

A collage of seven photographs showing various transportation construction projects. The top left photo shows a bridge under construction with large cranes and concrete piers in the water. The top right photo shows a construction site with a yellow excavator and a yellow loader near a body of water. The middle left photo shows a road construction site with a yellow excavator and workers. The middle right photo shows a road construction site with a yellow excavator and workers. The bottom left photo shows a road construction site with a yellow excavator and workers. The bottom middle photo shows a road construction site with a yellow excavator and workers. The bottom right photo shows a road construction site with a yellow excavator and workers.

**Florida Department of Transportation
Office of Inspector General**

2018-2019 Annual Report

**Kristofer B. Sullivan,
Inspector General**

INSPECTOR GENERAL SUMMARY

I am pleased to submit our Annual Report on the activities of the Office of Inspector General (OIG) for the fiscal year ended June 30, 2019. Our OIG team continues to work hard to meet our mission to promote integrity, accountability, and process improvement in the Department of Transportation by providing objective, fact-based assessments to the people of Florida and the Department's team.

Our Audit Section issued 30 products, including assurance and consulting services, to help ensure the efficiency and effectiveness of Department programs. Audit projects included reviews of the Department's Metropolitan Planning Organization (MPO) Program; Procedure Review Process and Systems; Transit Grant Awards; and the Information Technology Change Management Process. Additionally, our audit team works closely with Department functional areas to provide insights concerning contracts, grants, and Department processes.

Our Investigations Section works to protect the Department's resources by deterring and detecting activities such as contract fraud and significant employee misconduct. We issued investigative reports on topics such as conflict of interest, conduct unbecoming, misuse of state resources, and falsification of records. The Investigations Section:

- Received 239 inquires/complaints;
- Opened 25 investigations;
- Referred 187 inquiries/complaints to management; and
- Forwarded 27 complaints to other agencies.

Key to the fraud and misconduct deterrence aspect of our mission, we conducted 21 fraud awareness briefings statewide, attended by 739 Department employees and partners in industry. Additionally, our team provides awareness presentations to new employees in the Central Office.

Our team looks forward to continuing working with Department leadership and our statewide partners to help the Department meet its mission of providing a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of the environment and communities.

Respectfully submitted,



Kristofer B. Sullivan
Inspector General
September 30, 2019

TABLE OF CONTENTS

- 1 Introduction
- 2 Mission, Vision, and Values
- 2 OIG Organizational Chart
- 3 Audit and Investigations Activity

AUDIT

- 5 Commission for the Transportation Disadvantaged (CTD) Audits
- 5 Engineering & Operations Audits
- 5 Finance & Administration Audits
- 9 Strategic Development Audits
- 11 Significant Audit Findings and Recommendations
- 12 External Activities
- 13 Annual Audit Risk Assessment and Work Plan

INVESTIGATIONS

- 14 Case Types, Duties and Responsibilities
- 15 Cases Completed: Engineering & Operations
- 22 Cases Completed: Executive Office
- 22 Cases Completed: Finance & Administration
- 23 Cases Completed: Strategic Development
- 27 Fraud Awareness Briefings

QUALITY ASSURANCE & OPERATIONS SUPPORT

- 28 Duties, Responsibilities, Technology, and Quality Assurance Activities
- 29 Training, Certifications, and Affiliations

INTRODUCTION

The Office of Inspector General's (OIG) role is to provide a central point for coordination and responsibility of activities that promote accountability, integrity, and efficiency in the Department.

In summary, the OIG's duties and responsibilities are to:

- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the Department's programs and operations;
- Conduct, supervise, and coordinate other activities funded by the Department for promoting economy and efficiency, and preventing and detecting fraud and abuse in programs and operations;
- Keep the Department Secretary and the Chief Inspector General (CIG) informed of fraud, abuse, and deficiencies related to programs and operations funded by the Department and recommend corrective actions as well as report on the corrective actions progress;
- Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies to avoid duplication;
- Ensure an appropriate balance between audit, investigative, and other activities; and
- Comply with the "*Principles and Standards for Offices of Inspector General*", published by the Association of Inspectors General.

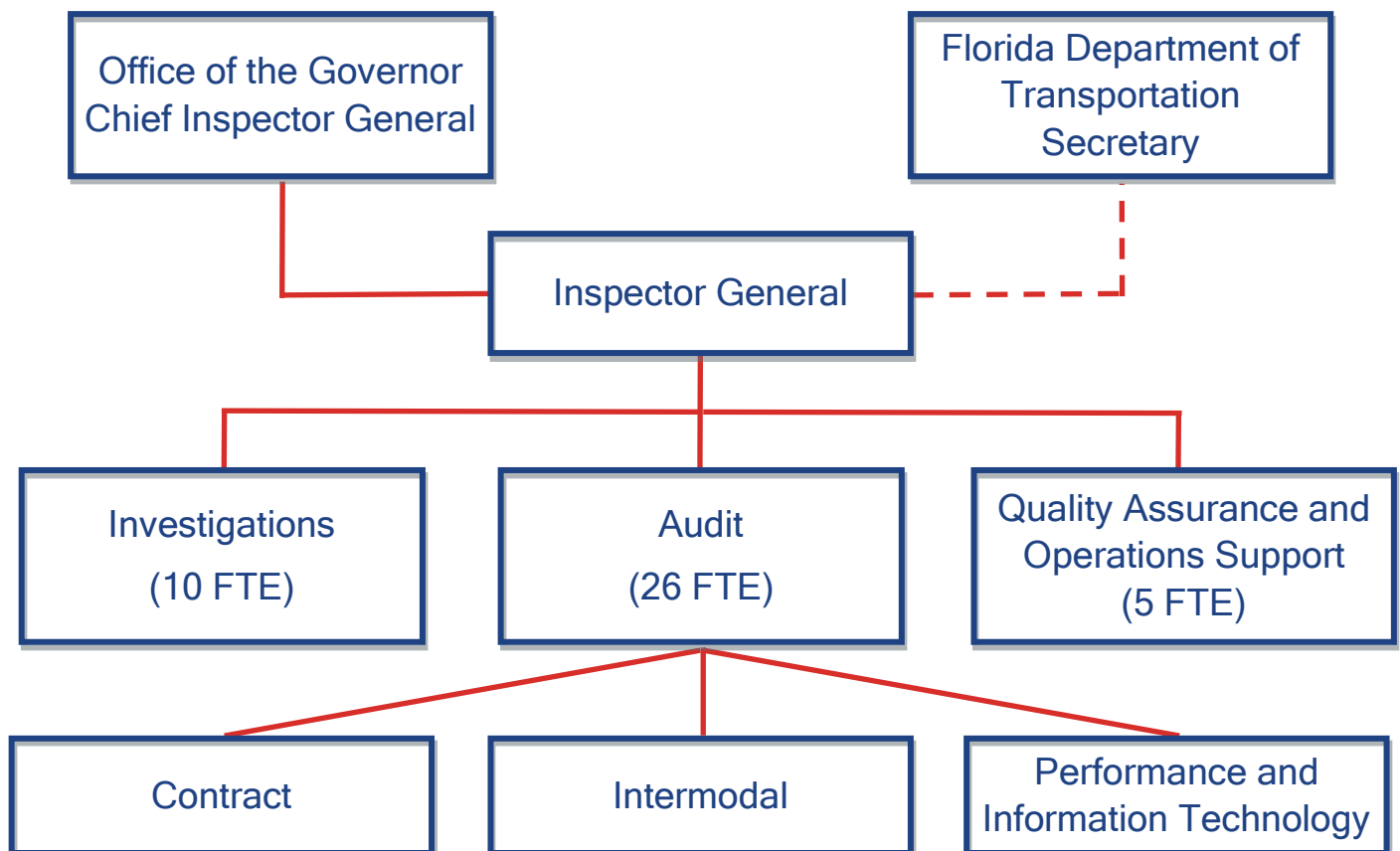
Florida Statutes (F.S.) require an annual report be submitted by September 30 of each year describing activities conducted in the prior fiscal year (FY). This report includes, but is not limited to:

