



REPRESENTING
ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

September 30, 2008

The Honorable Alex Sink
Chief Financial Officer
The Capitol, PL-11
Tallahassee, Florida 32399

Dear CFO Sink:

In accordance with Section 20.055(7), Florida Statutes, I am submitting the Office of Inspector General's 2007-2008 Annual Report which summarizes accountability activities during the prior fiscal year.

We look forward to serving you, our Department of Financial Services colleagues and the citizens of Florida with objectivity, professionalism and integrity as we move forward into the current fiscal year.

Respectfully submitted,

A handwritten signature in blue ink that reads "Robert E. Clift".

Robert E. Clift
Inspector General

REC:sc

Enclosure

Florida Department
of Financial Services



Alex Sink
Chief Financial Officer

Office of Inspector General

Robert E. Clift
Inspector General

ANNUAL REPORT

FISCAL YEAR 2007-2008

*"OUR MISSION IS TO PROMOTE INTEGRITY,
ACCOUNTABILITY AND PROCESS IMPROVEMENT
IN THE DEPARTMENT OF
FINANCIAL SERVICES"*

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INTRODUCTION

BACKGROUND

The Office of the Inspector General (OIG) is an integral part of the Department of Financial Services (Department). The purpose of the OIG is to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the Department. Section 20.055, Florida Statutes (F.S.), defines the duties and responsibilities of each inspector general.

The Statute requires that each inspector general shall submit to the department head an annual report, not later than September 30 of each year, summarizing its activities during the preceding state fiscal year. This report includes, but is not limited to:

- 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 programs and operations of the agency disclosed by investigations, audits, reviews, or other activities during the reporting period.
- A description of recommendations for corrective action made by the Inspector General during the reporting period with respect to significant problems, abuses, or deficiencies identified.
- The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed.
- A summary of each audit and investigation completed during the reporting period.

This document is presented to the Chief Financial Officer in accordance with the statutory requirements and to describe how the OIG accomplishes its mission as defined by Florida Law.

MISSION STATEMENT

The mission of the Office of Inspector General is to promote integrity, accountability and process improvement in the Department.

VISION

To be key and indispensable players on the DFS team:

- **Championed by our customers;**
- **benchmarked by our counterparts; and**
- **dedicated to quality in our products and services.**

OIG RESPONSIBILITIES

The specific duties and responsibilities of the Inspector General, according to Section 20.055(2), F.S., include:

