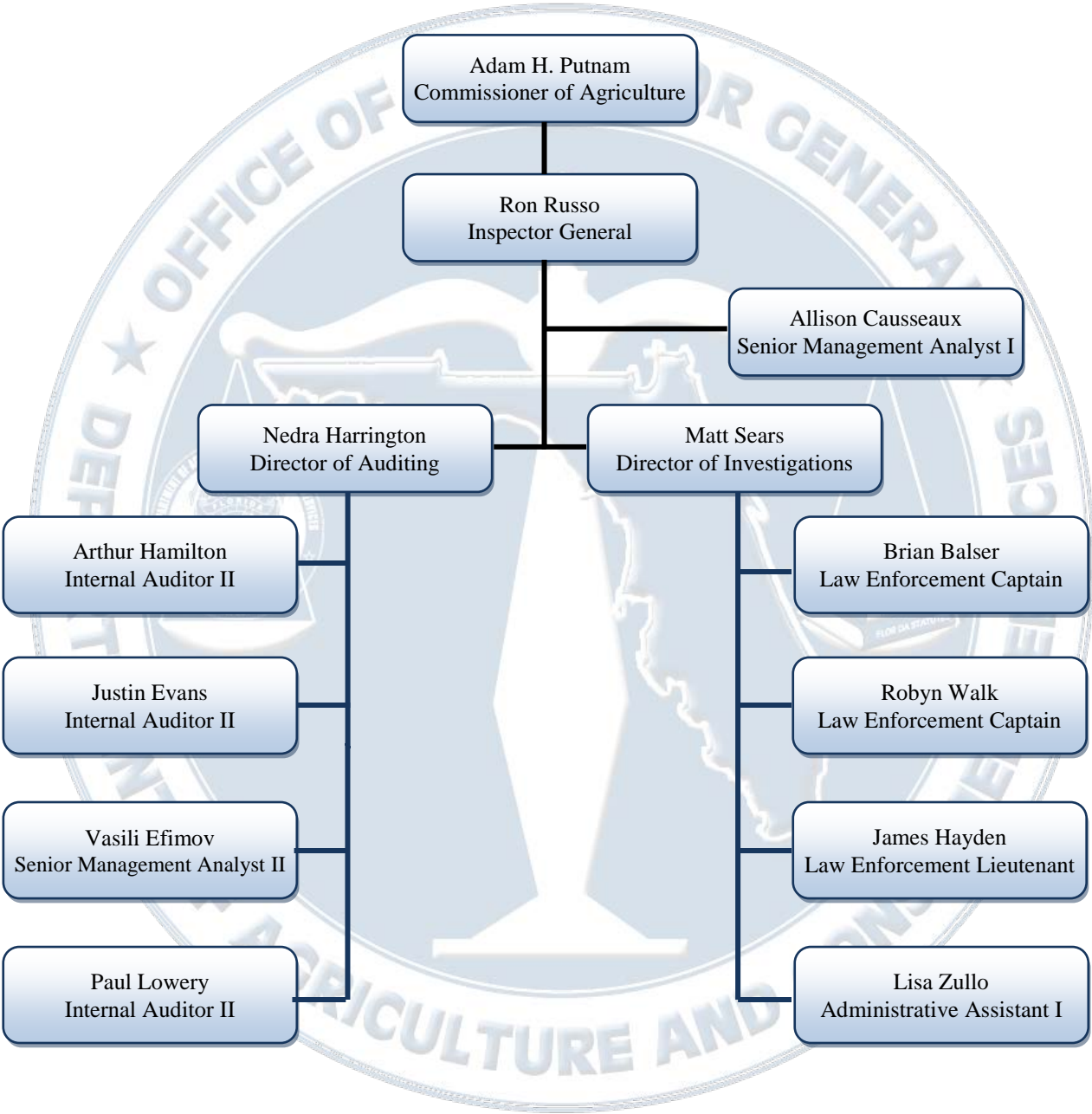
## RESPONSIBILITIES

The duties and responsibilities of the OIG include:

- Assess the validity and reliability of the information provided by the department on performance measures and standards, and make recommendations for improvement, if necessary. Provide direction for, supervise, and coordinate audits and management reviews relating to the programs and operations of the department.
- Keep the Commissioner of Agriculture informed, recommend corrective action, and report on progress of corrective action concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the department.
- Conduct, supervise, or coordinate other activities carried out or financed by the department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in department programs and operations.
- Receiving complaints and coordinating all activities of the agency as required by the Whistle-blower's Act pursuant to ss. 112.3187-112.31895, F.S. Receiving and considering the complaints which do not meet the criteria for an investigation under the Whistle-blower's Act and conduct, supervise, or coordinate such inquiries, investigations, or reviews as the Inspector General deems appropriate.
- Conducting investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the Inspector General's office. This shall include freedom from any interference with investigations and timely access to records and other sources of information.

# ORGANIZATIONAL CHART

The OIG was established in 1993 in accordance with Florida Statute 570.092. The OIG has a budget of \$1,127,155.00 annually. The OIG is comprised of the positions referenced within the organizational chart below.



## STAFF QUALIFICATIONS

Employees within the OIG possess a wide variety of expertise in areas such as auditing, accounting, investigations and information technology. Employees continually seek to further enhance their abilities and contributions to the OIG and the department. Additionally, employees within the OIG participate in a number of professional organizations to maintain proficiency in their areas of expertise and certification. These accomplishments represent significant time and effort, reflecting positively on the employee as well as the department.

The following summarizes the professional certifications maintained by OIG employees:

Five Certified Law Enforcement Officers

One Certified Inspector General (CIG)

One Certified Internal Auditor (CIA)

One Certified Information Systems Auditor (CISA)

One Certified Public Accountant (CPA)



## TRAINING ACCOMPLISHMENTS

The OIG has outlined a training assessment plan, in Policy and Procedure No. 2-01, OIG Operations Manual, that provides for quality training for new and existing staff members. This continuing staff development helps ensure the highest quality investigation and audit products. Staff members utilize training resources from various organizations, agencies, local universities, and individuals.

In accordance with the *International Standards for the Professional Practice of Internal Auditing*, internal auditors are responsible for continuing education to maintain their proficiency and satisfy requirements related to professional certifications held. Audit staff members are encouraged to complete a minimum of 80 hours of audit, computer, management, and professional development training every two years.

In accordance with Section 943.135, Florida Statutes, and Law Enforcement accreditation standards, officers are required to complete 40 hours of law enforcement related continuing education training every two years. Also, sworn law enforcement officers are required to annually qualify with assigned firearms, and are encouraged to complete a minimum of 12 hours of firearms training annually.



# AUDIT SECTION

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

## Professional Standards

Pursuant to Section 20.055(2)(j) and 20.055(5)(a), Florida Statutes, internal audit activities are performed in accordance with the *General Principles and Standards for Offices of Inspector General and International Standards for the Professional Practice of Internal Auditing* as published by the Association of Inspectors General and the Institute of Internal Auditors, respectively. Audit projects involving information technology (IT) are also conducted in accordance with *Information Systems Auditing Standards* as published by the Information Systems Audit and Control Association.

## Proficiency

The professional standards referenced above require that staff (individually and collectively) possess the knowledge and skills to perform their responsibilities. A high level of proficiency has been achieved for the Audit Section (five professional staff) through education, professional certifications and other continuing professional development activities.

## Quality Assurance Program

The Audit Section continues to implement and employ a number of internal audit best management practices. These include partnering with management, increasing staff performance through the use of computer-assisted auditing techniques, developing staff professionally, maintaining IT audit staff, and providing a balanced combination of assurance and consulting services.

As part of the internal Quality Assurance Program, the Audit Section:

- reviews professional standards and internal policies and procedures;
- participates in various training and development activities;
- continues to improve audit techniques, tools, and technology; and
- is appropriately supervised.

The Audit Section also reviews audit programs and report formats and performs internal peer reviews for the completeness of work papers. Additionally, pursuant to Section 20.055, Florida Statute, the Audit Section is evaluated every three years by the Auditor General’s Office.

## Value Added to the Department

The Audit Section adds value to the department in a number of ways. There is enhanced awareness of organizational governance that is achieved through our consulting services. Included in these consulting services are enterprise partnering activities (e.g., training, IT risk assessments, IT compliance), participation at the Information Technology Resource and Operational Steering Committees, and any ad-hoc management assistance that might be requested during the year.

During Fiscal Year 2011-2012, the staff of the Audit Section was assigned as liaisons to specific divisions and offices. This assignment allows greater involvement and more timely communications between the Audit Section and department management.

The Audit Section also distributes management advisories and control alerts throughout the year in order to communicate opportunities for improvements in efficiencies, effectiveness, or controls of department programs, and performs an annual risk assessment.

The Audit Section performs annual reviews of the addition, deletion, or modification of approved performance measures, standards, and activities, and makes recommendations for improvement, if necessary. Our auditors also perform audits on select performance measures to determine the validity and accuracy of the reported information.

The Audit Section is an integral enterprise control component and adds value by its oversight authority, organizational placement, and its presence in deterring wrongdoing.

### **Annual Audit Plan**

The Audit Plan was approved by the Commissioner of Agriculture on June 30, 2011. The Audit Section accomplished the majority of the Audit Plan. Two multi-year projects will continue into Fiscal Year 2012-2013.

The Fiscal Year 2012-2013 Annual Audit Plan is located at:

<http://FreshFromFlorida.com/oig/auditing.html>



# INTERNAL ASSURANCE SERVICES



The OIG completed three (3) assurance projects during Fiscal Year 2011-2012 covering organizational ethics, the Florida State Fair, and Office of Energy operations. Areas for improvements were identified.

## Organizational Ethics

(Report Number: IA 1112-01)

The audit objective was to evaluate the effectiveness of actions taken by the Department of Agriculture and Consumer Services (department) to design and communicate ethical standards applicable to department employees.

**Issues:** The department's Administrative Policies and Procedures did not address:

- the topics to cover during ethics training;
- the training frequency;
- the provision for an annual review of the Conflicts of Interest policy by department employees.

In addition, the Internal Investigations policy contains content that may be beneficial if provided within the Conflicts of Interest policy, specifically:

- processes for reporting violations (ways for employees to report concerns about fraud, abuse, or questionable practices);
- the mandate for reporting such violations.

**Recommendations:** Revise the Conflicts of Interest policy to address the topics to cover during ethics training to include specifying the training frequency and requiring an annual review of the Conflicts of Interest policy by all department employees.

Consider incorporating into the Conflicts of Interest policy a mandate for reporting violations.