- 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 the 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.

MISSION, VISION, AND VALUES

- ◆ The mission of the Office of Inspector General is to promote integrity, accountability, and process improvement in the Department of Transportation by providing objective, fact-based assessments to the Department of Transportation team.
- ◆ Our vision is to be championed by our customers; benchmarked by our counterparts; and dedicated to quality in our products.
- ◆ Our values are Integrity, Respect, Commitment, One FDOT, Trust, and Customer Driven.

OIG ORGANIZATIONAL CHART



AUDIT ACTIVITY

30 PRODUCTS ISSUED

14 EXTERNAL AUDIT ACTIVITIES

15 FORENSIC ASSISTANCE ASSIGNMENTS

21 Audit Projects Carried Forward from FY 2017-18

38 New Projects for FY 2018-19

29 Work Plan Projects Initiated for FY 2018-19

4 Non-Work Plan Projects Initiated for FY 2018-19

3 CHIEF INSPECTOR GENERAL PROJECTS

INVESTIGATIONS ACTIVITY

12 Investigations Carried Forward from FY 2017-18

3 Cases Worked Jointly with Law Enforcement

14 Cases Completed and Forwarded to Management

21 Fraud Awareness Briefings

239 COMPLAINTS RECEIVED

187 Complaints Referred to Management

27 Complaints Referred to Outside Agencies

25 Cases Opened

AUDIT AND INVESTIGATIVE ACTIVITIES COMPLETED

By District

	Audit Products	Investigation Products	Complaints Referred to Management	Total:
District 1	0	2	7	9
District 2	3	5	17	25
District 3	1	4	11	16
District 4	0	5	7	12
District 5	0	3	22	25
District 6	0	6	8	14
District 7	0	1	4	5
Turnpike Enterprise	0	3	96	99
Central Office	26	5	15	46
Total:	30	34	187	251

By Program Area

	Engineering & Operations	Finance & Administration	Secretary	Strategic Development	Total:
Audit	2	15	0	13	30
Investigations	21	2	2	9	34
Total:	23	17	2	22	64

AUDIT

The Audit Section's mission is to promote integrity, accountability, and process improvement by providing objective, timely, and value-added audit services.

Selected Audit Products by Program Area

Commission for the Transportation Disadvantaged (CTD)

19P-8003, Driver and Vehicle Information Database (DAVID) Attestation – CTD

The purpose of this engagement was to review internal controls over personal data obtained through the DAVID system by the CTD Office. Once reviewed, we provided the office a signed attestation statement to provide to the Department of Highway Safety and Motor Vehicles (DHSMV) in compliance with the Memorandum of Understanding (MOU).



Engineering & Operations

18P-1001, Motor Carrier Size and Weight (MCSAW) Program



The purpose of this engagement was to conduct an operational audit of the MCSAW Office to ensure compliance of the MCSAW Manual and onsite processes with judgmentally selected Florida Statutes, Florida Administrative Code, and to review the newly implemented Quality Assurance Review (QAR) program. The results of this

engagement can be found [here](#).

Finance & Administration

17P-1003, Audit of Disadvantaged Business Enterprise Program's Commercially Useful Function and the Equal Opportunity Compliance System Data

The purpose of this engagement was to conduct an operational audit of the Disadvantaged Business Enterprise program to ensure compliance with the Equal Opportunity Construction Contract Compliance Manual, Commercially Useful Function requirements, and Title 49, Part 26, Code of Federal Regulations (C.F.R.) requirements. The results of this engagement can be found [here](#).

AUDIT

Finance & Administration (Continued)

18C-3002, Eisman & Russo, Inc.

18C-3003, AECOM Technical Services, Inc.

18C-3005, HNTB Corporation

The purpose of these engagements was to conduct an analytical review to determine and compare contractually (negotiated) allowed, invoiced, and incurred hours and costs; percentage of total work performed by employees initially proposed for the projects; utilization of key qualifying personnel; and compliance with applicable laws, rules, regulations, and procedures. These engagements contained confidential information and did not result in any findings or recommendations.

18C-3004, Jacobs Engineering Follow-up and Recommendation



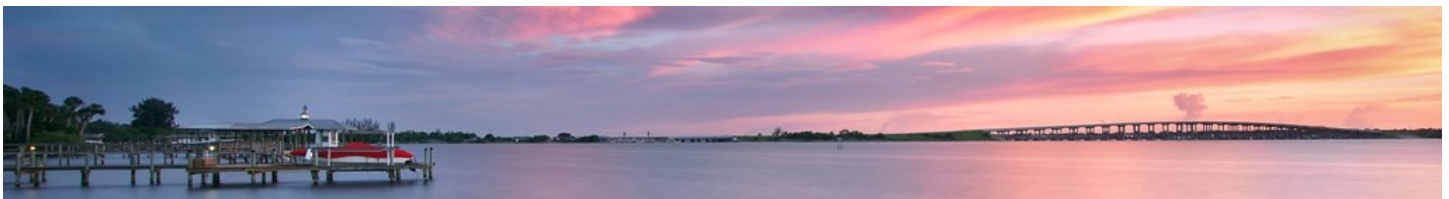
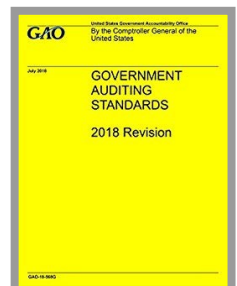
The OIG conducted a follow-up review of Jacobs Engineering Group, Inc. concerning a recommendation included in the OIG advisory report No. 13C-3005 dated February 12, 2014. The OIG advisory report No. 13C-3005 reviewed whether the Florida Turnpike Enterprise's five General Engineering consultants' internal controls over labor charging and timekeeping systems were effective, complete, and sufficiently detailed to detect time recording and billing errors. The results of this engagement can be found [here](#).