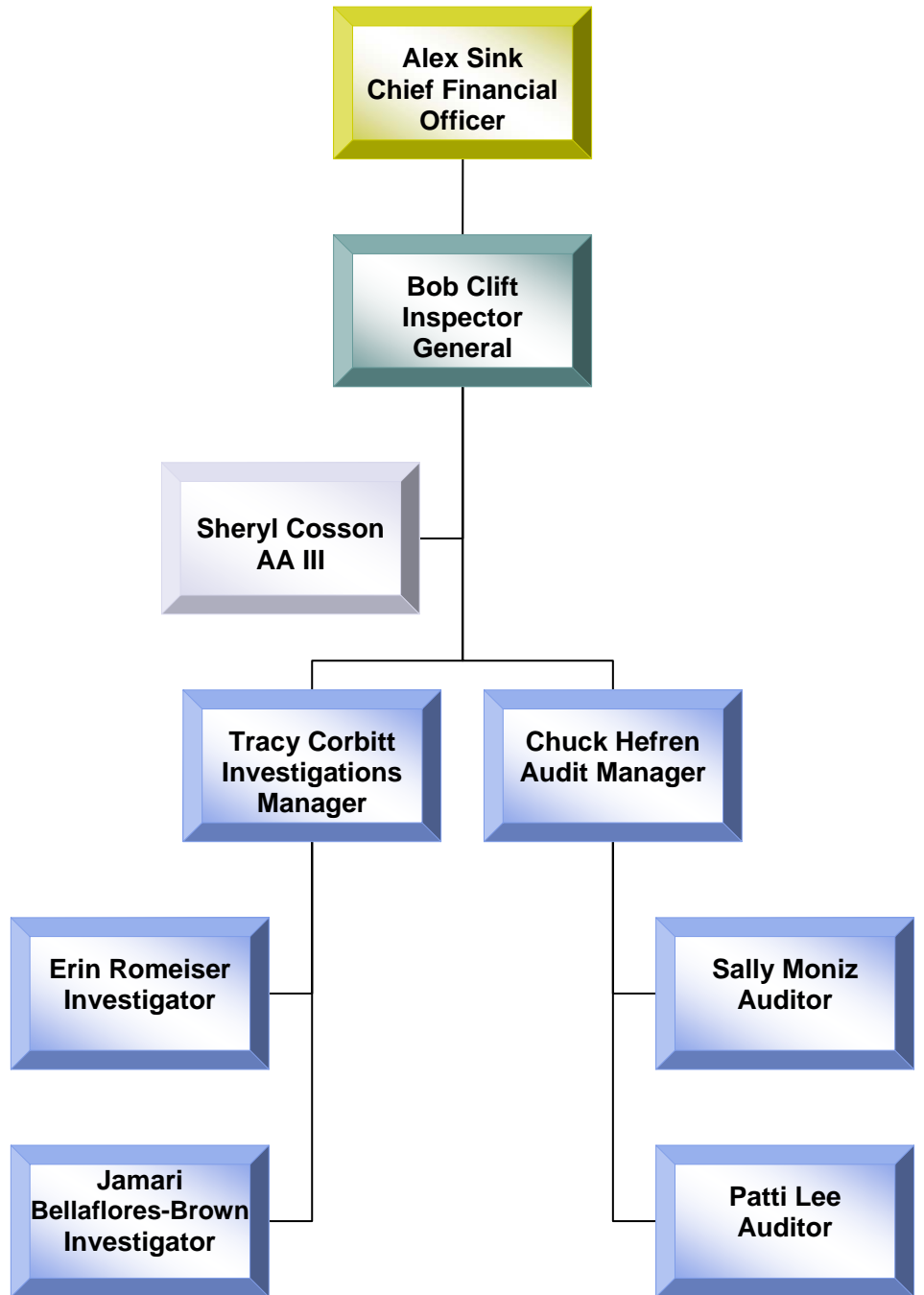
- Advising in the development of performance measures, standards, and procedures for the evaluation of state agency programs.
- Assessing the reliability and validity of the information provided by the state agency on performance measures and standards, and making recommendations for improvement, if necessary, prior to submission of those measures and standards to the Executive Office of the Governor.
- Reviewing the actions taken by the state agency to improve program performance and meet program standards and making recommendations for improvement, if necessary.
- Providing direction for, supervision and coordination of audits, investigations, and management reviews relating to the programs and operations of the state agency.
- Conducting, supervising and, or, coordinating other activities carried out or financed by the state agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations. Keeping the agency head informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the state agency, recommended corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action.

**OIG RESPONSIBILITIES
(CONT'D.)**

- Ensuring effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication.
- Reviewing rules relating to the programs and operations of such state agency and make recommendations concerning their impact.
- Ensuring that an appropriate balance is maintained between audit, investigative, and other accountability activities.

OIG ORGANIZATION

The Inspector General is appointed by and reports to the Chief Financial Officer. Within the OIG, there are two sections: the Audit Section and the Investigation Section.



TRAINING

The International Standards for the Professional Practice of Internal Auditing and Government Auditing Standards require internal Audit Unit staff to maintain their professional proficiency through continuing education and training. Each auditor must receive at least 80 hours of continuing education every two years. This is accomplished by the professional staff attending courses and/or conferences throughout the year

The Association of Inspectors General specifies that each staff person who performs investigations, audits, inspections, evaluations, or reviews shall receive at least 40 hours of continuing professional education every two years that directly enhances the person's professional proficiency. See Exhibit E for a list of training received during the reporting period.

CERTIFICATIONS AND ADVANCED DEGREES

The Inspector General and staff bring various backgrounds of expertise to the Department. Certifications or advanced degrees held by the Inspector General and his staff during the reporting period include:

- Certified Inspector General
- Certified Internal Auditors
- Certified Government Auditing Professional
- Certified Inspector General Investigator
- Masters in Business Administration
- Masters in Public Administration
- Juris Doctor

AFFILIATIONS

- Association of Inspectors General
- Tallahassee Chapter of the Association of Inspectors General
- Institute of Internal Auditors (IIA)
- Tallahassee Chapter of the IIA
- Association of Certified Fraud Examiners

MAJOR ACTIVITIES

INTERNAL AUDIT SECTION FUNCTIONS

The Internal Audit Section functions as an independent and objective assurance and consulting activity with the purpose of providing information on the adequacy and effectiveness of the Agency's system of internal controls and reasonable assurances the Department's goals and objectives are achieved. This Section performs Audit and Consulting engagements.

