

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF THE CHIEF FINANCIAL OFFICER
Chief Financial Officer Directive 2020-17**

WHEREAS, Article IV, Section 4(c) of the Florida Constitution designates the Chief Financial Officer as the chief fiscal officer of the state responsible for approving accounts against the state;

WHEREAS, based on the Office of Economic and Demographic Analysis September report, the COVID-19 virus reduced state revenues by \$1.8 billion in the 19/20 fiscal year and future revenues will be impacted by over \$5 billion;

WHEREAS, the COVID-19 virus was exacerbated worldwide through the documented cover up by the Communist Party of China (CPC), which censored online information about the virus, among other acts;

WHEREAS, the Chief Financial Officer has committed to promoting transparency throughout the vendor system as a means of improving the functions of government and bolstering the return on investment to taxpayers;

WHEREAS, the agency surveyed nearly 100,000 vendors that do business with the State of Florida, requesting them to disclose whether their corporate structure is owned or controlled by the Communist Party of China;

WHEREAS, the Department of Financial Services (Department) has received more than 20,000 responses from the vendor survey, in which organizations receiving taxpayer dollars from the state of Florida self-identified whether they are owned or controlled by the CPC;

WHEREAS, Section 17.05(1), Florida Statutes, authorizes the Chief Financial Officer to demand and require full answers on oath from any party or privy to any account, claim or demand against the state;

WHEREAS, Section 17.05(2)(b), Florida Statutes, authorizes the Chief Financial Officer to require persons bringing claims against the state to file a statement in writing, under oath as to all facts and circumstances concerning the matter to be audited, examined or investigated;

WHEREAS, Section 17.14, Florida Statutes, authorizes the Chief Financial Officer to prescribe forms of all papers, reports and returns and the manner of keeping the accounts and papers to be used by persons having accounts, claims or demands against the state;

WHEREAS, Section 120.52, Florida Statutes, exempts “statements, memoranda, and instructions to state agencies issued by the Chief Financial Officer and relating or pertaining to claims for payment submitted by state agencies to the Chief Financial Officer from the rulemaking requirements of Chapter 120, Florida Statutes;

WHEREAS, Section 607.1501, Florida Statutes, prohibits foreign corporations from transacting business in this state unless such foreign corporation obtains a certificate of authority from the Department of State;

WHEREAS, Section 607.1501, Florida Statutes, requires foreign corporations to pay certain fees into in order to register to do business in Florida.

NOW THEREFORE, BE IT RESOLVED THAT I, JIMMY PATRONIS, in accordance with the authority vested in me by Article IV, Section 4 of the Florida Constitution, and Sections 17.30 and 20.121(1), Florida Statutes, hereby issue the following Directive to the Department of Financial Services’ Division of Accounting and Auditing, Division of

Administration's Bureau of Purchasing and Contractual Services, Office of Finance and Budget and the Office of the General Counsel:

Section 1. Prior to approving any new contract or modifying an existing contract between the Department of Financial Services and any vendor, the contracting Division shall verify the status of the vendor seeking contract modification as a Florida Domestic Vendor or Foreign Vendor. The Division may cite responses from the vendor survey in furtherance of this directive;

Section 2. For purposes of this Directive a "Florida Domestic Vendor" is one who is registered as a Florida Corporation with the Florida Department of State.

Section 3. For purposes of this Directive, a "Foreign Vendor" is one whose principal address is located outside the state of Florida.

Section 4. The Department's Office of Finance and Budget shall ensure any Foreign Vendors who receive funds from the Department of Financial Services have properly registered as a Foreign Corporation with the Department of State and paid all requisite corporate filing fees owed to the state.

Section 5. Within 45-days from the date this Directive is issued, the Department of Financial Services' Office of General Counsel shall provide a legal memorandum to the Chief of Staff outlining legal options for pursuing claims against the CPC for lost revenues and expenses incurred by the State of Florida.

Section 6. Within 45-days from the date this Directive is issued, the Division of Accounting and Auditing will submit recommendations to the Chief of Staff outlining methods for bolstering vendor transparency regarding the extent to which Vendors receiving funds from the State of Florida are owned or controlled by foreign interests.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Florida to be affixed, this 24th day of September 2020.

A handwritten signature in blue ink that reads "Jimmy Patronis". The signature is fluid and cursive.

Jimmy Patronis
Chief Financial Officer
State of Florida