18C-4004, CPA Workpaper Review – Carr, Riggs & Ingram, LLC (GAI)

18C-4005, CPA Workpaper Review – Warren Averett, LLC (Figg Bridge Engineers, Inc.)

18C-4006, CPA Workpaper Review – Warren Averett, LLC (Figg Bridge Inspection, Inc.)

The purpose of these engagements was to obtain reasonable assurance the Certified Public Accountant (CPA) conducted the indirect cost rate audit of the consulting firm, gathered sufficient evidence, and maintained audit workpapers to support audit conclusions; provided an opinion on the indirect cost rate schedule; and issued a report on internal controls over financial reporting and compliance as required by Generally Accepted Government Auditing Standards (GAGAS). These engagements contained confidential information and did not result in any findings or recommendations.



AUDIT

Finance & Administration (Continued)

18P-1004, Payment Card Process



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 results of this engagement can be found [here](#).

19C-6002, Atkins Interim Cognizant Review

The OIG performed a cognizant review of the audit of the Statement of Direct Labor, Fringe Benefits, and General Overhead (Statement) of Atkins North America, Inc. (Atkins) for the nine months ended December 31, 2017, in accordance with our role as Cognizant Agency as defined in Title 23, Section 112(b)(2)(C), United States Code and Title 23, Part 172.3, Code of Federal Regulations (C.F.R.). This engagement contained confidential information and did not result in any findings or recommendations.



19I-6002, Florida Department of Transportation (FDOT) FY 2019-20 Indirect Rate

The purpose of this review was to determine whether the fringe and indirect rates submission packets were complete, sufficient in detail, the process remained consistent in relation to previous years, and that calculations were accurate to allow for an adequate review by the Federal Highway Administration (FHWA). The results of this engagement can be found [here](#).

19P-1001, Department of Highway Safety and Motor Vehicles (DHSMV) Driver's License Data Exchange

The purpose of this engagement was to determine whether the Human Resources Office (HRO) is in compliance with Memorandum of Understanding (MOU) requirements for the data exchange program. In addition, to determine if internal controls within the HRO and the Office of Information Technology (OIT) regarding the DHSMV Driver's License Data Exchange program are adequate to protect personal data from unauthorized access, distribution, use, modification, or disclosure. This engagement contained confidential information and resulted in findings and recommendations which were addressed prior to issuance of the report.

AUDIT

Finance & Administration (Continued)



19P-1002, Procedure Review Process and System

The purpose of this engagement was to evaluate the functionality and effectiveness of the Department's procedure review process and system. The results of this engagement can be found [here](#).

18I-3001, Follow-up to Auditor General Aviation Findings

The Florida Auditor General (AG) issued seven findings to the Aviation and Spaceports Office (ASO), in March 2017, regarding internal control deficiencies over its management of the Aviation Grant Program. During the annual risk assessment conducted by the OIG for FY 2017-18, the Assistant Secretary of Strategic Development requested a follow-up review of the AG's audit findings. The OIG incorporated this request into the audit plan for FY 2017-18 and subsequently for FY 2018-19 (carried over from the previous FY). The results of this engagement can be found [here](#).

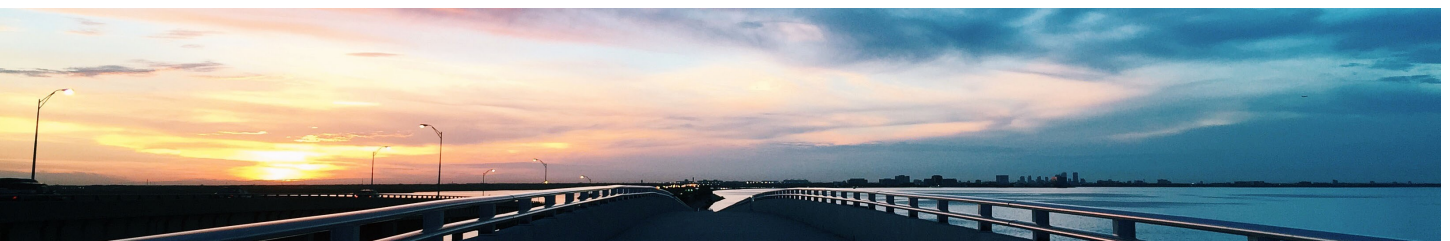
18I-3002, Review of the Office of Freight, Logistics, and Passenger Operations (FLPO) Grant Management Processes

The OIG evaluated the audit preparedness of the Freight and Multimodal Office, Seaports and Waterways Office, and Transit Office within the FLPO as a continuation to the OIG engagement 18I-3001. As a basis for this evaluation, the OIG compared current practices in these FLPO offices to the findings issued in March 2017 by the AG to the ASO. The results of this engagement can be found [here](#).



18I-9001A Metropolitan Planning Organization (MPO) – Human Resources (HR) Items Related to District

As a part of the OIG annual audit plan, we conducted a review of the Office of Policy Planning's (OPP) MPO Program. One area identified as a challenge by OPP was the HR practices of the District MPO Liaisons. The memorandum communicates the results of the HR component of the overall MPO Program review. In this component, we evaluated the consistency of HR practices among District MPO Liaisons for each District across the state. The results of this engagement can be found [here](#).



AUDIT

Strategic Development

18I-9001B, Metropolitan Planning Organization (MPO) Program

The purpose of this engagement was to evaluate the Department's plan to improve agreements with the MPOs and their invoicing process, evaluate the Department's risk assessment of the MPOs, and determine the level of Office of Policy Planning (OPP) guidance to the District MPO Liaisons and the level of oversight OPP has over the liaisons concerning monitoring of the MPOs. The results of this engagement can be found [here](#).

18I-9003, Lee County Metropolitan Planning Organization (MPO)

The purpose of this engagement was to determine if the MPO follows the mandatory requirements for accurate fiscal and programmatic management. The results of this engagement can be found [here](#).



18I-9004, Capital Region Transportation Planning Agency (CRTPA)

The purpose of this engagement was to determine if CRTPA followed the mandatory requirements for accurate fiscal and programmatic management over grant funds. The results of this engagement can be found [here](#).

18I-9005, Central Office Transit Program Oversight

The purpose of this engagement was to assess the control environment of Transit Programs across organizational levels, Central Office, Districts, and Agencies, seeking areas of opportunities to enhance governance and the control environment. The results of this engagement can be found [here](#).

18I-9008, State and Federal Transit Grant Awards Allegation

The purpose of this engagement was to review a complaint from a former Jacksonville Transportation Authority (JTA) employee regarding mismanagement of State and Federal Transit Grant Awards. The results of this engagement can be found [here](#).