ENGAGEMENTS

Audit Engagements are performed in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards) (i.e., "red book") published by the Institute of Internal Auditors (IIA) Audit Engagements may be classified as compliance, performance or comprehensive and result in written reports of findings and recommendations, including responses by management. Consulting engagements do not necessarily conform to professional standards.

AUDIT ENGAGEMENTS

Compliance Engagements seek to determine if the program or process is complying with applicable laws, rules, and regulations. This type of engagement includes an evaluation of the adequacy of the control framework to manage the risk of not achieving the goals and objectives of the program or process. Compliance engagements may include a determination of the reliability and validity of data and the adequacy of controls to ensure information security.

Performance Engagements analyze the efficiency and economy of programs or processes that are performed by the program area. Performance engagements also address each of the objectives of a compliance engagement.

Comprehensive Engagements assess the effectiveness of the program or process in achieving the Department's goals and objectives. Comprehensive engagements also address all of the objectives of a performance engagement. Please see Exhibit A for a listing of relevant audit engagements.

CONSULTING ENGAGEMENTS

Consulting engagements are intended to provide value-added services to management through various alternative methods such as counsel, advice, facilitation, inspection, reviews, and training. Consulting engagements usually do not include the need to prepare a written engagement plan, to hold entrance and exit conferences, or to prepare a formal report. A summary of the consulting engagements completed during the 2007/2008 fiscal year can be found in Exhibit B.

EXTERNAL AUDIT ACTIVITY

The OIG is the coordinator for external audits or reviews conducted by the Auditor General, Office of Program Policy Analysis and Government Accountability, Federal Agencies, and other governmental entities. The Audit Section coordinated ten external audits during fiscal year 2007-2008. A summary of the external audit activity for the 2007/2008 fiscal year can be found in Exhibit C.

RISK ASSESSMENT

A Risk Assessment of the Department's programs and activities is performed annually to assist in the development of the annual Work Plan. To identify the Auditable Units with the greatest inherent risk we used the Risk Evaluation Scores calculated from the most recent Risk Assessment survey and analysis. The following factors were also considered in the development of the overall assessment:

- Management identified areas of concern
- Department Goals and Objectives
- Digital Dashboard measures
- Significant prior audit findings.

LONG RANGE WORK PLAN

The OIG developed a Work Plan covering the period March 2008 through June 30, 2009, based on the risk assessment. The Work Plan includes activities that are to be audited, activity schedules, budgeted hours, and assignment of staff. The Work Plan was approved by the Chief Financial Officer.

INVESTIGATION SECTION FUNCTIONS

The Investigation Section is responsible for evaluating complaints and conducting internal investigations of Department employees. These inquiries and complaints may be received from the Department of Financial Services employees, Chief Financial Officer's "Get Lean" Hotline, other state agencies, and the general public.

Investigations are designed to deter, prevent and eradicate fraud, waste, mismanagement, misconduct and other abuses. The investigative duties and responsibilities of the Inspector General (Section 20.055, F.S.) include:

- Receiving complaints and coordinating activities of the Department as required by the Whistle-blower's Act pursuant to Sections 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 conducting, supervising, or coordinating such inquiries, investigations, or reviews as the Inspector General deems appropriate.
- Reporting expeditiously to the Department of Law Enforcement or other law enforcement agencies, as appropriate, whenever the Inspector General has reasonable grounds to believe there has been a violation of criminal law.
- Conducting investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the OIG. This includes freedom from any interference with investigations and timely access to records and other sources of information.
- Submitting in timely fashion final reports on investigations conducted by the Inspector General to the Department head, except for Whistle-blower's investigations, which are conducted and reported pursuant to Section 112.3189, F.S.

INVESTIGATIONS

The Office of Inspector General has several types of cases; Investigations, Investigative Support, Monitor, Memorandum to File and Management Referral.

Investigations stem from complaints involving alleged employee misconduct, which, if proved, would result in a suspension of the employee, at a minimum. The conduct may include alleged violations of Department standards such as: conduct unbecoming a public employee; unauthorized disclosure of confidential information; theft/misuse of property, records or documents; violation of nepotism policy, and falsification of records.