Consider renaming the Conflicts of Interest policy title to include the word "ethics" to

increase its prominence for department employees.

**Issue:** A Chief Ethics Officer has not been designated for the department. However, a designated ethics officer could serve to ensure a unilateral approach to ethics training and related guidance.

**Recommendations:** Consider designating a Chief Ethics Officer. Additionally, the following criteria should be considered:

The Chief Ethics Officer position should be at a level high enough within the department to appropriately execute this role and its responsibilities.

The Chief Ethics Officer's position description should address the responsibilities and percentage of time for the role as the Chief Ethics Officer.

The position and responsibilities of the Chief Ethics Officer should be addressed in the department's Administrative Policies and Procedures.

**Issue:** The department does not provide annual training to all employees that addresses the topics outlined in the Governor's Code of Ethics.

**Recommendation:** Provide annual training to all department employees on the topics of ethics, including examples of ethical and unethical behavior. The training could consist of short, on-demand videos that all employees are required to view.

**Issues:** A significant amount of time has passed since employees last received ethics training. In addition, different training methods should be used to allow for more

frequent training opportunities (e.g., e-mails and newsletters).

**Recommendation:** Consideration should be given to providing periodic, informal reminders to department employees on the subject of ethics. The use of e-mails and newsletters are ways in which more frequent communication can occur.

## **Operational Audit of the Office of Energy**

(Report Number: IA 1112-02)

The objectives of this audit were to evaluate the performance of the Office of Energy (OOE) in administering its programs and the effectiveness of those programs.

The scope was the five grant and four rebate programs administered by the OOE.

**Issue:** For the 69 grant agreement files reviewed, the OIG determined that 56 (81%) did not contain current insurance certificates and/or proof of Central Contractor Registration (CCR).

**Recommendation:** The grant managers should ensure that current insurance certificates and CCR documents are obtained and maintained in the grant agreement file.

**Issue:** For the 77 grant agreement files reviewed, the OIG determined that 42 (55%) did not contain sufficient documentation of e-mail correspondence between the grant manager and the recipient.

**Recommendation:** The grant manager should ensure that sufficient e-mail correspondence is maintained in the grant agreement file to adequately document his or her grant administration activities.

**Issue:** For the 60 grant agreement files reviewed, the OIG determined that 35 (58%) did not contain sufficient documentation to support the grant manager's completion of the monitoring tools.

**Recommendation:** The grant manager should ensure that completed monitoring tools are maintained in the grant agreement file to adequately support his or her assessment of the recipient's compliance with program requirements.

**Issue:** The OIG reviewed 70 grant agreement files and determined that in 63 instances (90%), the grant manager did not perform the risk assessment prior to the OOE entering a contract with the recipient.

**Recommendation:** The OOE should ensure grant managers perform risk assessments in accordance with the OOE's Policies and Procedures. A risk assessment is essential to identifying potential issues that may require a higher level of oversight.

**Issue:** The OIG reviewed 59 ARRA funded grant agreement files and determined that in 8 instances (14%), the grant manager did not perform an on-site monitoring visit at the frequency dictated by risk assessment results.

**Recommendation:** The OOE should ensure that grant managers perform on-site monitoring at the frequency established by risk assessment results.

**Issue:** The OIG reviewed 44 grant agreement files and determined that in 20 instances (45%), the grant manager did not issue the monitoring report within the 30 day timeframe established by the OOE's Policies and Procedures. The OOE indicated that a grant management spreadsheet had been developed and is being utilized by the OOE to track grant monitoring activities.

**Recommendation:** The OOE should continue to utilize the tracking spreadsheet to ensure monitoring reports are completed and provided to the recipient within the established timeframe.

**Issue:** For the 76 grant agreement files reviewed, the OIG determined that 41 (56%) recipients did not submit progress reports to

the OOE in accordance with the grant agreement. The agreement files did not contain sufficient correspondence to assess the adequacy of actions taken by the grant manager to obtain the progress reports.

**Recommendations:** The grant manager should increase efforts to obtain progress reports in accordance with the terms of the grant agreement. In addition, all correspondence between the grant manager and recipient should be maintained in the grant agreement file to document activities performed by the grant manager to obtain the reports.

**Issue:** The OIG's review of grant agreement files determined that the grant manager did not document the receipt and review of audit reports required from recipients. The OOE indicated an audit letter had been developed to request the required audits from the recipients as well as a spreadsheet to track the receipt of audit reports. In addition, the OOE is currently developing forms and a checklist that will be used by grant managers to complete their review of audit reports. Training of grant managers is also planned to address the audit review process and procedures.

**Recommendation:** The OOE should continue to utilize the tracking tool and conduct training for grant managers to ensure all required audits of recipients are requested, received and reviewed by the grant manager.

**Issues:** The OIG selected invoices totaling \$17,607,163 for 51 recipients and determined that invoices were not maintained to support expenditures for 7 (14%) recipients totaling \$821,313 (5%). In addition, the OOE reimbursed one state funded grant recipient for multiple unallowable expenditures (i.e. late fees on invoices).

**Recommendations:** The grant managers must ensure that sufficient documentation is obtained from the recipient to support all

amounts reimbursed, and that the documentation is maintained in the agreement file. Furthermore, the grant managers must ensure all amounts reimbursed are allowable in accordance with state and federal laws.

**Issue:** Training was provided to grant managers and administrative staff. In addition, as part of training, the compliance officers accompanied the grant managers during on-site monitoring visits. During training, the grant managers asked several questions to clarify the activities they were to perform.

**Recommendations:** The OOE should continue its training program to ensure grant managers have the necessary knowledge to administer grants. The training should also include fraud awareness and the "red flags" that may signal fraud on the part of the recipient.

**Issue:** The OIG could only locate the conflict of interest forms for two of the three evaluators of the EECBG applications. For the SEP, conflict of interest forms could only be located for the Clean Energy applications. In addition, the OOE does not require all employees engaged in the administration of grants to sign conflict of interest forms.

**Recommendations:** The OOE should ensure that all conflict of interest forms are signed and maintained. In addition, the OOE should consider revising its Policies and Procedures to require any staff engaged in the administration of grants to sign a conflict of interest form. The Policies and Procedures should also specify the standard of conduct that is expected, and indicate disciplinary actions to be applied for violating those standards.

**Issue:** In April 2010, the OOE developed written Policies and Procedures for Grant Management that focus primarily on the administration of ARRA funded grants. Even though some of the procedures in the

policy are applicable to state funded grants, the requirements for risk assessments and the monitoring of state funded grants are not clearly established.

**Recommendation:** The OOE should develop written policies and procedures to assist in the administration of state funded grants.

**Issues:** Although the OOE was able to communicate the steps followed during the approval process for investing funds, the OOE does not have written policies and procedures to document the approval process requirements. In addition, the OOE could not readily provide documents utilized and reviewed during the approval process or the communications with FOF and Florida First Partners staff.

**Recommendation:** The OOE should document written policies and procedures to be followed for the review and approval of proposed Fund investments. The policies and procedures should outline the responsibilities of the grant manager, the documents the grant manager is required to review and for what purpose, the individuals who are required to sign-off on the grant manager's approval decision, and the documentation retention requirements.

**Issues:** The OOE did not consistently maintain documentation to support the approval of investments. In addition, inadequate documentation (e.g., Opportunity Summary Checklists, Investment Memorandums) was observed for three investments.

**Recommendations:** The OOE should maintain all pertinent investment documentation. Documents approving the investment opportunities, including sufficient justification of approval, should be maintained along with communication of approval to the appropriate entities. The OOE should also ensure all required approval signatures are obtained.

**Issue:** The Florida First Partners due diligence process relies heavily on information provided by the perspective company, with limited independent verification or review by Florida First Partners.

**Recommendation:** The OOE should consider amending its oversight activities to include a review of the supporting documents and data utilized by Florida First Partners in performing their due diligence activities. This will ensure the due diligence performed is sufficient to support Florida First Partner's investment recommendation. This review should be performed prior to the grant manager's approval of the investment.

**Issue:** For the ENERGY STAR Appliance rebate payments:

- Duplicate rebates were issued for 23 of the 64,224 (0.04%) rebates processed, resulting in an overpayment of \$2,504 out of a total of \$11,323,092 (0.02%) rebate payments.

As a result of the duplicate rebates issued, duplicate recycling bonuses were issued for 11 of the 49,666 (0.02%) bonuses processed, resulting in an overpayment of \$825, out of a total of \$3,724,625 (0.02%) recycling bonus payments.

Additionally, 3 duplicate recycling bonuses were issued that were not directly related to a duplicate rebate, resulting in an overpayment of \$225.

- Due to pricing errors for 45 rebates, overpayments totaling \$908 were found.

**Recommendations:** The ENERGY STAR HVAC Rebate program has been completed; however, should additional funds become available, the OOE should ensure that rebates are processed and paid in accordance with Florida Statutes. In addition, the OOE should maintain all documentation justifying their approval of rebates.

**Issue:** Our audit determined that there was insufficient data available, and/or insufficient progress made within the energy programs to determine their overall investment returns.

**Recommendations:** The OOE should ensure all new grant agreements contain clear and measureable ROI reporting requirements.

Additionally, the OOE should consider modifying existing grant agreements to include ROI reporting requirements not currently mandated. These reporting requirements should be in effect for a period of time sufficient to evaluate the success of both state and federal programs.

Finally, the OOE should consider developing a system for collecting, summarizing, analyzing and reporting the projected and actual ROI data at the recipient level.

### **Attendance and Gate Admission Revenue – 2012 Florida State Fair** (Report Number: IA 1112-03)

The objective was to audit the attendance and gate admission revenue for the 2012 Fair.

The scope was the attendance and gate admission revenue of the 2012 Florida State Fair held during the period of February 9 - 20, 2012, including advance gate admission sales occurring prior to the fair's opening and refunds or credits made through February 29, 2012.

**Results:** The attendance of 457,280 and gate admission revenue of \$2,828,013 for the 2012 Florida State Fair is fairly stated in all material respects.

**Issue:** Occasionally, ticket sellers returned to the Fair Bank with large volumes of cash that had to be counted and reconciled by the ticket office tellers. This practice increased the waiting time for the ticket sellers to be processed and released, and contributed to

an overall atmosphere of disorganization within the Fair Bank. Fair Policies and Procedures indicate that throughout the day, ticket office runners will make cash pick-ups at the entrance gates and midway ticket booths to pick up excess cash from the ticket sellers.