18I-9009, Transit Grant Awards Controls

The purpose of this engagement was to review District controls in place over the pre-award process for 5310 Program funding. The results of this engagement can be found [here](#).

AUDIT

Strategic Development (Continued)

18P-3001, Performance Measures FY 2016-17

19P-3001, Performance Measures FY 2017-18

The purpose of this engagement was to meet the statutory requirement in Section 20.055, F.S., to assess the validity and reliability of legislatively-approved performance measures and make recommendations for improvements, if needed. The results of engagement 18P-3001 can be found [here](#) and the results of engagement 19P-3001 can be found [here](#).

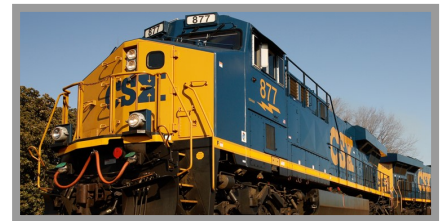
18P-5003, Information Technology Change Management Process



The OIG conducted an audit of the IT change management process, to ensure policies, procedures, and related controls are in place and functioning effectively to protect the stability and integrity of the assets controlled by the Department's Office of Information Technology (OIT). This engagement contained confidential information and resulted in several recommendations being made.

19I-1001, CSX Transportation, Inc. (CSXT) 2017 Fringe Indirect Rate

The purpose of this engagement was to determine whether CSXT's FY 2017 indirect rates were reasonable, allowable, and adequately supported, and supporting records and procedures were transparent and readily understandable. The results of this engagement can be found [here](#).



SIGNIFICANT AUDIT FINDINGS AND RECOMMENDATIONS

In accordance with Section 20.055(8)(c)(3), Florida Statute (F.S.), the following list was determined to be the significant findings and recommendations that were issued by the OIG during FY 2018-19.

In accordance with Section 20.055(8)(c)(4), F.S., all incomplete corrective actions from previous fiscal years were deemed insignificant.

18I-9001, Metropolitan Planning Organization (MPO) Program

3/8/2019

Finding: It was determined the Office of Policy Planning (OPP) had allowed the MPOs to direct bill indirect costs without obtaining authorization from the Federal Highway Administration (FHWA).

Recommendation: It was recommended the Director of OPP continue to work to determine an appropriate treatment of indirect costs utilized by the MPOs.

Upon final determination of the indirect cost treatment, the OIG recommended the Director of OPP ensure additional training and guidance is provided to the MPO Liaisons regarding proper monitoring duties for the MPOs' indirect costs.

18I-9009, Transit Grant Award Controls

5/28/2019

Finding: It was determined the Department had not established clear guidance for identifying and addressing potential conflicts of interest among panel review members who select agencies to receive 5310 grant awards. This represents a control weakness over the pre-award process. In all other respects, we found Districts generally followed existing guidelines for the pre-award process.

Recommendation: It was recommended the Central Office Transit Manager ensure that the Transit Office provide written guidance for the recusal of a panel member if there is a conflict of interest.

Finding: It was determined the Districts did not perform a risk analysis for every agreement after the Notice of Grant Award during the award phase.

Recommendation: It was recommended the Central Office Transit Manager ensure District contract managers understand and comply with the risk assessment requirements of 2 Code of Federal Regulations (C.F.R.) 200.331, the 5310 Grant Awards Manual, and the Florida Certified Contract Manager's (FCCM) Manual.

EXTERNAL ACTIVITIES

External Audits

Section 20.055(2)(g), Florida Statutes, describes the inspector general's role in external audits to "Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication." During the fiscal year, we coordinated, facilitated, and/or monitored 18 external agency audits or reviews. The Auditor General released one report concerning the Department:

2019-186 State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards

Six-Month Updates

Section 20.055(6)(h), Florida Statutes, requires "The inspector general shall monitor the implementation of the state agency's response to any report on the state agency issued by the Auditor General or by the Office of Program Policy Analysis and Government Accountability." We provided the statutorily mandated six-month update for the following Auditor General audit, which was filed with the Joint Legislative Auditing Committee, and submitted copies to the Governor's Chief Inspector General and the Department of Transportation's Secretary:

2018-189 State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards



ANNUAL AUDIT RISK ASSESSMENT AND WORK PLAN

Section 20.055(6)(i), Florida Statutes, and professional audit standards, require the OIG to develop risk-based, long-term, and annual audit plans, which consider resources and input from the Department's senior management.

We used the Institute of Internal Auditors' Research Foundation's 8-step assessing risk process to develop our methodology. We defined 30 key Department functions as our auditable units.

Risks were identified through 42 interviews with key stakeholders and the following risk factors:

- Change in management;
- Last time the functional area was audited;
- Full Time Equivalent (FTE) - identify number of FTEs in each functional area; and
- Budget Materiality - identify this year's allotments and last year's expenditures in each functional area.

Once the risks were assigned measurable weights, we established scoring mechanisms, such as a 1-10 scale and yes/no questions, then applied averages to potential audit topics identified by the Department's senior management.

We presented the potential audit topics to the Department's Secretary for consideration and a final risk ranking.

The 2019-20 Work Plan was developed from the risk assessment topics with resources dedicated to auditing Department processes, contractor and consultant contracts, intermodal grant programs, and examining federal reimbursement rates. Additionally, we allocate a small percent for the Chief Inspector General's enterprise-wide project requests and 20 percent for Department management requests. Our 2019-20 Work Plan is comprised of 64 auditable topics.

INVESTIGATIONS

The Investigations Section's mission is to deter, detect, and investigate crimes or misconduct impacting the Department.

Case Types

The Investigations Section manages several case types, such as substantive investigations, joint investigations, preliminary inquiries, management referrals, and other agency referrals.

Duties and Responsibilities

The Investigations Section pursues Department employees, contractors, vendors, and/or the public who attempt to gain a benefit for which they are not entitled. The Investigations Section operates in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, accreditation standards established by the Florida Commission for Law Enforcement Accreditation, and works closely with law enforcement partners to accomplish its mission.

The Investigations Section's duties and responsibilities are to:

- Receive complaints and coordinate activities of the Department in accordance with the Whistle-blower's Act pursuant to Sections 112.3187-112.31895, Florida Statutes.
- Receive and consider complaints that 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 necessary.
- Report expeditiously to the Florida Department of Law Enforcement or other law enforcement agencies when the Inspector General has reasonable grounds to believe there has been a violation of criminal law.
- Conduct investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the Office of Inspector General, including freedom from interference with investigations, timely access to records, and other sources of information.
- Submit final reports of investigations timely to the Governor's Chief Inspector General and Florida Department of Transportation's Secretary.