During FY 2007-2008, twenty-two (22) investigations were completed. Of these investigations, 17 were categorized as proved; 3 were disproved; 1 was inconclusive; and 1 was administratively closed. There were 15 cases which included multiple violations and 7 included only one allegation. A total of 45 allegations were investigated. Of these allegations, 25 were categorized as proved; 15 were disproved; 4 were inconclusive and 1 was administratively closed. A summary of investigations can be found in Exhibit D.

MANAGEMENT REFERRALS

Management Referral cases are opened when the Office of Inspector General receives complaints which do not fall under the purview of the OIG, but do fall within the jurisdiction of a division within the Department of Financial Services. These complaints are referred to the management of the appropriate division and monitored until a report of the outcome is received and reviewed by the OIG. Management referrals are also made when the OIG receives information indicating lesser levels of misconduct such as those that would warrant discipline of reprimand or less. During FY 2007-2008, the OIG referred 26 complaints to management.

INVESTIGATIVE SUPPORT

Investigative Support cases are opened when the Division of Human Resource Management contacts the Office of Inspector General indicating they have received a complaint regarding allegations of discrimination. The Office of Inspector General assists in these cases

INVESTIGATIVE SUPPORT (CONT'D.)

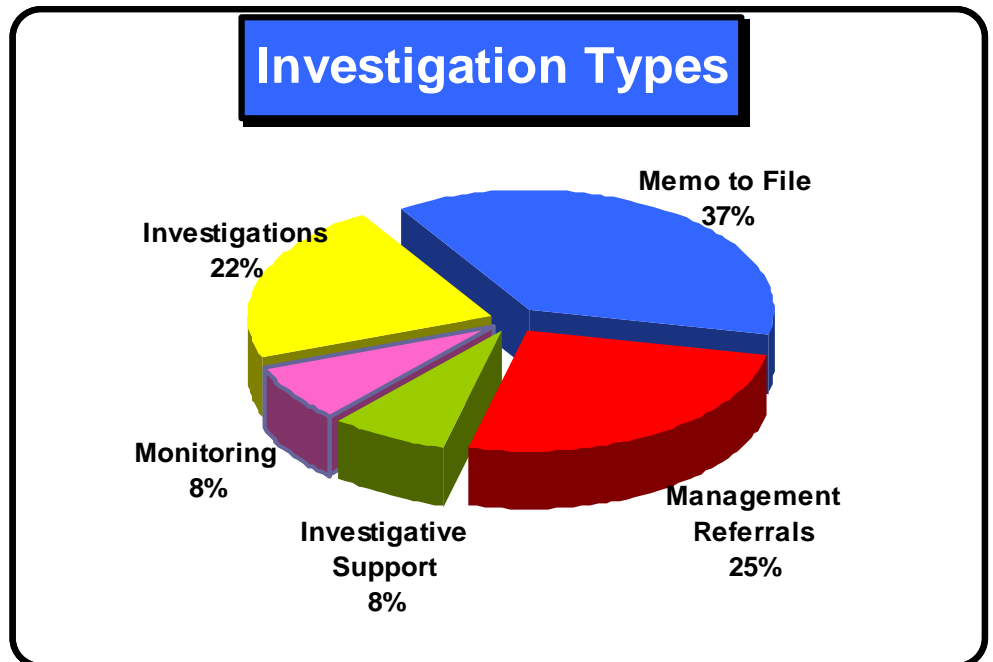
by taking sworn statements from involved parties and forwarding them to HR to determine whether there had been acts of discrimination. During fy 2007-2008, the OIG received 8 requests for assistance from HR. Another Investigative Support case involved a public records request from the Innocence Project regarding the authority and process used to investigate allegations.

MONITORING

Monitor cases involve issues which the Office of Inspector General monitors to determine the outcome and reports the outcome to management as necessary. For example, the Office of Inspector General may monitor an employee's case unrelated to their employment in the criminal court system after an arrest. During FY 2007-2008, the OIG opened 8 monitor cases.

MEMORANDUM TO FILE

Memorandum to File cases arise when the Office of Inspector General receives a complaint and the subject of the complaint is not something addressed by the Department of Financial Services. The complaints are referred to the agency having jurisdiction over the matter. During FY 2007-2008, the OIG opened 38 such cases.