**Recommendation:** Fair management should consider increasing the frequency of pick-ups made by the ticket office runners to allow the ticket office tellers to count cash throughout the day when activity in the bank is minimal, and to reduce the amount of cash the ticket sellers return at the end of the day.

**Issue:** Based on Policy and Procedure No. 5-2, Midway Ticket Seller Procedure, if the ticket seller's bank bag is not balanced within \$25, then the ticket office manager and the finance manager must determine the action to be taken. However, there were instances where the ticket seller's bank bag was out of balance in excess of \$25 and the finance manager was not notified in accordance with Policy and Procedures. The finance manager indicated that the ticket office manager typically did not notify him unless the discrepancy exceeded \$50.

**Recommendation:** Fair management should reassess the dollar threshold at which the finance manager must be notified when ticket sellers are out of balance, and the Policy and Procedures should be revised accordingly.

**Issue:** As mentioned above, Policy and Procedure No. 5-2, Midway Ticket Seller Procedure, states if the ticket seller's bank bag is not balanced within \$25, then the ticket office manager and the finance manager must determine the action to be taken. However, the Policy and Procedure is silent on the type of action(s) that should be pursued. In addition, a policy does not exist that requires the involvement of the finance manager when the gate admission ticket seller's bank bag is out of balance.

**Recommendation:** Fair management should consider revising the Policy and Procedures to include the type of action(s) that should occur when a ticket seller is out of balance. In addition, consider establishing a course of action for a ticket seller whose cash discrepancies may be relatively small in dollar value, however, the ticket seller is repeatedly out of balance. Finally, management should revise the Policies and Procedures to address the involvement of the finance manager when a gate admission ticket sellers' bank bag is out of balance.

**Issue:** During interviews with the ticket office manager, she indicated that one of her assigned responsibilities was to handle customer complaints during the Fair. As a result, she was oftentimes unable to perform critical Fair Bank activities because she had to respond to a customer's complaint.

**Recommendation:** Fair management should reassign the responsibility for handling customer complaints to someone other than Fair Bank staff to allow them to focus on Bank-related activities.

# SPECIAL PROJECTS

The OIG performed four (4) special projects during Fiscal Year 2011-2012 that provided department management with information strategic to improving the effectiveness and efficiency of department operations and programs.

## **Review of LexisNexis Database**

(Report Number: SP 1112-01)

This project was performed to determine whether the Division of Licensing had developed and utilized signed agreements to provide guidance for users of the LexisNexis database and to set parameters the user must work within; and to determine whether the division had a quality assurance program for the user accounts.

The LexisNexis database is an internet based system containing searchable records, including addresses, social security numbers, criminal histories and employment information. The Division of Licensing uses the database to facilitate processing of applications for licensure.

**Issues:** The division had not developed a user agreement that outlines the authorized uses of the database and sets the parameters the user must work within. The division is currently in the process of developing an agreement that will be signed by each user of the database. The user agreement should provide guidance on the authorized uses of the database.

The division had not established a formal quality assurance program to ensure all searches performed on the database are authorized.

The division had not developed written policies and procedures to address key issues surrounding issuance of user accounts for the database. The division is currently in the process of drafting policies and procedures to address these issues.

The division's administrator over the database user accounts has not performed a user account review within the last four

years to determine whether the assignment of user accounts was still appropriate.

The OIG performed a user account review for all active user accounts to verify that the user account was assigned to an employee whose job responsibilities provided a business purpose for database access, and to verify that the employee was still employed in the division. The OIG confirmed that the user accounts were assigned to employees whose job responsibilities provided a business purpose for database access. However, one of the employees had terminated employment with the department on August 31, 2009. The division suspended the employee's user account on August 22, 2011.

**Recommendations:** The review determined the division should continue to finalize and implement policies and procedures that govern user accounts established for the database. At a minimum, the policies and procedures should address the types of job duties that necessitate access to the database; utilization of agreements that are signed by each user; the completion of training by each new user prior to accessing the database; the performance of quality assurance activities to ensure the database is used for business purposes only; the timely revocation of user accounts when access is no longer warranted; the performance of periodic user account reviews; and the consequences to the user for non-compliance with policies and procedures.

## Review of Florida Agricultural Museum Inc.

(Report Number: SP 1112-02)

The purpose of the review was to evaluate management's performance and effectiveness of established internal controls in achieving compliance with laws, rules and other guidelines; the economic and efficient operation of the Museum and safeguarding of assets.

**Issue:** According to the by-laws, the Board approves all salaries. However, during the course of our review, it was determined that changes were made to salaries without prior Board approval.

**Recommendation:** The Board should approve all employee salaries consistent with the governing by-laws.

**Issues:** The Museum does not conduct background checks on employees or volunteers, nor does it require the employees or volunteers to display a form of identification at all times while on Museum property.

**Recommendations:** The Executive Director should ensure that background checks are conducted for all employees and volunteers.

The Executive Director should implement a process whereby all employees and volunteers wear prominently displayed identification while on Museum property.

**Issue:** A review of payroll disbursements found that there was no documentation to support hours worked by the employees.

**Recommendation:** Documentation should be maintained for all payroll disbursements, to include a record of hours worked and management's approval.

**Issue:** Currently, the Museum's volunteer Treasurer serves multiple rolls within the accounting process, which has caused concern with regards to segregation of duties. Specifically, the Treasurer records

revenue receipts, prepares deposits, and performs bank reconciliations.

**Recommendation:** Segregate duties among existing Museum staff to the extent possible.

**Issue:** On September 29, 2009, the Board approved changes to the by-laws to remove the Commissioner of Agriculture's authority to nominate and appoint Board members. At the September 3, 2010, Board meeting, the Board renewed the terms of five Board members whose terms had expired. The Board voted to reappoint all five members without the Commissioner of Agriculture's involvement.

**Recommendation:** The department should consider amending its Memorandum of Agreement with the Museum to require the Board to notify the department of any proposed changes to the by-laws.

**Issue:** The Board held six Board meetings. Four of the six meetings were not published in the Florida Administrative Weekly, as required by law, and the auditors were unable to locate notification in local newspapers correlating to the Board meetings.

**Recommendation:** The Executive Director must ensure that all Board meetings are properly noticed in accordance with Florida Statutes.

**Issue:** At the March 1, 2011, Board meeting, only four of ten (40%) active Board members attended the meeting. Although the meeting did not have a quorum, the Board proceeded to approve several motions.

**Recommendations:** The Board must ensure that a quorum exist prior to taking Board actions. The Board should evaluate all actions that occurred during meetings that were not publicly noticed or where quorums did not exist.

**Issue:** In 1996, the Museum contracted with three architectural firms to draft a



Development Plan that conceptually captured the mission and purpose of the Museum. The plan has not been revised since it was finalized in 1997.

**Recommendations:** The Board should evaluate, and revise as necessary, the Museum Development Plan to ensure that it reflects the current economic situation and establishes a feasible timetable for completion. Copies of the Museum Development Plan should be provided to the Commissioner of Agriculture.

The Executive Director should continue to periodically update the Board on the status of completion of the Museum Development Plan.

**Issue:** The Museum did not have a Board approved annual budget for the period reviewed.

**Recommendation:** The Executive Director should ensure budgets are prepared each fiscal year for approval by the Board. The budget should include projections of revenues and expenditures. Consideration should be given to the development of a long-term budget to ensure the Museum's financial stability.

**Issues:** Controls over cash are insufficient. Specifically:

- Documentation did not capture the receipt of cash and the subsequent transfer of cash to the Treasurer;
- Petty cash logs were not maintained to support the transfer of funds to and from petty cash;
- Documentation was not maintained to support disbursements from petty cash (e.g., receipts);
- Documentation did not indicate the revenue source to facilitate deposit reconciliation;
- Checks were being written to cash; and

- Cash is not maintained in a secure location.

**Recommendations:** Controls over cash can be improved.

- The Executive Director should implement procedures to ensure the collection and transfer of cash is documented.
- Petty cash disbursements and replenishment must be adequately documented. Documentation should include the original receipts or invoices for items purchased, including the date and amount.
- The Executive Director must ensure deposit records are itemized to indicate the revenue source (e.g., Museum tours, store sales, horse and barn rental, camping fees, horse riding lessons, themed events).
- The Museum should discontinue writing checks payable to cash.
- The Executive Director must ensure funds maintained on-site are stored in a secure and locked location. Furthermore, access to the secure location should be limited to key personnel.

**Issue:** A review of disbursements found insufficient documentation for 26 of 59 records sampled (44%, \$12,816).

**Recommendation:** Documentation should be maintained for all disbursements (e.g., invoices).

**Issue:** The Museum has both an American Express and Home Depot credit card. According to the by-laws, disbursement of funds (except petty cash) shall be made by check.

**Recommendation:** The Board should determine whether credit cards are needed to support Museum operations, and revise the by-laws accordingly.

**Issue:** Bank reconciliations were not performed monthly nor adequately documented for the period under review.

**Recommendation:** Bank statements should be reconciled and documented on a monthly basis.

**Issue:** During the review period, the Executive Director did not prepare an annual report pursuant to the Museum's governing by-laws.

**Recommendations:** The Executive Director should prepare an annual report that provides the status of the Museum Development Plan. The report should include a detailed budget, financial statements (balance sheet, income statements) and list of donors. The report should highlight capital improvements and operational efficiencies, as well as evaluate the events and activities for the fiscal year.

This report should be provided to the Board no later than 90 days after the fiscal year end, per the by-laws, with a copy provided to the Commissioner of Agriculture.

**Issue:** During an assessment of the Museum facilities, it was noted that two buildings had exposed insulation. The remaining buildings on the property appeared to be in good condition.

**Recommendations:** The Executive Director should maintain a list of property and facility maintenance concerns, and provide periodic updates to the Board on the status of maintenance projects.

**Issues:** The Museum does not have sufficient physical security in place to protect its assets. Although the entrance gates are locked when the Museum is closed, there are points of entry to the property that are neither secure nor monitored.

Also, the Museum does not monitor the main entrance during the hours of operation.

This allows for visitors, employees, and volunteers to access the property unnoticed.

**Recommendation:** A staff member of the Museum should be assigned to the main entrance point during normal hours of operation.

**Issue:** A sign in/out log was kept during certain themed events; however, this log is not kept during normal operations.

**Recommendation:** The Museum should maintain a daily sign-in/out log for all employees and volunteers. This list of personnel can also be used in the event of an emergency to determine who is on Museum property.

**Issue:** The Museum owns a travel trailer (camper) which rents for a fee of \$100 per month. The renter lives on the Museum property, and in exchange, agrees to provide after hours security. A signed rental agreement could not be provided for the current tenant.