INVESTIGATIONS

Cases Completed: Engineering & Operations

150-17019, Misuse of Department Funds

A Department employee reported to the OIG, that a product not listed on the Department's Approved Products List (APL) may have been used on a Department Local Agency Program (LAP) Agreement. The OIG reported the preliminary findings to the United States Department of Transportation, OIG (USDOT-OIG), and subsequently conducted a joint inquiry. This inquiry proved that a subcontractor used non-compliant material on the LAP project. The USDOT-OIG closed their case due to administrative remedies to address the deficiency. The Department removed their products from the APL, and a remediation plan is currently in place. Based on these findings, no further action by the OIG was required, and this inquiry was categorized as **administratively closed**.

150-17051, Bergeron: Alleged Fraudulent Certification



Department managers reported to the OIG an allegation that a contractor fraudulently certified that they were in compliance with a Department contract. It was alleged that the contract did not comply with a note in the

project plans that required a specific base material to be used on a portion of the project; yet the contractor certified that all the work was performed to the contract requirements. Based on interviews conducted and documents reviewed, it was determined that the project note was overlooked by all Department and contracted parties involved in the project; therefore, no fraudulent intent was established. The issue was corrected through a Supplemental Agreement. Based on the findings, this investigation was categorized as **disproved**.



INVESTIGATIONS

Engineering & Operations (Continued)

150-17100, Quality Control Plan Violations

The OIG was notified that a Department approved producer of concrete pipe structure (structures) was making repairs to rejected structures in violation of the plant's Quality Control (QC) Plan. According to the complainant, the repaired structures were going to contractors for use on Department projects. It was alleged that the producer's current QC Manager did not hold the proper qualifications required by the QC Plan. The OIG could not determine if the producer was repairing previously rejected structures and supplying them for Department projects. A review of Department records confirmed that the QC Manager was qualified. During this preliminary inquiry, the OIG noted that District staff conducting periodic inspections were not complying with Department Standard Specifications (Standard Specifications) by not properly documenting their QC inspections. As a result, the District modified its inspection process to comply with the Standard Specification. Therefore, this case was categorized as **closed**.

150-17147, Consultant Overbilling

A former employee of a Department consultant firm reported to the OIG that the firm may have billed the Department for hours never worked by the complainant. Based upon our review, it was determined the hours for the complainant and other consultant employees, appeared to be documented properly and justified. Therefore, this case was categorized as **closed**.

150-18045, Falsified Bid Bond Document



The Office of Maintenance (OOM) contacted the OIG with concerns that a pre-qualified contractor may have submitted a falsified Bid Bond document for a pending Department contract. It was reported that the contractor altered the dollar amount without the knowledge of the Surety Agency. The OIG inquiry found the document did not require an actual dollar amount to be included; that the contractor was

covered for a percentage of his bid amount, which was defined in the document by the Surety Agency. The OIG found no evidence to support further investigation; therefore, the preliminary inquiry was **closed**.

INVESTIGATIONS

Engineering & Operations (Continued)

150-18072, Misuse of Funds

The OIG received information from a complainant who alleged a subcontractor did not perform maintenance services for which they were paid. The preliminary inquiry determined the funding for the contract was not administered by the Department and did not include state funds. Due to the funding stream, the OIG did not have jurisdiction over this complaint; therefore, further inquiry was not conducted and the case was administratively **closed**.

150-18114, False Inspection Documents

The OIG received a complaint from a former Department employee alleging that a contractor submitted fraudulent inspection reports on a Department project. Based on interviews conducted, documents reviewed, and proactive corrective actions by the District, the OIG found no evidence to support the allegation and the case was administratively **closed**.

150-18127, Local Area Program Bid Rigging

The OIG received a complaint from a product supplier, currently on the Department's Approved Products List (APL), alleging bid rigging of a Local Area Program grant contract awarded to a county. Additionally, it was alleged that there was improper contact by a county procurement official during the "cone of silence" phase of the procurement process. Based on interviews conducted and documents reviewed, the OIG found no evidence to support the allegations and the case was administratively **closed**.



152-17058, Conflict of Interest



Based on an anonymous complaint, the OIG initiated a preliminary inquiry into the allegation that a Department employee had a personal relationship with the president of a contracting company doing business with the Department, and that the employee participated in Technical Review Committees (TRC), where the contracting company was bidding on Department contracts. At the conclusion of the preliminary inquiry, the employee resigned from their position with the

Department; therefore, the case was **closed**.

INVESTIGATIONS

Engineering & Operations (Continued)

152-17071, Conflict of Interest

The OIG received a complaint that alleged a Department employee instructed a consultant employee to give special consideration during audits of particular contracts. According to the complainant, the employee's spouse was involved in the oversight and compliance of the affected contracts. It was further alleged that the employee demonstrated a conflict of interest at a time when the employee's spouse was a direct report to the employee. Based on interviews conducted and records reviewed, it was proved that the employee presented a conflict of interest in the handling of the contract audits, and by supervising their spouse. Additionally, during the course of the investigation, it was determined the employee improperly forwarded Department emails to a personal email address and did not recuse themselves when serving on a Technical Review Committee (TRC) wherein their spouse had involvement in the awarded contract; therefore, this allegation was **proved**.



152-17087, Conduct Unbecoming

A Department manager reported to the OIG an allegation that a Department employee accepted commission proceeds, alcohol, meals, vacations, and golf outings from a contractor in exchange for single-sourced contracts between the Department and the contracted company and the Department employee improperly awarded contracts to the contracted company through the state's single source process. During the investigation, it was reported the Department employee displayed inappropriate behavior while on travel status for the Department. A substantive investigation was initiated by the OIG, which proved the Department employee had displayed inappropriate behavior while on travel status for the Department. The allegation the Department employee accepted commission proceeds, alcohol, meals, vacations, and golf outings from the contractor in exchange for single-sourced contracts between the Department and the company was found to be inconclusive. The allegation that the Department employee improperly awarded contracts to the contract company through the state's single source process was classified as disproved. The findings were reported to District management for action as deemed appropriate. The **employee resigned**.

INVESTIGATIONS

Engineering & Operations (Continued)

152-17155, Misuse of Department Resources

The OIG received a complaint that alleged a Department employee purchased disallowed tangible items for personal use through a Department maintenance contract. Based on interviews conducted, there was no evidence to support or refute the allegation that the employee was purchasing the items for personal use outside of the Department. It was determined that the employee was circumventing the Department's purchasing process by purchasing disallowed and non-contractual items. Additionally, issues related to inventory control and the procurement approval process were identified by the OIG and brought to management's attention; therefore, this allegation was **proved**.