OTHER OIG ACTIVITIES

ACTION REPORT MEETINGS

The Inspector General attends the Department's Action Report Meeting. At the action report meeting, the status of disciplinary actions pending against agency employees is coordinated.

NEW EMPLOYEE ORIENTATION

The Inspector General makes a presentation to new employees of the Department (and the Offices of Insurance Regulation and Financial Regulation) about the role of the Inspector General and ethical conduct as well as encouraging new employees to help detect frauds or misconducts impacting the agency.

COMPUTER SECURITY INCIDENT RESPONSE TEAM (CSIRT)

The CSIRT establishes the roles, responsibilities and procedures for responding to computer security incidents. The CSIRT is a proactive safeguard for the computing resources and systems of the Department. The OIG functions as a support team member of CSIRT.

SUPERVISORY TRAINING

The Inspector General makes an ethical conduct awareness presentation at the Department's Basic Supervisory Training Program Department (and the Offices of Insurance Regulation and Financial Regulation) attendees.

LAW ENFORCEMENT ACADEMY

The Inspector General makes an ethical conduct awareness presentation to new sworn law enforcement employees of the Department's Divisions of State Fire Marshal and Insurance Fraud.

SUPPORT TO THE FINANCIAL SERVICES COMMISSION

Members of the Financial Services Commission may request their respective Inspectors General join together to produce reviews of matters of mutual interest. This fiscal year, one such assignment was requested and completed into allegations against the Commissioner, Office of Insurance Regulation.

EXHIBIT A

AUDIT ENGAGEMENTS

Engagements Completed During FY 2007/2008

Department of Administration, Surplus Property Disposition Audit

Report No. 08013

The OIG conducted a performance audit of the surplus property disposition process. The purpose of the audit was to evaluate the surplus property disposition process to determine the adequacy of the associated controls. The findings and recommendations are shown below:

■ Surplus Property Disposition lacks adequate safeguards

- **Recommendation 1:** To provide assurances that tagged property is approved as surplus prior to disposition, we recommend documentation of Oversight Committee approval accompany the Property Transfer Form when relinquishing Department custody.
- **Recommendation 2:** We recommend that Department AP&P 2-6 be revised to include a listing of property that is required to be sent to DIS as part of the surplus property disposition process.
- **Recommendation 3:** We recommend the Department consider eliminating the requirement to obtain specific Oversight Committee approval for disposal of all property designated for routing through DIS. Oversight Committee should provide standard criteria for DIS to use in their surplus property determination. DIS should then provide written certification that Oversight Committee authorization criteria were used in their surplus determination as a condition of transfer to DOA for final disposition. Implementation of this recommendation will serve to streamline the surplus disposition process, while continuing to provide assurances that only surplus property is disposed of by the Department. DOA should continue to obtain Oversight Committee approval for tagged property that is submitted directly from the Division Property Coordinator to DOA.
- **Recommendation 4:** To provide additional assurances that property is not suitable for use elsewhere in the Department, we recommend DOA notice the availability of this property on the Department's intranet site for a specific period of time to allow for inspections by Division Property Coordinators on a DOA specified schedule.

■ Current Surplus Property Disposition Process Lacks Adequate Separation of Duties

- **Recommendation 5:** Currently, employees with physical access to surplus property also update property records in FLAIR. To reduce the risk of fraud occurring in the surplus property disposition process, these duties should be separated. Separation of these duties reduces access to more than one phase of the process, thus mitigating the ability to commit theft, without detection. We recommend employees with FLAIR property update capability do not also have access to surplus property.

■ **FLAIR does not accurately reflect property custody**

- **Recommendation 6:** We recommend the actual transfer and disposition dates, as reflected on the associated Property Transfer Form, be required to be recorded in FLAIR. This will enhance the accuracy of the property recordkeeping in FLAIR and help to improve accountability over the surplus property disposition process by allowing for monitoring of the time to process each surplus property item.

