



Florida Department of TRANSPORTATION

Office of Inspector General

Kristofer B. Sullivan, Inspector General

A handwritten signature in black ink that reads "KSullivan".

Audit Report No. 18P-1004
Payment Card Process¹

November 8, 2018

What We Did

The Office of Inspector General (OIG) conducted an audit of the Department of Transportation's (department) payment card process. Our objective was to ensure internal controls were in place to safeguard cardholder data, personal information, and payment card transactions.

We also determined if third-party contractors the department uses to run the physical and virtual store fronts which accept payment cards for goods or services had appropriate monitoring and the appropriate Attestations of Compliance completed regarding internal controls for payment card data.

What We Found

We determined proper internal controls are in place to protect cardholder data with regards to payment processing within the Permits Office/One-Stop Permitting and the Maps and Publications Office. We also determined physical copies of cardholder data are no longer stored on-site by the department and the physical location of the Permits Office limits payment card processing to a restricted access area with proper monitoring in place. It was further determined that no department employees handle or process any payment card information by phone, fax, or "walk-in."

We verified Turnpike Enterprise has an independent Payment Card Industry (PCI) assessment completed and the results showed they were compliant with PCI standards. We also determined the third-party contractors for the Permits Office, Turnpike, and SunRail had completed the appropriate Attestations of Compliance regarding internal controls for payment card data.

What We Recommend

We recommend these areas continue their payment card process training and monitoring of third-party vendors to mitigate the risk associated with payment card processing.

¹ "Payment card process" refers to the storefronts provided for the purchase of goods or services by customers of the department. This should not be confused with the State Purchasing Card (P-Card) process controlled and maintained by the Office of the Comptroller and the Department of Financial Services.

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BACKGROUND AND INTRODUCTION

The acceptance of payment cards for services or products creates risk for the department. Security of cardholder data has been an increasing cause of concern in recent years across the country. To mitigate risk, it is important for the department to be diligent in its internal controls and monitoring of third-party contractors who may maintain or operate payment card store fronts for the department.

There are four areas which handle or process payment cards: Maps & Publication, Permits Office/One-Stop Permitting, Turnpike Enterprise (SunPass), and the SunRail program. Each area we reviewed is operated by a third-party contractor who maintains and operates the point of sale and virtual terminals in which payment cards are accepted.

During the course of the audit, it was established that the Maps & Publications Office is terminating their acceptance of credit cards after a cost-benefit analysis of the annual E-Payment Reports to the Chief Financial Officer showed the costs associated with continuing this service far outweighed the revenue generated (see Table 1). The date of termination for payment card acceptance is September 20, 2018, due to contractual obligations.

Table 1 – E-Payment Report

Office	Transactions	Revenue	Cost to department in fees/equipment lease/service
Maps & Publications Office	50	\$823	\$2,736
Permits Office – virtual terminal	5,226	\$1,343,836	\$24,889
Permits Office	77,582	\$8,483,406	\$180,298
SunRail	160,249	\$1,780,953	\$53,683
SunPass/Turnpike	58,822,970	\$1,538,546,144	\$34,300,919

Source: 2017 E-Payment Report to the Chief Financial Officer

The department monitors and regularly assesses the adequacy of the internal controls of contractors to remain vigilant in its protection of customer data and to mitigate associated risks to the department.

RESULTS OF REVIEW

We determined proper controls are in place to protect cardholder data with regards to payment processing within the department.

Review of payment card process within the department

We determined proper internal controls are in place within the Maps & Publications and Permits Office/One-Stop Permitting to protect cardholder data entered into the virtual store fronts within the department. It was further determined department employees do not handle or process any payment card information by phone, fax, or “walk-in.”

We also determined the third-party contractors for the Permits Office, Turnpike, and SunRail completed the appropriate Attestation of Compliance validating compliance status with the Payment Card Industry Data Security Standards (PCI DSS).²

Determine whether physical copies of payment card data is being stored within the department

As a follow-up to the previous audit finding in Audit Report 13P-3001, Payment Card Industry Standards, regarding the protection of stored cardholder data, we reviewed the physical storage within the Maps & Publications and Permits Offices.

We determined no physical copies of payment card information are being stored on-site within the department. In addition, we determined the third-party vendor (Brandt) used by the Permits Office had an appropriate written policy stating cardholder information would not be retained or stored.

We identified an **opportunity for improvement** within the Permits Office. In order to increase security in the restricted accounting area within the Permits Office, we recommend the door which leads to this area be restored to proper working order and locked during business hours. In addition, we recommend adding a sign-out column, with time exiting, to the visitor log for this area. Additional controls could include implementing badge access to the area.

² PCI DSS is a set of standards ensuring organizations who store, process, or transmit cardholder data and/or sensitive authentication data adhere to the technical and operational requirements set by the PCI Security Standards Council to protect cardholder data.

Review the department's third-party contracts for payment card processing

We determined the Permits Office has provided proper monitoring of their third-party contractor. We also determined Attestation of Compliance to PCI DSS was completed for the department's third-party contractors for payment card processing within the Permits Office, SunPass (Turnpike), and SunRail programs.

APPENDIX A – Purpose, Scope, and Methodology

Section 20.055, Florida Statutes, requires the OIG to conduct audits, examinations, investigations, and management reviews related to programs and operations of the department. This audit was performed as part of the OIG’s mission to promote accountability, integrity, and efficiency for the citizens of Florida by providing objective and timely audit and investigative services.

The **purpose** of this engagement was to review the payment card process within the department and assess whether internal controls are in place to assist the department in its due diligence to provide assurances for the protection of cardholder data within the department.

The **scope** of this audit included areas which handle or process cardholder data, to include those areas managed by third-party contracts. The time period reviewed was FY 2016/2017 (reporting) and FY 2017/2018 for point in time control verification.

The **methodology** included:

- reviewing applicable federal, state, and department laws, rules, and regulations;
- reviewing internal manuals, procedures, and processes;
- conducting an on-site visit to the Permit Office;
- reviewing wire transfer spreadsheets maintained by the Maintenance Office and monitored by the Cashier’s Office, bank agreements with Bank of America (One-Stop Permitting), 2017 E-Reports to the Chief Financial Officer, and Quarterly Quality Assurance Review documents (Permit Office);
- interviewing appropriate staff; and
- reviewing compliance materials from third-party contractors.

APPENDIX B – Management Response

Management from the Office of Administration, Office of Permits/Office of Maintenance, and SunRail responded they have no comments regarding the report since there were no findings. Turnpike management did not provide a response since it was not required.

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DISTRIBUTION

Responsible Managers:

Rudy Powell, Jr., P.E., Director, Office of Maintenance
Jeffrey Pouliotte, State Structures Maintenance Engineer
Stephanie Iliff, Director, Office of Administration
Amelia W. Ponds, Records Center Manager
Paul Wai, P.E., Executive Director, Turnpike Enterprise
Nicola Liquori, Executive Director, SunRail

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PROJECT TEAM

Engagement was conducted by:
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Under the supervision of:
Amy Furney, Senior Audit Supervisor
Joseph W. Gilboy, Director of Audit

Approved by:
Kristofer B. Sullivan, Inspector General

STATEMENT OF ACCORDANCE

The department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to promote integrity, accountability, and process improvement in the Department of Transportation by providing objective, fact-based assessments to the DOT team.

This work product was prepared pursuant to section 20.055, Florida Statutes, in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, and conforms with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Please address inquiries regarding this report to the department's Office of Inspector General at (850) 410-5800.