152-18024, Employee Misconduct



An anonymous complaint was received by the OIG wherein the complainant reported that a Department employee may have taken Department supplies and employees' personal items without permission. It was further reported that this employee had been observed surfing the Internet for extended periods of time on non-business sites, and was believed to have used

Department vehicles for personal use. Based on the interviews conducted and records reviewed, the OIG found no evidence to substantiate the theft of Department property or employees' personal items by the employee. A review of records to include computer usage and Internet activity, as well as interviews conducted, disproved that the employee used their Department computer to visit non-business websites for extended periods of time. However, based on a review of records, interviews of staff, and the employee's admission, the allegation they used a state vehicle for personal use was **proved**.

152-18055, Conflict of Interest

Management reported to the OIG concerns that a Department employee in the Office of Right of Way provided confidential Department information to a private entity, with whom they had a friendship. Based on interviews conducted and documents reviewed, the OIG found no evidence to support the allegation that the Department employee was sharing confidential information and their friendship with the private entity was not a conflict of interest. No further action by the OIG was required and this inquiry was categorized as **administratively closed**.

INVESTIGATIONS

Engineering & Operations (Continued)

152-18059, Misuse of Department Resources

The OIG received a complaint from District Management who reported that a Department employee was misusing their assigned Department vehicle. Additionally, it was alleged that the employee was not recording time worked correctly in their daily log book. Based on interviews conducted, documents reviewed, and the employee's admission, the OIG determined the allegations that the employee misused Department resources and made inaccurate entries in their log book was **proved**.



152-18069, Falsification of Records

The OIG received an anonymous complaint wherein a Department employee was reported to have created a forged Earthwork Density Verification Test (VT) Logbook by copying entries from a QC logbook to replace the original VT logbook that was lost in an office move. This inquiry found that management was aware of the lost VT logbook, and therefore relied on the QC logbook. Management also documented that the VTs were performed as required. It was confirmed that under circumstances like this, the practice followed was acceptable. Based on interviews conducted and records reviewed, the OIG found no evidence to support the allegation. These findings were provided to management and the preliminary inquiry was **administratively closed**.

152-18104, Conflict of Interest

The OIG received an anonymous complaint alleging various acts of misconduct by a Department employee, to include misuse of Department resources and time. The anonymous complainant further alleged the Department employee was in an inappropriate personal relationship with a Department inspector and would buy the inspector "gifts." The OIG reviewed information, Department email and Internet activity, and conducted interviews to determine if the Department employee had inappropriate personal relationships or provided alleged gifts to the inspector. Based on the interviews conducted and records reviewed, the OIG found no evidence to support the allegation and the case was **administratively closed**.

INVESTIGATIONS

Engineering & Operations (Continued)

152-18125, Unfair Hiring Practices

The OIG received an anonymous complaint expressing concerns regarding unfair hiring practices. It was alleged that a Department employee did not meet the minimum qualifications of having a high school diploma or equivalent as stated in the job advertisement. The OIG initiated an investigation, and based on interviews conducted and documents reviewed, it was determined the employee met the minimum education qualifications for the advertised position. During the investigation, the OIG discovered the Department employee did provide related false information on previous State of Florida employment applications. These findings were reported to management for action deemed appropriate; therefore, this allegation was **proved**.

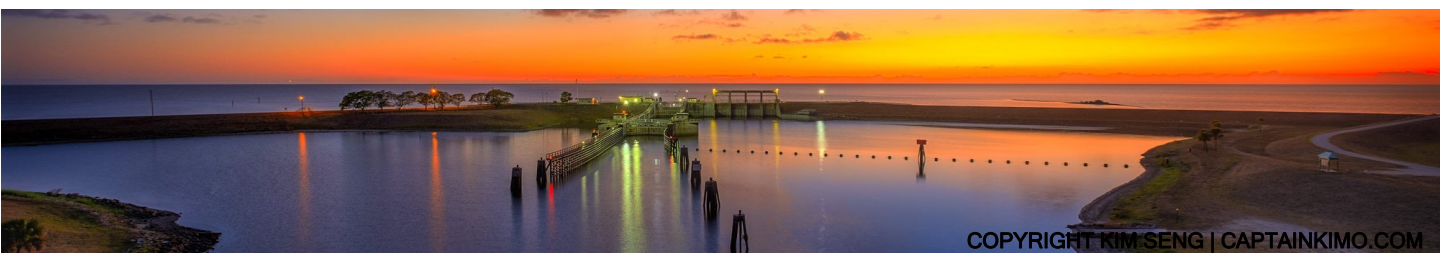
152-19112, Conduct Unbecoming

The OIG received an anonymous complaint which alleged Department employees were selling and using drugs while working on Department projects. Based on interviews conducted, there was no evidence to support the allegation; therefore, the matter was **administratively closed**.

154-18028, Theft of Property



Department management reported to the OIG that Department employees had been experiencing thefts of personal property and cash from their offices and from common areas. It was reported that one Department employee had a Department-issued Purchasing Card (P-card) removed from their desk, and that attempts were made unsuccessfully to use the card at an ATM machine. Department management further reported the thefts appeared to have occurred after hours and on the weekends. The OIG conducted video surveillance, and interviewed staff, but was unsuccessful in identifying those responsible. Therefore, the preliminary inquiry was **administratively closed**.



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INVESTIGATIONS

Engineering & Operations (Continued)

154-18036, Theft of Department Property

A District manager contacted the OIG regarding the disappearance of an automotive digital analyzer belonging to the Department. This equipment has a replacement value of approximately \$10,000, and was last known to be in the possession of a maintenance shop supervisor who had previously taken the analyzer home for personal use. A report had been filed by the District with the local law enforcement agency (LEA), who advised the case would be placed in a suspended status unless new leads were developed. Based on the interviews conducted, the OIG found no evidence to support further investigation; therefore, the preliminary inquiry was closed.



Cases Completed: Executive Office

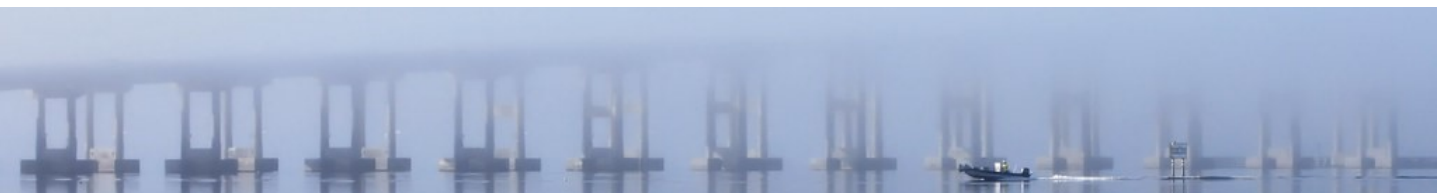
152-19077, Conflict of Interest

The OIG received an anonymous complaint expressing concerns regarding employees within the Florida's Turnpike Enterprise related to the handling of a contract. Due to limited information, the OIG was unable to complete the inquiry.