Engagements initiated During FY 2007/2008 and Completed Prior to September 30, 2008

Pre-need Funeral Contract Consumer Protection Trust Fund

Report No. 06/07-02

The OIG conducted a performance audit of the Division of Funeral Cemetery & Consumer Services. The purpose of this audit was to evaluate the effectiveness of the Division of Funeral, Cemetery and Consumer Services process to administer the preneed contract fee assessments to licenses. The finding and recommendations for this audit are summarized below:

■ **The current process to collect fees associated with issuing preneed contracts does not provide adequate assurances that all required remittances are received.**

- **Recommendation 1:** To provide assurances that remittances from preneed contract licensees are accurate, we recommend that the Division verify the number of preneed contracts issued by licensees.
- **Recommendation 2:** To ensure the current licensee fee balances are accurate, the Division should first credit all unassigned fee payments to the appropriate licensee. The Division should then reconcile payment information reported on the quarterly remittance forms with the payments credited to the licensee.
- **Recommendation 3:** To improve the overall effectiveness of the Division, we recommend that the Division obtain Board approval to amend Chapter 497, Florida Statutes, by eliminating the requirement for licensees to submit quarterly remittances for each preneed contract fee and instead incorporate these preneed contract fees into the annual license renewal fee.

Division of Risk Management

Report No. 08118

The OIG conducted a comprehensive audit of the Division of Risk Management. The purpose of this audit was to assess the effectiveness of the Division's processes in achieving the Department's goals and objectives. The finding and recommendations resulting from the audit are summarized below:

- **Wage information to calculate workers' compensation indemnity benefits should be retrieved through People First.**
 - **Recommendation 1:** To help ensure accurate and timely wage information is used when calculating workers' compensation indemnity payments and reduce agency and Division workload, we recommend that selected Division staff be provided access to wage information from People First rather than requesting this information from agencies.
- **The number of lost production days due to workers' compensation claims has been increasing.**
 - **Recommendation 2:** The Division may be able to significantly reduce Enterprise workers' compensation claim costs by ensuring that state agencies implement effective RTW programs that promote on-the-job recovery. To assist the Division, we recommend that Section 284.50, F.S., be amended to require agencies to develop RTW programs that meet effective standards as specified by the Division. We also recommend that these standards for state agency RTW programs should be developed by the Division in conjunction with the Interagency Advisory Council on Loss Prevention Programs, and promulgated via an administrative rule.
- **Liability and federal civil rights claims that enter into litigation result in much higher claim cost.**
 - **Recommendation 3:** To reduce the state's costs to resolve liability and civil rights claims, the Division should strive to reduce the number of claims that are litigated. The percentage of claims that are litigated is much higher for federal civil rights and employment discrimination than for general and automotive liability claims. In FY 2006-07, of the 128 employment discrimination claims closed in FY 2006-07, only 11 or 9% were settled without litigation, while only 12 of the 261 federal civil rights claims were settled without litigation in FY 2006-07. Conversely, the Division was able to settle 81% of the 2,096 general and automobile liability claims that the Division closed in FY 2006-07.
- **Use of State Fire Marshal property inspection data may result in reduced insurance premiums and lower Division operating costs.**
 - **Recommendation 4:** The Division can lower the cost of property insurance by providing commercial insurers with property-specific information for all state-owned buildings. Commercial insurers use COPE information to determine their overall risk. The impact of having COPE information for all state-owned buildings on the state's cost of property insurance is dependent on market conditions. However, when COPE data is not provided, insurers automatically use worst case scenarios when calculating their risk of loss, which generally results in higher insurance premium rates.
 - **Recommendation 5:** To ensure that all state-owned buildings are both insured and inspected, we recommend the Division coordinate with the State Fire Marshal to develop a consolidated database of state-owned property information relevant to both functions. In addition to lowering property insurance premium costs, use of State Fire Marshal data may allow the Division to redeploy existing resources now used for COPE data collection to meet the expanded requirements of its loss prevention program.

■ **State-owned property valuations lack adequate controls.**

✦ **Recommendation 6:** We recommend that a uniform methodology be used by the Division to determine the appropriate insured value for each property. This could be accomplished by using information from the State Fire Marshal and FLAIR databases. Information from each of these databases could be used to calculate an insured value for each state-owned building through utilization of a commercially available application. Computation of insured valuations for each state-owned building by the Division would help ensure that building valuations are uniformly calculated with valid information, while relieving state agencies of the time and effort associated with this responsibility.

■ **The Division provides services to assist state agencies in managing risk & the number of days missed due to work-related accidents can be reduced.**

✦ **Recommendation 7:** To ensure that the program produces cost-effective risk management systems, the efforts of the Division and state agencies must be coordinated. Effective program coordination requires that the Division work with each agency to establish systems that control for unique risk factors. Achievement of program objectives also requires that both state agencies and the Division be accountable for program results. To help ensure that the state's risk management program achieves its intended objectives, the Division should have the authority to monitor agency-unique risk management systems and to evaluate effectiveness in achieving desired system outcomes.