**Recommendations:** A signed rental agreement should be obtained that outlines the living arrangements and specific expectations regarding the security services provided by the tenant. Additionally, this living arrangement should also be evaluated to ensure that it is not prohibited by ordinance.

**Issue:** The Museum has no comprehensive listing of its inventory. During the site visit, it was noted that numerous artifacts were undocumented. According to the Executive Director, several of these items were donated by the U.S. Department of the Interior, National Park Service.

**Recommendation:** The Executive Director should ensure that a complete inventory of all artifacts is maintained in one comprehensive list. This inventory should include a description, approximate value, location, and the origin of each item.

**Issues:** The Museum maintains a commercial general liability insurance policy covering the property. The medical expense limit of the policy is \$1,000, per incident, per person.

The Museum's current insurance policy does not include coverage for the sale or consumption of alcohol on the Museum's property.

**Recommendation:** The Museum's liability policy should be reevaluated to ensure it provides the appropriate and desired coverage.

### **Review of the Broward Soil and Water Conservation District**

(Report Number: SP 1112-03)

This project was performed to determine compliance with the annual financial reporting and audit requirements of Section 189.418(9), F.S., and to evaluate the District's performance and the effectiveness of established internal controls. We determined that the District failed to submit within the timeframes required by Florida Statutes, the annual financial and audit reports for FY2008-2009, and the annual financial report for FY 2009-2010. On June 5, 2012, the District submitted the audit report for FY 2008-2009, and is now compliant with the reporting requirements of Section 189.418(9), F.S.

The District did not respond to the OIG's request for documentation necessary to conduct a review. As a result, we were unable to evaluate the District's performance and the effectiveness of established internal controls.

### **Agency Resource Allocation**

(Multi-year project)

This ongoing project is being performed to provide the department's management with an overview of their division or office program activities, including resources expended and accomplishments (e.g., licenses and permits issued, rules, FTE's,

budgeted appropriations). The information compiled will provide management with key performance data indicators that they can use to make decisions that optimize program resources and activities. To facilitate this project, staff members of the Internal Audit Section have been assigned the role of liaison for specific divisions and offices.

# INTERNAL CONSULTING SERVICES

The OIG performs consulting services based on requests from department management, as well as through joint projects with department personnel that are designed to enhance internal controls or organizational governance. The Audit Section participated in four (4) internal consulting services during Fiscal Year 2011-2012.

## **Performance Measures – Review of Validity and Reliability Statements**

(Report Number: No Report Issued)

The Audit Section reviewed the addition, deletion, or modification of the Long Range Program Plan Exhibit IV: Performance Measure Validity and Reliability statements to assess the validity and reliability of the information contained in the Exhibit. Recommendations were made to enhance definitions and to clarify methodologies.

## **Performance Measures – Review of the Addition, Deletion, or Modification of Approved Performance Measures, Standards, and Activities**

(Report Number: No Report Issued)

The Audit Section reviewed the addition, deletion, or modification of approved measures, standards, and activities for the Fiscal Year 2011-2012 Long Range Program Plan. The purpose of this review was to assess the reliability and validity of information provided by the department on performance measures and standards, and to make recommendations for improvement, if necessary, prior to submission to the Executive Office of the Governor and Florida Legislature.

## **General Records and Data Analysis – Investigation Assistance**

The Audit Section performed general record and data analyses as requested during the year to assist the Investigative Section.

## **American Recovery and Reinvestment Act (ARRA)**

The department initially received \$15,245,063.99 to be utilized by the Florida Forest Service and the Divisions of Aquaculture and Marketing and Development. Specifically, these funds were utilized:

- for fuel reduction in areas of high wildfire risk throughout Florida;
- for Firewise program delivery to Florida's highest risk urban interface areas;
- to increase tree canopies and maintain existing trees in Florida communities;
- to improve the condition of longleaf pine forests on state and privately owned forest lands;
- to defray the costs associated with the administration, storage and distribution of USDA foods; and
- to provide assistance to eligible aquaculture producers that suffered financial losses associated with high feed input costs during the 2008 calendar year.

During this reporting period, the Audit Section monitored the continued obligation and expenditure of these funds and worked with external audit entities during their review of specific programs.

The Florida Energy Office was transferred to the department from the Executive Office of the Governor on July 1, 2011. This office had oversight responsibility for \$175,957,276 in ARRA funds; therefore, the Energy Office was the focus of an operational audit by the Audit Section during Fiscal Year 2011-2012.

The following chart identifies all ARRA funds received by the department:

<b>Expenditures of ARRA Grants</b>				
<b>Division/Office</b>	<b>Award</b>	<b>Award Amount</b>	<b>Amount* Expended</b>	<b>Percent</b>
Office of Energy	State Energy Program	\$126,089,000.00	\$96,479,372.15	76.52%
Office of Energy	Energy Efficiency & Conservation Block Grant	30,401,600.00	16,417,332.97	54.00%
Office of Energy	Energy Efficient Appliance & HVAC Rebate	17,585,000.00	17,585,000.00	100.00%
Office of Energy	Energy Assurance & Smart Grid Resiliency Grant Program	1,881,676.00	1,339,199.55	71.17%
Florida Forest Service	Florida Community Fuels Management Program – Phase 1	900,000.00	900,000.00	100.00%
Florida Forest Service	Florida Community Fuels Management Program – Phase 2	6,281,000.00	5,577,445.42	88.80%
Florida Forest Service	Florida Forest Health Improvement Initiative	1,570,000.00	1,570,000.00	100.00%
Florida Forest Service	Florida Regional Longleaf Pine Restoration Initiative & Fuel Reduction	1,755,000.00	1,743,846.05	99.36%
Marketing & Development	Florida TEFAP CAP Recovery Act	4,408,715.00	4,408,715.00	100.00%
Aquaculture	State Grant to Provide Assistance to Eligible Aquaculture Producers	330,348.99	330,348.99	100.00%

Sources: Energy Office and Bureau of Finance and Accounting

\* Totals reflected may have changed as expenditures continued.

# GOVERNANCE ACTIVITIES

The Audit Section performed three (3) on-going governance activities to remain aware of current information technology issues for the department and to communicate key issues to department employees, as follows:

## Technology Governance Committees

The Audit Section takes an active role in advising and consulting with department management in the information technology arena by serving as an advisory member on the following committees and panel:

- Information Technology Resource Steering Committee;
- Operational Steering Committee; and
- Information Technology Life Cycle Review Panel.

As an advisory member, the Director of Auditing attends the committee and panel meetings to participate in discussions regarding IT-related issues facing the department, such as the development of new applications and security controls.

## Governance Communications

Management Advisories or Control Alerts may be distributed to management to communicate opportunities for improvements in efficiencies, effectiveness, or controls of department programs, operations, or financial management. No governance communications were distributed during Fiscal Year 2011-2012 due, in part, to the assignment of audit staff members as division/office liaisons which provides timely, one-on-one communications with management.

## Preventative Measures and Communication

The Audit Section utilizes the department's quarterly Open Lines newsletter to communicate services provided and audit-related issues. In the Summer 2011 and Spring 2012 Open Lines, respectively, the Audit Section communicated the methodology for developing the annual Audit Plan and our responsibilities to coordinate audits performed by the Auditor General, federal auditors, and other governmental entities, as established in Section 20.055, Florida Statutes.

# EXTERNAL AUDIT/REVIEW ACTIVITIES

The OIG is the coordinator for external audits or reviews conducted by the Auditor General, Office of Program Policy Analysis and Government Accountability, Federal auditors, and other governmental entities. The Audit Section also evaluates findings and department responses. The Audit Section coordinated ten (10) external audits or reviews by Federal and State agencies during Fiscal Year 2011-2012.

## OFFICE OF THE AUDITOR GENERAL

### **Financial Statements FY Ending 06/30/11**

(Report: Florida's Comprehensive Annual  
Financial Report for Fiscal Year Ending  
06/30/11)

This audit concerned the State of Florida's Basic Financial Statements to include an annual fraud inquiry, financial noncompliance disclosure, legal representation letter, management representation letter, and a reconciliation of the State Expenditures for Federal Awards. There were no findings resulting from this review.

### **Federal Awards for FY 2010-2011 State Energy Program and Child Nutrition**

(Report Number: AG 2012-142)

The Auditor General selected the Child Nutrition Cluster and the State Energy Program as the Federal Awards programs audited for fiscal year ending June 30, 2011. There were four findings for the State Energy Program, including payment to a subrecipient for activities not yet completed; insufficient documentation for review of weekly certified payrolls from subrecipients; the timely completion of monitoring reports subsequent to visits to subrecipient locations; and failure to obtain and review required audits of subrecipients. There were two findings for the Child Nutrition Program regarding deficiencies in access security controls and process improvements to ensure that Child Nutrition Cluster subaward data is properly reported in compliance with

the Federal Funding Accountability and Transparency Act.

### **Federal Awards for FY 2011-2012 State Energy Program and Child Nutrition**

(Fieldwork in process)

This audit is designed to express an opinion on the state's compliance with requirements applicable to the State Energy and Child Nutrition Federal programs.

### **Revenue Collections Operational Audit**

(Report Number: AG 2012-161)

The primary focus for this audit was related to the department's revenue collection and reconciliation processes. There were eight findings for this audit, including deficiencies in the revenue collection processes; the lack of periodic reconciliations of revenue collections to corresponding records of licenses, permits, fees, or services; revenues collections were not timely deposited; and delays existed in the termination of information technology resources access privileges upon employee separation.

## **OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY (OPPAGA)**

### **2012 Florida Government Program Summaries**

(Report maintained electronically)

This was an annual update of the department's information contained on the Office of Program Policy Analysis and Government Accountability's website.

**DEPARTMENT OF FINANCIAL  
SERVICES**

**Financial Statements  
FY Ending 06/30/11**

(Florida's Comprehensive Annual Financial  
Report for FY Ending 06/30/11)

This was a request for completion of the Consideration of Fraud in Financial Reporting Certification form by the Commissioner. It acknowledges agency management's responsibility to prevent and detect fraud in regards to its own agency financial information to be included in the statewide financial statements and completion of a management representation letter relating to internal controls over statewide financial reporting.