Cases Completed: Finance & Administration

152-18049, Misuse of Funds

The OIG received a complaint reporting concerns regarding funds identified in the Department's Five Year Work Program. It was reported that funds were being held in the Work Program's Reserve Box without statutory authority to hold these funds in reserve. Based on records reviewed and interviews conducted, the OIG found no evidence to suggest that the Department was not complying with applicable policies and statutory guidelines in the administration of the Department's Five Year Work Program. The findings were provided to Department management, and this preliminary inquiry was administratively closed.



INVESTIGATIONS

Finance & Administration (Continued)

152-19059, Conduct Unbecoming

The OIG received information from Department management reporting a Department employee who made a statement which alluded to a future act of violence in the workplace. It was determined that

MISCONDUCT

management notified law enforcement officials of the reported threat. The OIG conducted a subsequent review of the employee's email and computer hard drive, which did not reveal any significant items. It should be noted the employee resigned on the same date as the reported incident. Based on the investigative findings, no further action was deemed necessary by the OIG and the case was **administratively closed**.

Cases Completed: Strategic Development

150-18051, Conflict of Interest

Based on an anonymous complaint, the OIG initiated a preliminary inquiry into the allegation that Department employees were accepting gratuities such as gifts and lunches. Additionally, the complainant reported concerns that a Department employee may be impacting bids by selective staffing of Technical Review Committees (TRCs). The OIG found no evidence to support the complaint; therefore, the case was **closed**.

150-18062, Conflict of Interest in Procurement Process

District management reported to the OIG that an employee may have attempted to influence a Technical Review Committee (TRC) member in the selection process for a Department contract. It was learned the Department's policies concerning procurements do not account for uninvolved Department personnel interfering, or potentially interfering, in the procurement process. While there is a general awareness of a "cone of silence" over the TRC process, and Form 375-030-50, Conflict of Interest/Confidentiality Certification for those directly included in the procurement process, there is no written policy or procedure governing the activities of other Department personnel not involved in the process. It was also found that a lack of training and communication may have contributed to the potential appearance of conflict of interest. Based on these findings, no further action by the OIG was required and this inquiry was categorized as **administratively closed**.

INVESTIGATIONS

Strategic Development (Continued)

150-18095, Grant Recipient Non-Compliance

A Department manager reported to the OIG that a recipient under the Federal Grant Program, Section 5310, 49 US Code was non-compliant with the grant. It was reported that the recipient had been awarded two vehicles under this Grant Program. Upon attempts by the Department to audit the recipient, the business was found to be closed, and the vehicles were missing. Law Enforcement was contacted, who then contacted the business owner, and determined the business had been closed for some time, but they still had both vehicles. The OIG contacted the business owner, and the vehicles were recovered. The OIG confirmed that the recipient had not received any additional funding through this grant, or any other Section 5310 grant. Based on these findings and documentation, no further action by the OIG was required and this inquiry was categorized as **administratively closed**.

152-16022, Conflict of Interest



Department managers reported to the OIG an allegation that a Department employee may have been in a personal relationship with the principal grantee of a grant contract. During the investigation, it was discovered that the Department employee facilitated a federal grant award to a business owner with whom she was in a personal relationship. Based on interviews conducted and documents reviewed, the Federal Bureau of Investigations (FBI) accepted the case for criminal investigation. At the conclusion of the investigation, the Department **employee was arrested and sentenced**.

152-17076, Conflict of Interest in Procurement Process

The OIG received an anonymous complaint alleging that a Department employee and their sibling were facilitating contracts to the sibling's company. The complainant alleged the Department employee personally handled the Technical Review Committee (TRC) that graded the proposals for one of the awarded contracts. Additionally, it was alleged that the sibling, who previously worked for the Department, had managed a contract, and upon leaving the Department, became a subcontractor to the contract holder. The complainant also reported that TRC members may have been influenced in awarding contracts to the sibling's company. Based on the interviews conducted and records reviewed, the OIG found no evidence of favoritism in the award of contracts to the sibling's company. Based on these findings, no further action by the OIG was required and this inquiry was categorized as **administratively closed**.



INVESTIGATIONS

Strategic Development (Continued)

152-18017, Misuse of Department Resources

The OIG received a complaint that alleged a Department employee used work time to conduct personal business and used social media to market for-profit businesses. It was further alleged the employee falsified hours worked on their timesheet and was collecting monetary donations from Department consultants, as well as allowing consultants to pay for their lunch. Based on interviews conducted and records reviewed, there was **no evidence found to support the allegations**; however, during the course of the investigation, it was discovered that the employee did use their work computer to access personal email accounts in violation of Department policy.

152-18019, Gratuities and Conflict of Interest

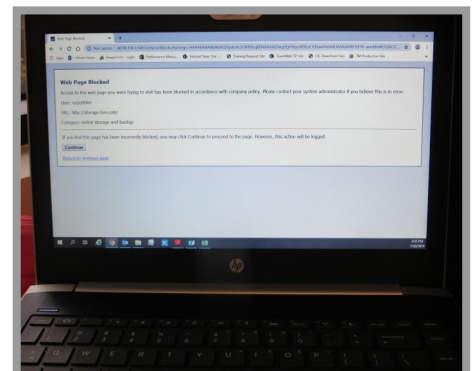


An anonymous complainant reported to the OIG that Department employees were accepting gratuities such as gifts and lunches from two Department contractors in exchange for work. Additionally, the complainant reported that a Department employee may have been improperly impacting bid selections through their staffing of Technical Review Committees (TRCs). The OIG learned that a Department employee accepted lunch from a contractor seeking to

secure a contract with the Department. Based on the interviews conducted and documents reviewed, the OIG found no evidence to support or refute the allegation that other Department employees were accepting gratuities, gifts and/or lunches in exchange for work. Based on interviews of TRC members, no evidence was found to support that a Department employee attempted to influence the TRC selection process; therefore, this related issue is categorized as **disproved**. Based on interviews, and their admission, it was determined that a Department employee accepted lunch from a contractor, in violation of Department policy.

152-18020, Misuse of Department Internet Resources

The OIG received a complaint wherein it was alleged that a Department employee misused Department computer resources to access and/or review material containing specific sexual activities. Based on interviews conducted and documents reviewed, the OIG determined the Department employee misused Department computer resources; therefore, this allegation was **proved**.