■ **Agency premium assessments provide little incentive for state agencies.**

✦ **Recommendation 8:** To help ensure that agency safety programs and other related risk management systems are achieving intended objectives, we recommend that the Division adopt agency-specific outcome measures and use these measures to develop a new methodology to calculate premium assessments. State agency-specific measures can be used to evaluate the contribution of each state agency towards achievement of desired outcomes for each of the property and casualty liabilities covered by the program. Appendix B provides a listing of suggested state agency outcome measures that the Division may consider adopting. Use of agency-specific performance measures to calculate premiums would also serve as a tool to determine the financial impact of an agency's contribution toward achievement of program objectives.

EXHIBIT B

CONSULTING ENGAGEMENTS

- **Project No. 08003**
Revised AP&P 6-01, 6-02 and AP&P 6-03 concerning OIG procedures for Investigations, External and Internal Audits and created AP&P 6-04, Reporting, Assessing & Reacting to External Threats of Violence
- **Project No. 08004**
Consulted with the Division of Administration on new and revised contracting procedures
- **Project No. 08028**
Prepared "Schedule IX", a summary of the major findings and recommendations from audit reports issued by the Auditor General or the OIG. This schedule is submitted with the Department's Legislative Budget Request.
- **Project No. 08032**
Reviewed salary adjustments in the Bureau of Human Resource Management
- **Project No. 08049**
Reviewed the policies and procedures for the assignment and use of motor vehicles by agency employees as required by Statute
- **AP&P Reviews:**
Performed reviews of 50 Administrative Policies and Procedures as a part of a Department-wide effort to completely revise internal guidance. The Office of Inspector General focused on ensuring evidence of sufficient internal controls were in place in each AP&P.

EXHIBIT C

AUDITOR GENERAL AUDIT ENGAGEMENTS

Engagements Completed During FY 2007/2008

- **Project No. 06/07-45**

This Information Technology evaluated internal controls for FLAIR during the period from July 1, 2006 through fiscal year period June 30, 2007.

([Report No. 2008-026](#))

- **Project No. 08002**

This operational audit focused on compliance and internal controls over financial reporting, the statewide cost allocation plan, and the federal awards program administered by the State of Florida for the fiscal year ended June 30, 2007.

([Report No 2008-141](#))

- **Project No. 06/07-76**

Six-month follow-up of the People First Audit. This audit focused on operational aspects of the People First system, for the period July 1, 2005, through January 31, 2006, and selected actions taken through September 18, 2006. The original audit report was issued in January of 2007.

([Report No. 2007-087](#))

Engagements initiated During FY 2007/2008 and Completed Prior to September 30, 2008

- **Project No. 80079**

This Performance audit focused on the local government financial reporting system.

([Report No. 2009-014](#))

- **Project No. 08083**

This Information Technology (IT) audit evaluated selected IT controls applicable to the following Treasury systems: Bank Accounts, Investment Accounting, Charge backs, Receipts, and Verifies during the period January 2008 through March 2008.

([Report No. 2009-004](#))

EXHIBIT D

INVESTIGATIONS

Investigations

- **Project Number 06/07-34**

An employee was alleged to be misusing her state issued cell telephone and was suspected of giving one of the cell telephones to a non-state employee. The investigation was categorized as proved regarding excess personal calls and not paying the state for minutes used. The findings were inconclusive as to whether the employee allowed a non-state employee to use a Department cell telephone. The employee was reprimanded and required to pay the Department for personal minutes used.
- **Project Number 08001**

An employee was alleged to have failed to disclose a previous felony conviction. Investigation was categorized as disproved.
- **Project Number 08026**

An employee was alleged to have visited pornographic web sites using his Department Internet access. Investigation was categorized as proved. The employee resigned his position in lieu of termination.
- **Project Number 08031**

An employee was alleged to have provided a friend with her State payroll information to help the friend obtain eligibility inappropriately for an auto loan. Investigation was categorized as proved. The employee was terminated.
- **Project Number 08046**

An employee was alleged to have perjured herself in sworn testimony provided to the OIG and to have had outside employment with a regulated entity creating a conflict of interest. Investigation was categorized as proved. The employee resigned her position in lieu of termination.
- **Project Number 08047**

An employee was alleged to have made racially offensive comments. The investigation was categorized as proved. The employee was terminated.
- **Project Number 08048**

A citizen alleged an employee coerced her to file a Workers' Compensation complaint and promised she would receive an award of \$25,000 for doing so. The investigation was categorized as disproved.