**UNITED STATES DEPARTMENT OF  
AGRICULTURE (USDA)**

**Citrus Health Response Program**  
(Report dated August 2011)

This review was conducted by the USDA on the department's Citrus Health Response Program cooperative agreements for October 2006 through September 2008. The purpose of the review was to ensure compliance with established APHIS and Federal regulations, policies and procedures, and to enhance APHIS' management of Federal assistance programs. Eight issues were identified during this review, including deficiencies in documentation to support the transfer of cost; non-compliance with SF-424A budget requirements; insufficient documentation to support cellular telephones charges; and unauthorized charges to the Citrus Health Response Program cooperative agreements for personnel and travel costs.

**Specialty Crop Block Grant Program**  
(Report dated May 2012)

The overall objective of this review was to improve the Specialty Crop Block Grant Program (SCBGP) through measuring program performance and ensuring

compliance with the grant agreement(s) entered into between the United States Department of Agriculture, Agricultural Marketing Service, and the Florida Department of Agriculture and Consumer Services, along with 7 CFR Part 3015 USDA's Uniform Federal Assistance Regulations. Issues were identified as a result of the review, including the need to ensure conflicts of interests do not exist for review committee representatives during project selection; a review of financial documents was not conducted during site visits at subgrantee locations; the review of performance reports and source documents for expenditures may be unduly burdensome; and grant agreements did not include information for subgrantees on how to appropriately manage, use and dispose of equipment.

**U. S. DEPARTMENT OF ENERGY  
(USDOE)**

**State Energy Program –  
Monitoring Visits**  
(August 2011 & January 2012)

The US Department of Energy conducted on-site monitoring visits of the state of Florida's State Energy Program (SEP) grant. The monitoring visit included assessments of the programmatic, administrative, and financial management of the SEP grant, as well as visits to subrecipient locations. There were no formal findings cited during the visit, however, there were issues of concern noted, including the completion of projects by the end of the performance period; and the need for a higher level of oversight for two subrecipients.

**Energy Efficiency & Conservation  
Block Grant –  
Monitoring Visit**  
(February 2012)

The US Department of Energy conducted an on-site monitoring visit to review the Energy Efficiency and Conservation Block Grant. The purpose of the visit was to determine



whether the Department of Agriculture and Consumer Services was in compliance with Federal program and administrative requirements; work accomplished by the recipient was consistent with the work described in the grant application; milestones were being met, and whether there were any problems or issues in accomplishing the EECBG objectives. There were no findings resulting from the monitoring visit.

internal Audit Section has emphasized timeliness in corrective action plans of management and subsequent follow-up activities. As a result of management's responsiveness, all significant audit findings previously reported through the Fiscal Year 2010-2011 Annual Report have been resolved.

## COMPLIANCE MONITORING AND OVERSIGHT

Follow-up activities are an integral component of assurance services. Specific follow-up is performed as appropriate for findings contained in internal or external audits. During Fiscal Year 2011-2012, the Audit Section determined the status of corrective action for the Auditor General's Federal Awards audit for fiscal year ended June 30, 2011, and the Revenue Collections Operational audit. The status of corrective action was also determined for audits completed by the Audit Section, to include Organizational Ethics, the Florida Agricultural Museum Inc., and the Office of Energy Operational audit. Additional follow-up is planned during Fiscal Year 2012-2013.

## OPEN AUDIT FINDINGS FROM PRIOR ANNUAL REPORTS

Timely analysis and appropriate corrective actions should result from any findings and recommendations made in conjunction with internal or external assurance services. Findings and recommendations have been communicated to management early in the audit process, resulting in corrective actions being completed prior to completion of many assurance projects. Additionally, the



## INVESTIGATIVE SERVICES TO THE DEPARTMENT

### **Investigations**

The Investigative Section conducts internal investigations of alleged administrative and criminal misconduct in matters relating to the department. The investigations may be broad in nature requiring the review of department practices, direction or management, or may concern only one individual's actions. The complaints, which may serve as grounds for an inquiry or investigation, could be received from any department employee, whistle-blowers as defined by Section 112.3187, Florida Statute., business entities regulated by or doing business with the department, or private citizens.

The Investigative Section conducts all cases, both administrative and criminal investigations alike, utilizing sworn law enforcement officers within the OIG. With offices in Tallahassee and Tampa, this team consists of a Director, two Captains, and a Lieutenant who collectively possess over eighty years of combined law enforcement experience. This combination of experience brings a broad range of knowledge and professionalism to the Investigative Section.

### **Employee Background Reviews**

The OIG received and reviewed employee fingerprint results as part of the department-wide initiative to review backgrounds of employees in positions of special trust which are subject to Florida Statute 110.1127. Fingerprint results that contained issues of concern were assigned a case number and were thoroughly investigated and resolved. During Fiscal Year 2011-2012, the OIG reviewed and cleared a total of 159 employee background checks.

### **Enhancing Our Operation**

During FY 2011-2012, the OIG promoted an online complaint form that allows citizens or employees the option to remain anonymous when providing information or complaints concerning incidents within the department. The establishment of the online complaint form proved to be very successful, as 29 complaints utilizing this form were received, evaluated and investigated by the OIG. Several of the complainants chose to remain anonymous when submitting their complaints.

### **Educating Our Employees**

This year the Investigative Section took part in various employee outreach programs aimed at better educating personnel concerning the role of the OIG and how we can assist them to both avoid and identify misconduct. We utilized the department Open Lines newsletter to highlight different areas of misconduct that employees face in the workplace. Presentations were also developed that will be used in both the supervisory and new employee orientation programs. The OIG also created and conducted state-wide webinar training on sexual harassment, discrimination and workplace violence.

### **Accreditation**

The OIG continues to maintain full accreditation status granted in 2010 by the Commission for Florida Law Enforcement Accreditation (CFA). These standards are maintained on a routine basis by investigative staff in preparation for the reaccreditation scheduled in 2013.

# INVESTIGATIVE ACTIVITY



During Fiscal Year 2011-2012, the Investigative Section received 225 complaints from citizens, employees and division directors within the department. Of those complaints, the OIG conducted 112 investigations regarding allegations of employee misconduct. These investigations took an average of 41 days to complete and provide investigative findings. The remaining 113 complaints were reviewed and determined not to be within the purview of the OIG. Information was forwarded to each of these complainants informing them of which agency or division could assist them in resolving their complaint.

Depending on the nature of the allegations and the evidence contained within the complaints, investigations that are assigned to an investigator will fall into one of the following categories:

## **Preliminary Inquiries (PI)**

Conducted in circumstances when it is necessary to determine the validity of a complaint prior to the initiation of a formal investigation. Background investigations are performed when requested and documented as a PI.

## **Inspector General Investigations (IG)**

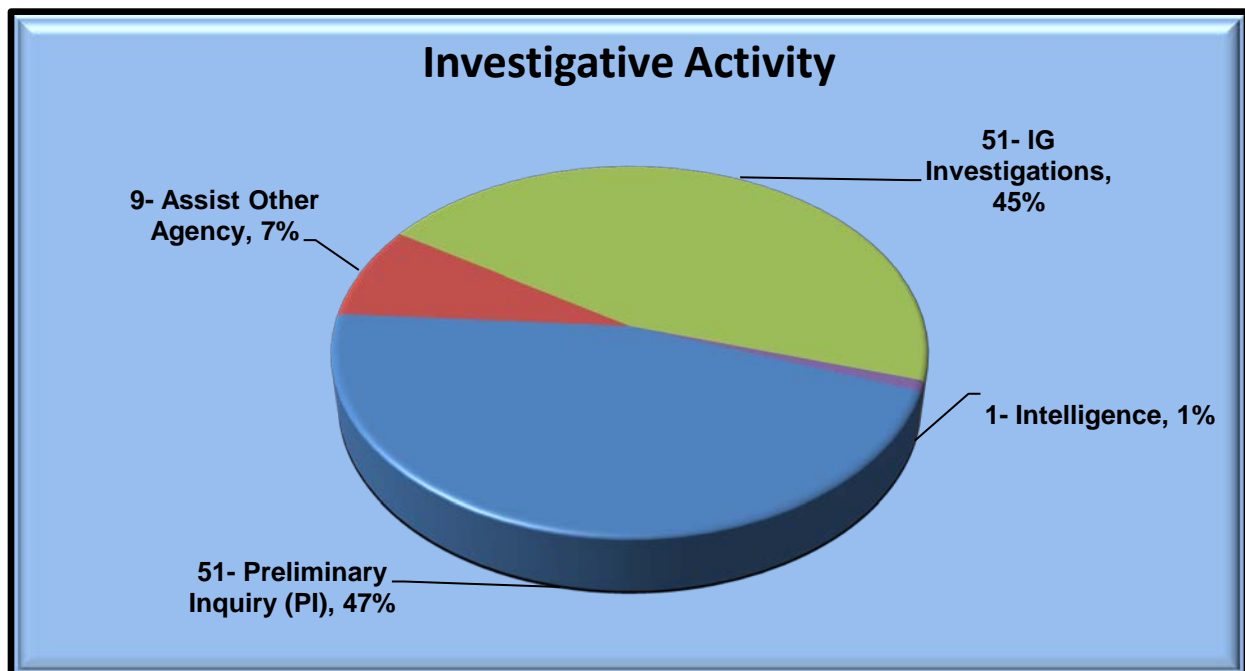
Formal investigations conducted in accordance with F.S., Administrative Policies and Procedures, Principles and Standards for Offices of Inspector General and/or CFA standards, to include: Sexual Harassment, Discrimination, and Whistle-blower.

## **Assist Other Agency (AOA)**

Significant investigative activity in support of another state, federal or local agency. This includes computer forensic support as well as interviews conducted on behalf of another agency.