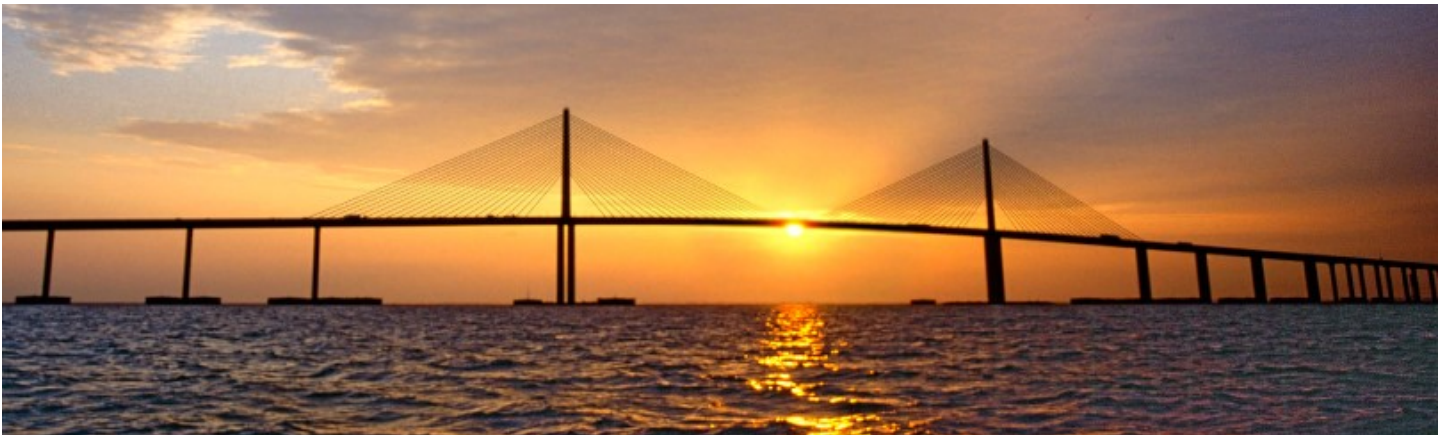


INVESTIGATIONS

Strategic Development (Continued)

152-18052, Conflict of Interest in Product Approval Process

Department management reported to the OIG that a Department employee may have improperly requested to have products removed from the Approved Products List (APL). The employee had accepted a position with a firm that provided a product related to the items they wished to remove from the APL, and it was believed this may have motivated their actions. Additionally, it was reported the employee was in the process of finalizing a half-million-dollar contract for a vendor who was affiliated with the firm they accepted employment with. Based on interviews conducted and records reviewed, the OIG found no evidence to support the allegation that the now former Department employee improperly requested to have items removed from the APL. Additionally, it was found that the firm the employee was hired by was not affiliated with the vendor that received the contract. The inquiry revealed that the Department office responsible for the APL lacked procedures for the removal of products from the APL. These findings were provided to Department management and the preliminary inquiry was **administratively closed**.



INVESTIGATIONS

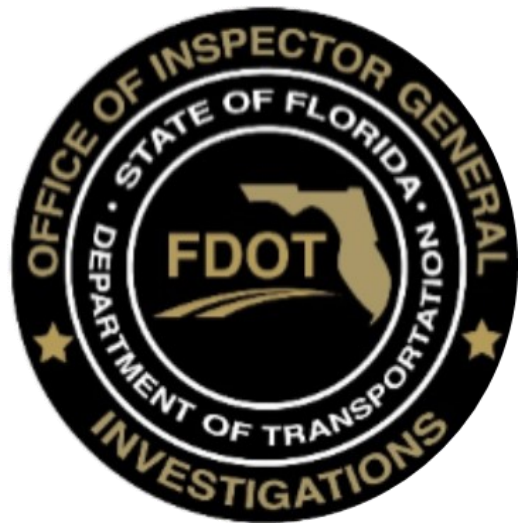
Fraud Awareness Briefings

It's Never the Wrong Time to do the Right Thing

The OIG makes a concerted effort every year to educate Department employees and consultants about acting ethically and with integrity in the performance of their job duties.

We do this by presenting Fraud Awareness Briefings at different locations throughout the state. In the briefings, we discuss the Department's Ethics Policy, Integrity in Government Policy, relevant Florida Statutes, and the many Florida Administrative Codes related to the conduct of state employees and their relationships with regulated entities. During these briefings, we also share real case scenarios to bring the information to life.

In FY 2018-19, the OIG presented 21 briefings to 739 Department employees and partners in the industry.



QUALITY ASSURANCE AND OPERATIONS SUPPORT

The mission of the Quality Assurance and Operations Support Section is to ensure quality audit and investigative products that fully comply with all professional and office standards and support the operations of the Office of Inspector General.

The Quality Assurance and Operations Support Section's duties and responsibilities are to:

- Ensure OIG policies and procedures are current and designed to conform with professional auditing standards.
- Perform internal assessments in accordance with professional auditing standards and OIG procedures, such as report reviews and quality assurance reviews of audit working papers.
- Conduct an annual risk assessment, develop the annual audit work plan, and prepare the annual report.
- Maintain all daily OIG operational functions including human resources, facilities management, travel, and inventory.
- Plan and maintain the OIG's budget and segregate duties for Purchasing Card (P-card) transactions and approval.
- Maintain the OIG's information technology infrastructure, such as SharePoint and Internet sites.
- Monitor staff training requirements and completion dates in compliance with professional standards and review training reports monthly.
- Publish the quarterly newsletter, [Office of Inspector General Examiner](#), which provides opportunities to share information, alerts, and latest developments.
- Administer and maintain the OIG's workforce management software, TeamMate, for audit projects, budget hours, investigative cost recovery on cases, and generate information for reports to management and the Chief Inspector General.

Quality Assurance Review of
Audit Workpapers (short form): **20**

Quality Assurance Review of Audit
Workpapers (long form): **8**

Total Quality Assurance Reviews: 28

Review of Audit Products: **61**

Review of Investigations Products: **42**

Total Reviews, Reports, and Memorandums: 103

QUALITY ASSURANCE AND OPERATIONS SUPPORT

TRAINING, CERTIFICATIONS, AND AFFILIATIONS

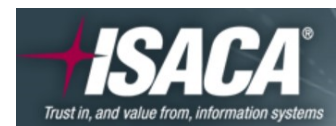
Professional standards require the OIG's staff to be proficient, competent, and collectively possess and apply knowledge, skills, and experience when performing audit and investigative work. Additionally, auditors and investigators should complete Continuing Professional Education (CPE) courses related to their primary responsibilities.

Our auditors adhere to the *Government Auditing Standards* for completing 80 CPE hours in a 2-year period with 24 of those hours being related to government auditing.

Our investigators adhere to the *Principles and Standards for Offices of Inspector General* for completing 40 CPE hours in a 2-year period with 12 of those hours being related to investigations.

The Quality Assurance and Operations Support Section provides oversight of the training program to ensure staff meet the CPE requirements and completed courses are documented adequately. Our internal Procedure No. 450-a10-008, Training and Professional Development, has guidance to identify levels of expertise for meeting organizational requirements, evaluate the training program regularly to assure staff needs are being met and the best training sources are used, and maintain an adequate training fund.

Our staff demonstrates their expertise through certifications and affiliation in professional organizations.



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