■ **Project Number 08052**

An employee was arrested for DUI, and a possible out of state check forgery charge. During the arrest, the employee attempted to impersonate a law enforcement officer. A previously undisclosed DUI arrest was discovered during the OIG investigation. Investigation was categorized as proved for failing to report a prior arrest and attempting to impersonate a law enforcement officer and disproved regarding the allegation of check forgery.

■ **Project Number 08065**

An employee was alleged to have used a work related confidential law enforcement database to access information for unofficial purposes. The investigation was categorized as proved. The employee was terminated as a result of her actions.

■ **Project Number 08074**

An employee was alleged to have failed to conduct a proper structure fire investigation and failed to follow procedures by contacting her supervisor before leaving the scene of an unknown origin fire. The investigation was categorized as proved. The Subject resigned her position prior to disciplinary action being taken.

■ **Project Number 08077**

An employee was alleged to have collected donations for needy families under false pretenses and provided gifts from the donations to families who were neither needy nor sponsored by local charitable organizations. The investigation was categorized as proved and the employee received a written reprimand.

■ **Project Number 08078**

An allegation was received that an employee verbally and physically accosted a coworker in the office. The investigation was categorized as proved and the employee was terminated.

■ **Project Number 08089**

An employee was alleged to be carrying a gun in her car onto State property during working hours. The investigation was categorized as disproved.

■ **Project Number 08094**

An allegation was received that an employee used a state cell telephone, databases and state vehicles inappropriately. The employee was on career service probationary status and his employment was terminated for reasons unrelated to the allegations.

■ **Project Numbers 08096/08153**

The Subject of a prior OIG investigation alleged 2 coworkers misused the state issued telephones by making excessive personal calls and not paying the Department for the minutes used. The investigations were categorized as proved on both counts for both individuals. The employees were reprimanded and required to pay the Department for the personal minutes used.

■ **Project Number 08108**

A sworn law enforcement employee inadvertently discharged his firearm resulting in an injury. An ensuing investigation disclosed no information to indicate the employee failed to comply with agency policy and procedures in the handling of his firearm. The OIG recommended changes to firearms handling practices by all Department of Financial Services sworn law enforcement officers.

■ **Project Number 08115**

A coworker reported a fellow employee released confidential information to citizen. The investigation was categorized as proved and the employee received a suspension.

■ **Project Number 08116**

A citizen who was being investigated for insurance fraud case alleged an investigator assigned to his case behaved unprofessionally when interviewing witnesses and disclosed confidential medical information. The investigation was categorized as proved. As a result, the investigator received a suspension.

■ **Project Number 08119**

An allegation was received that a supervisor violated procedures by instructing an on-call detective not respond to the scene of a fire involving serious bodily injury and that the supervisor knowingly omitted information when questioned about the incident by his superior. The investigation was categorized as inconclusive on both counts.

■ **Project Number 08135**

Allegations were made that an employee perjured herself in a previous OIG investigation. The allegation of perjury in the prior case was not proved; however, the employee admitted to providing false testimony in the subsequent investigation. The employee resigned her position prior to disciplinary action.

EXHIBIT E

STAFF TRAINING COURSES

- Assessing Risk in the Public Sector
- Fraud: Advanced Concepts for Auditors
- Integrating IIA and GAO Auditing Standards
- SAS No. 112: Intermediate Reporting Issues and Case Studies
- FLAIR Transactions training course
- FLAIR Managed Report Environment (MRE)
- Assessing the Reliability & Relevance of Performance Information
- Reid Technique of Interviewing and Interrogation
- Certified Fraud Examiner's Interviewing and Interrogation Seminar
- Association of Inspectors' General Chapter luncheon meetings
- Tallahassee Chapter of the IIA luncheon meetings
- Association of Inspectors General Spring Conference 2008 (Columbus, Ohio)
- Proactive Approach for deterring Contract Crime and Employee Misconduct
- Yellow Book Standards
- Computer training courses conducted within the Department