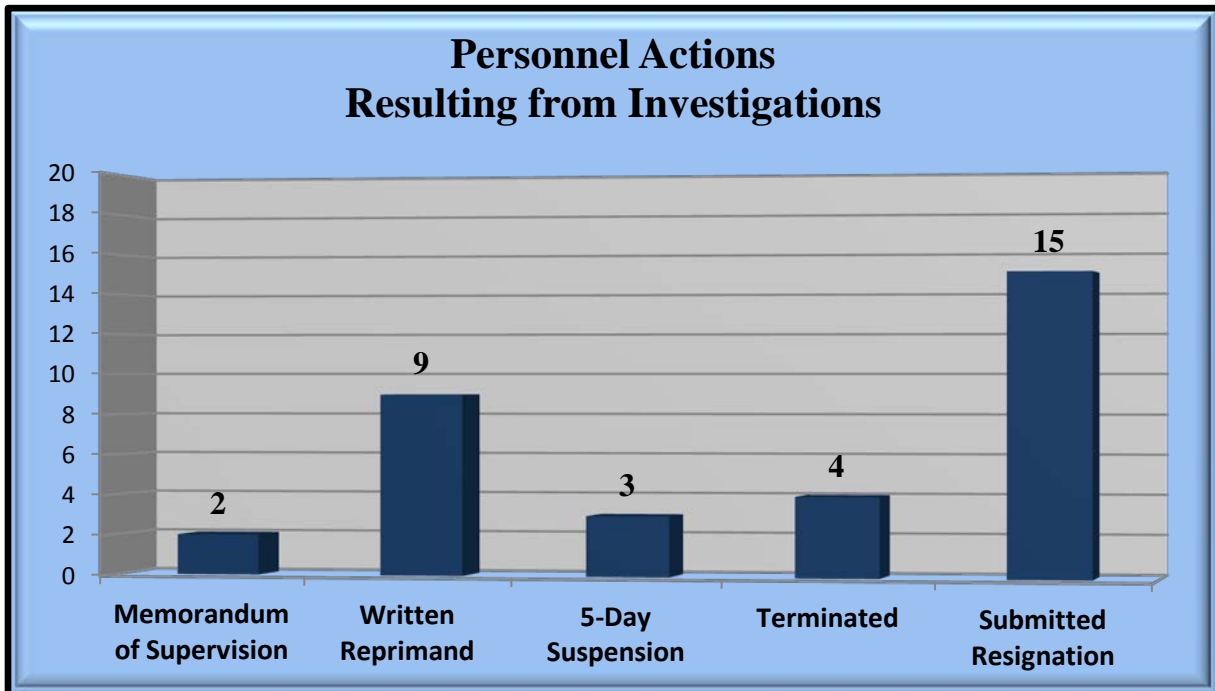
## **Intelligence (INT)**

Documented material that is beyond the scope of the OIG and which did not meet the requirements to open a preliminary inquiry. However, the information contained within these files had potential future value and was retained for reference.

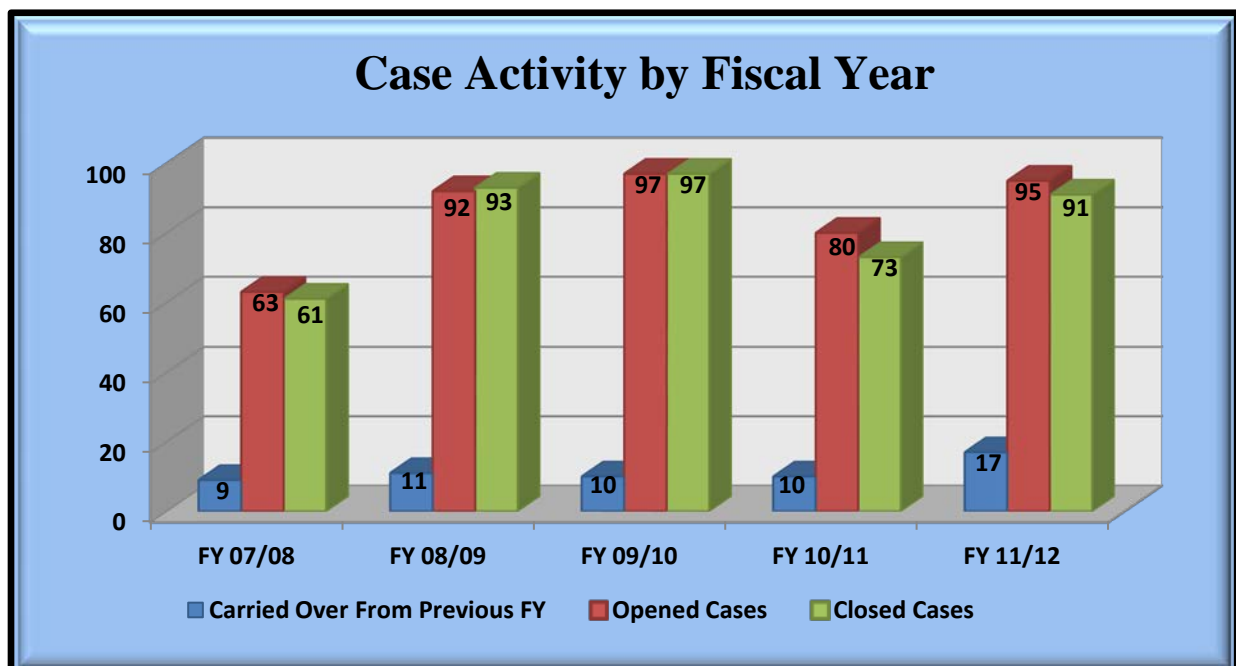


After a case has been completed and approved for closure by the Inspector General, the results are forwarded to department management, the impacted divisions' supervisory chain, and the Bureau of Personnel Management for their review and any action that they deem appropriate.

As a result of these investigations, during the FY 2011-2012, the Investigative Section prevented the loss of nearly \$2.5 million in unallowable or fraudulent grant related charges. The outcome of these investigations resulted in four (4) arrests and the recovery of \$1,700 from restitution, fines and administrative costs. The following chart reflects personnel actions, but does not include discipline less than a Memorandum of Supervision.



The following chart represents the case history for the last five fiscal years.



# PRELIMINARY INQUIRIES

The OIG receives complaints from a wide variety of sources. Sometimes it is necessary for the Investigative Section to open a Preliminary Inquiry to determine the validity of a complaint. Preliminary Inquiries that do not warrant an IG investigation are generally closed in one of the following manners:

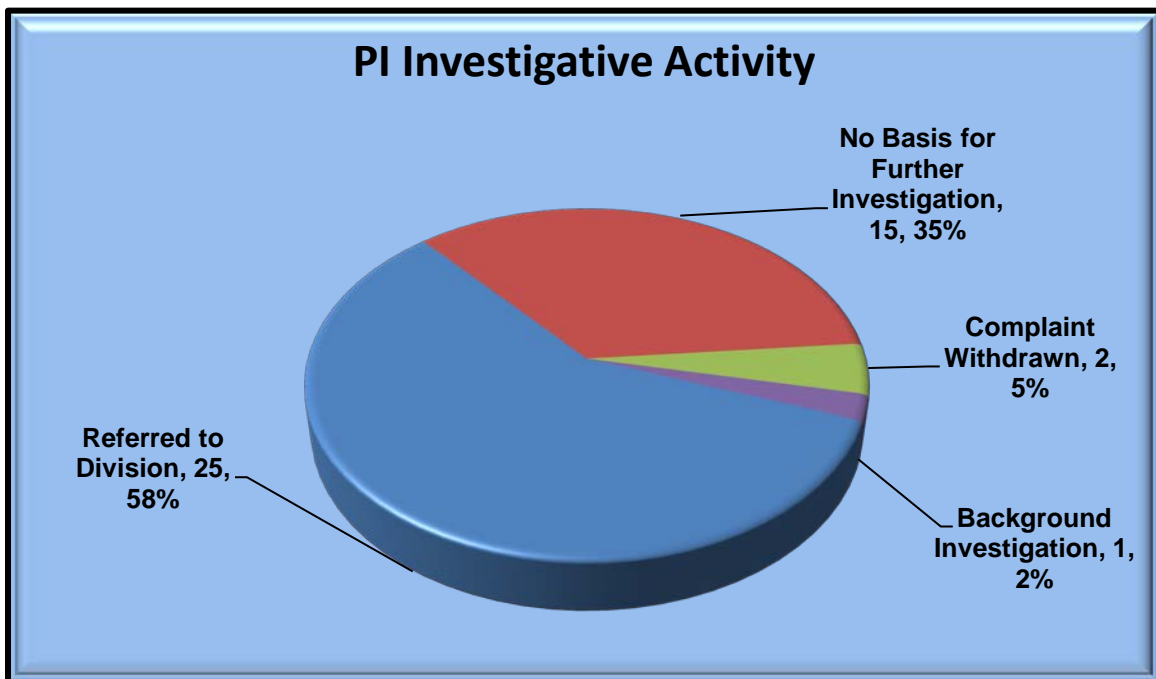
**Referred to Division:** Complaint was reviewed and it was determined that the matter is best handled at the supervisory level.

**Complaint Withdrawn:** The complainant withdrew their statement or failed to file an official complaint and there was no basis for further investigation.

**No Basis for Further Investigation:** The evidence did not support further investigation.

**Background Investigation:** Conducted preliminary background screenings.

During Fiscal Year 2011-2012, the OIG closed forty-three (43) Preliminary Inquiries statewide. These cases did not meet the criteria of an IG investigation; however, each incident was thoroughly documented and concluded in one of the following manners reflected in the chart below.



# INSPECTOR GENERAL INVESTIGATIONS

When the Investigative Section determines that a formal investigation is required that involves probable violations of Administrative Policies and Procedures No. 5-3, Disciplinary Policy and Employee Standards of Conduct, the case is assigned a case number and referred to as an IG investigation. Once the investigative process is completed, the IG case is formally documented and typically closed with one of the following conclusions:

**Sustained:** Evidence is sufficient to prove allegation(s).

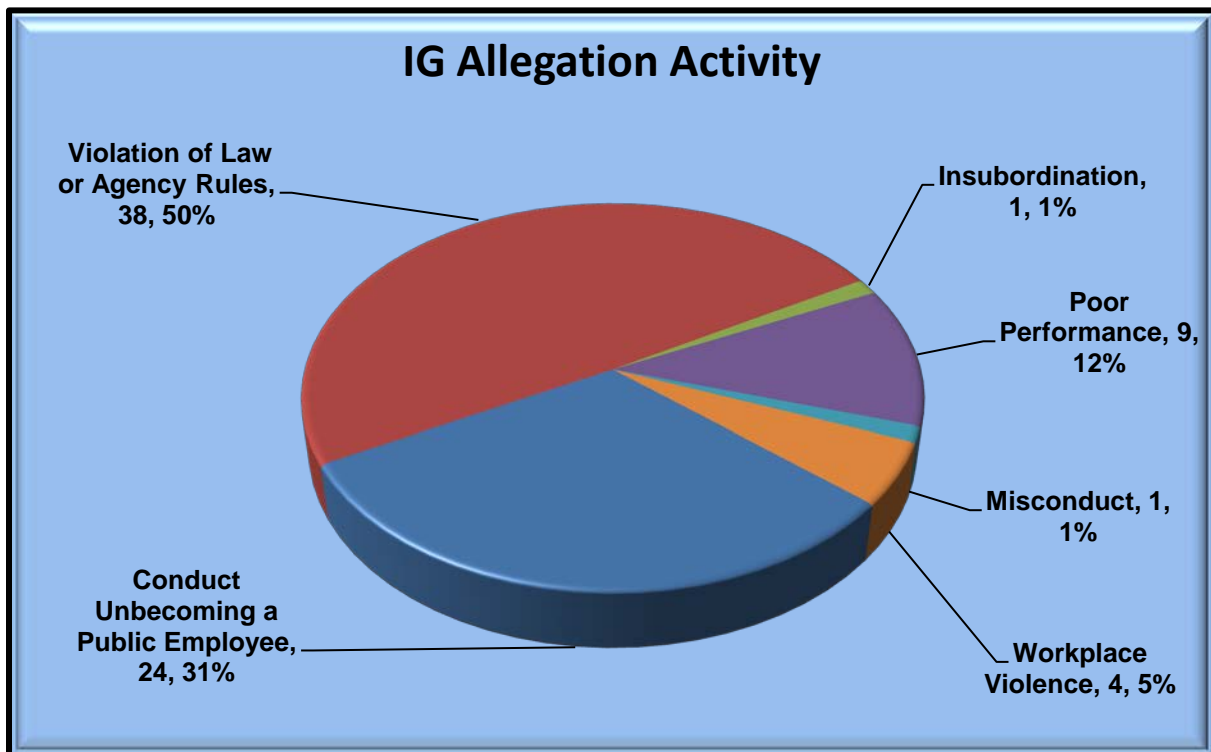
**Not Sustained:** Insufficient evidence available to prove or disprove allegation.

**Exonerated:** Alleged actions occurred but were lawful and proper.

**Unfounded:** Allegations are false or not supported by fact.

**Policy Failure:** Alleged actions occurred and could have caused harm; however, the actions taken were not inconsistent with department policy.

During Fiscal Year 2011-2012, the OIG closed forty-one (41) IG investigations statewide. Below is a chart of the IG investigative activity listed by allegation category. Some investigations involved multiple allegations. Additionally, the following pages provide a summary of significant cases and a statewide map charting investigative locations.



### CASE No. IG 2011-0008

The OIG conducted this investigation after receiving a memorandum from the Office of Agricultural Law Enforcement (OALE) concerning allegations of illegal burning by an OALE officer. The investigation concluded that the allegation of Violation of Law or Agency Rules was **NOT SUSTAINED**.

### CASE No. IG 2011-0021

The OIG conducted this investigation after a complaint was received from the Florida Forest Service regarding a complaint of sexual harassment. The investigation concluded that the allegation of Violation of Law or Agency Rules, to wit: Sexual Harassment was **NOT SUSTAINED**. The remaining allegations involving Workplace Violence and Conduct Unbecoming were **SUSTAINED**. Employee was issued a 5-day suspension.

### CASE No. IG 2011-0023

The OIG conducted this investigation after receiving a complaint that was forwarded from the Office of the Chief Inspector General concerning misuse by two employees of state resources. The investigation concluded that the allegation of Poor Performance against an employee was **UNFOUNDED**; and the allegation of Poor Performance against an employee was **SUSTAINED**. The remaining allegation related to Violation of Law or Agency Rules, to wit: Information and Technology Resources was **NOT SUSTAINED**. Employee was issued a Memorandum of Supervision.

### CASE No. IG 2011-0027

The OIG conducted this investigation after receiving a complaint of sexual harassment from the Division of Fruit and Vegetables. The investigation concluded that the allegations of Violation of Law or Agency

Rules, to wit: Sexual Harassment and Conduct Unbecoming a Public Employee were **NOT SUSTAINED**. A developed allegation of Violation of Law or Agency Rules, to wit: False Official Statements was **SUSTAINED**. Employee was terminated.

### CASE No. IG 2011-0032

The OIG conducted this investigation after a complaint was received from the Division of Animal Industry concerning the possible falsification of documents by an employee. The investigation concluded that the allegations of Poor Performance and Violation of Law or Agency Rules were **SUSTAINED**. Employee was terminated.

### CASE No. IG 2011-0033

The OIG conducted this investigation after a complaint was received from the Florida Forest Service concerning a possible gas theft by an employee. The investigation concluded that the allegation of Violation of Law or Agency Rules, to wit: Petit Theft was **NOT SUSTAINED**. The allegation of Conduct Unbecoming a Public Employee was **SUSTAINED**. Employee submitted a resignation.

### CASE No. IG 2011-0034

The OIG conducted this investigation after a complaint was received from the Division of Fruit and Vegetables concerning several suspicious incidents involving an employee timesheets, supervisory inspection forms, and a vehicle log. The investigation concluded that the allegation of Poor Performance was **SUSTAINED**.

### CASE No. IG 2011-0038

The OIG conducted this investigation after a complaint was received from the Florida Forest Service (FFS) concerning the possibility of missing copper tubing. The investigation concluded that allegations of Violation of Law or Agency Rules, to wit:

FFS Scrap Metal Protocols and Conduct Unbecoming a Public Employee were **NOT SUSTAINED**.

#### CASE No. IG 2011-0040

The OIG received a request from the Division of Food Safety to investigate possible falsification of payroll timesheets by an employee. The allegation of Poor Performance was **SUSTAINED**. The allegation of Violation of Law or Agency Rules, to wit: Division of Food Safety, Food Inspection Procedures Manual, was **SUSTAINED**. The allegation of Conduct Unbecoming a Public Employee was **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2011-0041

The OIG conducted this investigation after a complaint was received from the Office of Agricultural Law Enforcement regarding law enforcement action taken by an off-duty officer. The investigation concluded that the allegation of Violation of Law or Agency Rules was **NOT SUSTAINED**.

#### CASE No. IG 2011-0044

The OIG conducted this investigation as a result of the department-wide initiative to conduct criminal background reviews on employees in positions of special trust. The investigation concluded that the allegation, Violation of Administrative Policies and Procedures No. 5-3, V., E., Violation of Law or Agency Rules, to wit: Florida Statute 837.06, False Official Statements, was **SUSTAINED**. Employee was issued a Written Reprimand and required to update their application.

#### CASE No. IG 2011-0046

The OIG conducted this investigation after a complaint was received from the Division of Licensing concerning the possible misuse of a sensitive database by an employee. The

investigation concluded that the allegation of Poor Performance was **SUSTAINED**. Employee was issued a Memorandum of Supervision.

#### CASE No. IG 2011-0047

The OIG conducted this investigation upon receiving a bribery complaint against a Division of Standards employee. The investigation concluded that allegations of Violation of Law or Agency Rules, to wit: Unlawful Compensation and Conduct Unbecoming a Public Employee were **NOT SUSTAINED**.

#### CASE No. IG 2011-0048

The OIG conducted this investigation after a complaint was received from the Division of Food Safety concerning an employee that may be violating internet usage policies. The investigation concluded that the allegation of Poor Performance was **SUSTAINED**. The allegation of Violation of Law or Agency Rules, Internet and Electronic Mail Usage, was **SUSTAINED**. The allegation of Conduct Unbecoming a Public Employee was **SUSTAINED**. Employee was issued a 5-day suspension.

#### CASE No. IG 2011-0049

The OIG conducted this investigation as a result of the department-wide initiative to conduct criminal background reviews on employees in positions of special trust. The investigation concluded that the allegation, Violation of department Administrative Policies and Procedures No. 5-3, V., E., Violation of Law or Agency Rules, to wit: Florida Statute, False Official Statements, was **SUSTAINED**. Employee was issued a Written Reprimand and required to update their application.



#### CASE No. IG 2011-0050

The OIG conducted this investigation as a result of the department-wide initiative to conduct criminal background reviews on employees in positions of special trust. The investigation concluded that the allegation of violation of Administrative Policies and Procedures No. 5-3, V., E., Violation of Law or Agency Rules, to wit: Florida Statute 837.06, False Official Statements, was **SUSTAINED**. Employee was issued a Written Reprimand and required to update their application.

#### CASE No. IG 2011-0051

The OIG conducted this investigation after a complaint alleging discrimination was received from the Bureau of Personnel Management. The investigation concluded that allegations of Violation of Law or Agency Rules, to wit: Discrimination against two employees were **UNFOUNDED**. The remaining allegations of Conduct Unbecoming a Public Employee against two employees were **SUSTAINED**.

#### CASE No. IG 2011-0053

The OIG conducted this investigation after receiving an anonymous complaint suggesting that a department employee was violating agency internet usage policies. The investigation concluded that the allegation of Violation of Law or Agency Rules, to wit: Internet and Electronic Mail Usage, was **SUSTAINED**. Employee was issued a Written Reprimand.

#### CASE No. IG 2011-0054

The OIG conducted this investigation after a complaint was received from the Florida Forest Service alleging that an employee engaged in violent behavior. The investigation concluded that allegations of Workplace Violence and Insubordination were **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2011-0056

The OIG conducted this investigation after a complaint was received from the Florida Forest Service regarding the possible falsification of a report by a forest ranger. The investigation concluded that the allegations of Poor Performance, Conduct Unbecoming a Public Employee, and Violation of Law or Agency Rules were **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2011-0057

The OIG conducted this investigation after a referral was received from the Division of Plant Industry concerning the report of offensive language of a sexual nature by a division supervisor. The investigation concluded the allegation of Violation of Law or Agency Rules, to wit: Sexual Harassment was **SUSTAINED**. The allegation of Conduct Unbecoming a Public Employee was **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2011-0058

The OIG conducted this investigation after receiving a complaint from the Florida Forest Service concerning an employee who reportedly violated internet usage policies. The investigation concluded that the allegation of Violation of Law or Agency Rules, to wit: Internet and Electronic Mail Usage, was **SUSTAINED**. Employee was issued a 5-day suspension.

#### CASE No. IG 2011-0062

The OIG conducted this investigation after a complaint was received from the Office of Agricultural Law Enforcement regarding law enforcement action taken by an off-duty officer. The investigation concluded that the allegation of Violation of Law or Agency Rules, to wit: Use of Force was **NOT SUSTAINED**. The allegation of Violation

of Law or Agency Rules was **EXONERATED**.

#### CASE No. IG 2011-0066

The OIG conducted this investigation after a complaint was received from the Division of Licensing in reference to an alleged theft. The investigation concluded that the criminal allegation of Violation of Law or Agency Rules, to wit: Petit Theft, and the administrative allegation of Conduct Unbecoming a Public Employee were **SUSTAINED**. Employee was arrested and employee submitted a resignation.

#### CASE No. IG 2011-0067

The OIG conducted this investigation after receiving a complaint from the Division of Plant Industry concerning an employee who reportedly violated sexual harassment policies. The investigation concluded that the allegations of Violation of Law or Agency Rules, to wit: Sexual Harassment and Conduct Unbecoming a Public Employee were **NOT SUSTAINED**.

#### CASE No. IG 2011-0068

The OIG conducted this investigation after a complaint was received from the Office of Agricultural Law Enforcement regarding suspicious use of a fuel card. The investigation concluded that the allegations of Violation of Law or Agency Rules and Conduct Unbecoming a Public Employee, were **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2011-0073

The OIG conducted this investigation as a result of the department-wide initiative to conduct criminal background reviews on employees in positions of special trust. The investigation concluded that the allegation of violation of Administrative Policies and Procedures No. 5-3, V., E., Violation of Law or Agency Rules, to wit: Florida Statute

837.06, False Official Statements, was **SUSTAINED**. Employee was issued a Written Reprimand and required to update their application.

#### CASE No. IG 2011-0079

The OIG conducted this investigation after a complaint was received from the Florida Forest Service regarding the possible theft of a flashlight by a park ranger. The investigation concluded that the allegation of Violation of Law or Agency Rules and Conduct Unbecoming a Public Employee were **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2012-0003

The OIG conducted this investigation after a complaint was received from the Florida Forest Service alleging students at an inter-agency fire class were in possession of the course final exam. The investigation concluded that the allegation of Violation of Law or Agency Rules, to wit: Internet and Electronic Mail Usage and Conduct Unbecoming a Public Employee were **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2012-0006

The OIG conducted this investigation after being notified that a department employee was under criminal investigation and had been arrested for sexual assault and providing alcohol to a person under 21. Our administrative investigation concluded that the allegation of Violation of Law or Agency Rules, to wit: Florida Statute 562.11 (1), Selling, Giving, or Serving Alcoholic Beverages to a Person Under Age 21, was **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2012-0008

The OIG conducted this investigation after being notified of an employee's drug arrest

and potential involvement in an unrelated criminal investigation. Our administrative investigation concluded that the allegation of Violation of Law or Agency Rules was **SUSTAINED**. Employee was terminated.

#### CASE No. IG 2012-0012

The OIG received information from the Florida Forest Service regarding a possible workplace violence issue. The investigation concluded that the allegations of Conduct Unbecoming a Public Employee against two employees were **SUSTAINED**. The allegation against the first employee of Workplace Violence and Violation of Law or Agency Rules, to wit: Florida Statute 784.03(1), Battery was **SUSTAINED**. The developed allegation of Workplace Violence against the second employee was **NOT SUSTAINED**. One employee was issued a Written Reprimand and the other employee was terminated.

#### CASE No. IG 2012-0013

The OIG conducted this investigation after the Florida Forest Service reported that an employee lied after being caught with the final exam to a fire course. Our administrative investigation concluded that the allegations, Insubordination and Conduct Unbecoming a Public Employee were **SUSTAINED**. Employee was issued a Written Reprimand.

#### CASE No. IG 2012-0014

The OIG conducted this investigation after a complaint was received from the Division of Standards regarding the possible falsification of a report by a petroleum inspector. The administrative investigation concluded that the allegations of Poor Performance, Violation of Law or Agency Rules, to wit: Florida Statute 837.06, False Official Statements, and Conduct Unbecoming a Public Employee were

**SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2012-0020

The OIG conducted this investigation after the Division of Licensing reported that an employee disclosed confidential information about a concealed weapon permit. Our administrative investigation concluded that the allegations of Conduct Unbecoming a Public Employee were **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2012-0027

The OIG conducted this investigation after a complaint was received from the Florida Department of Corrections, in reference to a Florida Forest Service employee that had engaged in an inappropriate relationship with an inmate, and provided false testimony during an official investigation into their relationship. The investigation concluded that the allegations of Conduct Unbecoming a Public Employee and Misconduct were **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2012-0028

The OIG conducted this investigation when the Division of Plant Industry reported that an employee had been arrested for solicitation of prostitution, during work hours, while operating a state vehicle. Our administrative investigation concluded that the allegations of Violation of Law or Agency Rules, to wit: Florida Statute 796.07(2)(f), Procure Another to Commit Prostitution and Conduct Unbecoming a Public Employee were **SUSTAINED**. Employee submitted a resignation.

#### CASE No. IG 2012-0031

The OIG conducted this investigation as a result of the department-wide initiative to conduct criminal background reviews on employees in positions of special trust. The

investigation concluded that the allegation of Violation of Administrative Policies and Procedures No. 5-3, V., E., Violation of Law or Agency Rules, to wit: Florida Statute 837.06, False Official Statements, was **SUSTAINED**. Employee was issued a Written Reprimand and required to update their application.

#### CASE NO. IG 2012-0032

The OIG conducted this investigation as a result of the department-wide initiative to conduct criminal background reviews on employees in positions of special trust. The investigation concluded that the allegation of violation of Administrative Policies and Procedures No. 5-3, V., E., Violation of Law or Agency Rules, to wit: Florida Statute 837.06, False Official Statements, was **SUSTAINED**. Employee was issued a Written Reprimand and required to update their application.

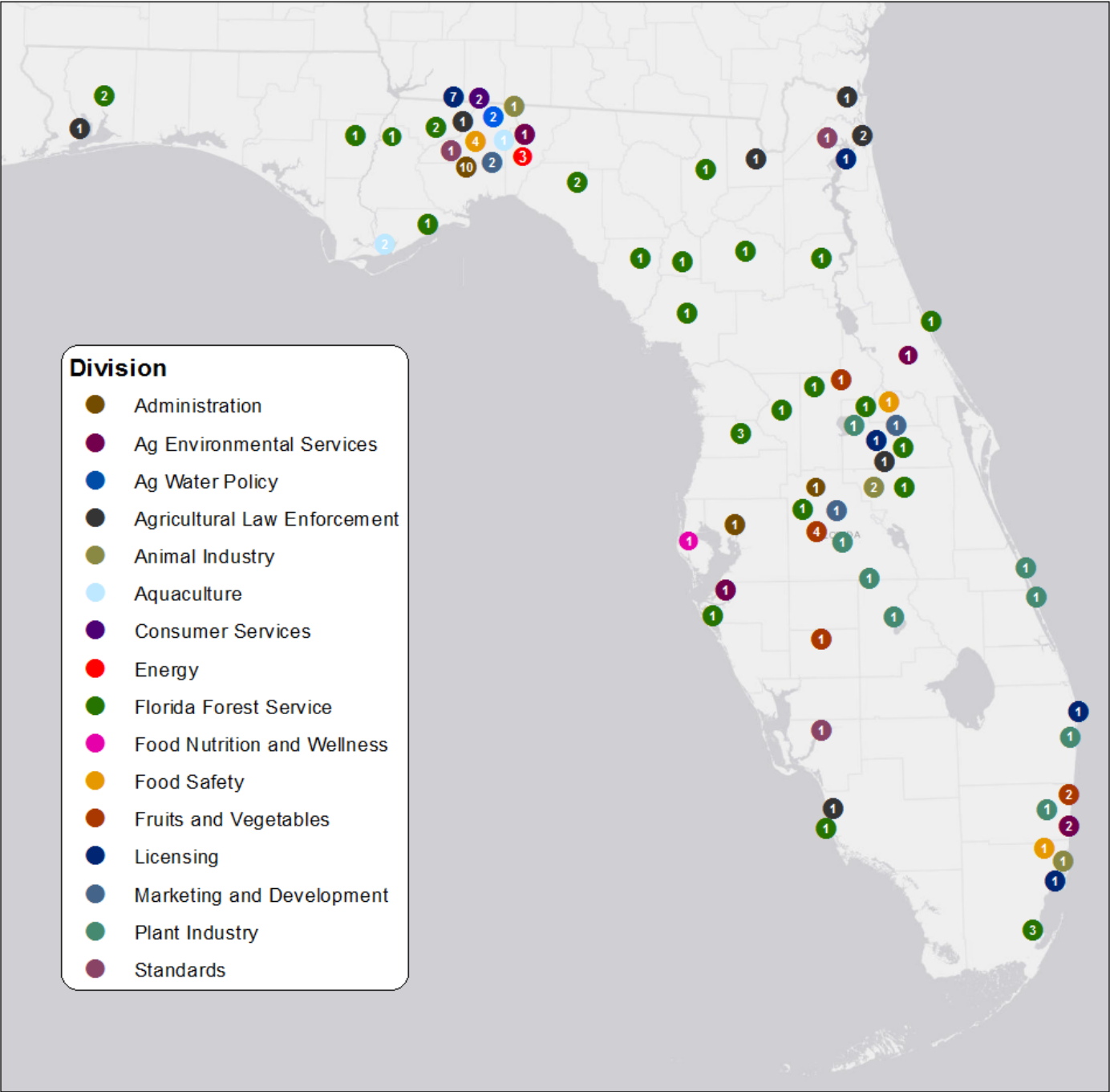
#### CASE NO. IG 2012-0036

The OIG conducted this investigation after a complaint was received from the Division of Licensing in reference to an employee that posted what appeared to be a customer's personal information on a social networking page. The administrative investigation concluded that the allegation of Conduct Unbecoming a Public Employee was **SUSTAINED**. Employee submitted a resignation.

#### CASE NO. IG 2012-0048

The OIG conducted this investigation after the Division of Animal Industry reported that an employee had been threatened by a co-worker during a verbal altercation. The administrative investigation concluded that the allegation of Conduct Unbecoming a Public Employee was **SUSTAINED**. The remaining violation of Violation of Law or Agency Rules, to wit: Workplace Violence was **UNFOUNDED**.

# STATEWIDE INVESTIGATIVE ACTIVITY



Note: The number of investigations for the city/county is reflected within the symbol.

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**REPORT FRAUD, WASTE AND ABUSE**

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THE OFFICE OF INSPECTOR GENERAL IS COMMITTED TO CREATING EFFICIENCIES WITHIN THE DEPARTMENT AND ENHANCING THE PUBLIC'S TRUST IN GOVERNMENT. THIS IS ACCOMPLISHED THROUGH THE EFFORTS OF THE DEDICATED AND HIGHLY QUALIFIED INDIVIDUALS WHO SERVE WITHIN THE OIG. AS WE WORK WITH DEPARTMENT MEMBERS, WE WILL CONTINUE TO IDENTIFY INNOVATIVE WAYS TO REFINE OPERATIONAL PROCESSES, REDUCE WASTE, AND ADD VALUE FOR THE CITIZENS AND VISITORS OF FLORIDA.