

RICK SCOTT
Governor



CYNTHIA F. O'CONNELL
Secretary

FLORIDA LOTTERY

August 8, 2013

Christina Smith, Division Director
Division of Accounting and Auditing
Department of Financial Services
200 East Gaines Street
Tallahassee, FL 32399-0353

Dear Director Smith:

This letter is in response to your letter dated July 12, 2013, regarding your review of selected Florida Lottery contracts on or after July 1, 2011, and related management activities. We appreciate the opportunity to respond to the areas of improvement outlined in your report.

The Florida Lottery's response and Corrective Action Plan in response to your review is detailed below:

Florida Lottery Response and Corrective Action Plan

Page 2: Cost Analysis

Section 287.057(4), F.S., requires an agency to document its compliance with Section 216.3475, F.S., for the purchase of noncompetitively procured contractual services that exceed Category Two. The cost analysis should be performed prior to the award of the agreement to ensure the contractor is not billing for services at a cost greater than fair market value. Each agency shall maintain records to support a cost analysis which includes a detailed budget submitted by the person or entity awarded funding and the agency's documented review of individual cost elements from the submitted budget to determine allowability, reasonableness, and necessity. CFO Memorandum No. 02 (2012-2013), requires agencies to complete the cost analysis on an approved Bureau form and maintain the completed cost analysis in the contract manager's contract file.



- *We conducted a review of six contract management files on December 13, 2012, and two contract management files on December 27, 2012. Cost analyses meeting the criteria of CFO Memorandum No. 02 (2012-2013) were not identified in the files. A copy of the cost analysis was requested during the interview with the Department staff that was held in conjunction with the file review. In response, the Department directed us to the financial analysis included in each promotion which identified the net sales gain for seven of the agreements. A request for the cost analyses, along with a copy of CFO Memorandum No. 02 (2012-2013), was emailed to the Department on December 14, 2012. Two additional requests for the cost analyses were emailed on December 28, 2012 and January 22, 2013.*
- *On January 31, 2013, the Department provided completed cost analysis for seven of the agreements. Upon review we noted there was no date ascertaining when the cost analyses were prepared; therefore, we were unable to determine if the cost analyses had been performed prior to the award of the agreements.*

The Department's response related to one agreement (WFSU-TV) was that the cost analysis was not applicable, citing the statutory exemption found in section 287.057(3)(f)12, F.S., which states that services or commodities provided by governmental agencies are not subject to the competitive solicitation requirements of Chapter 287, F.S. This statute does not exempt the Department from complying with section 216.3475, F.S. which requires a cost analysis for awards of a noncompetitive nature.

Department Response:

The mission of the Florida Lottery is to "...maximize revenues in a manner consonant with the dignity of the state and the welfare of its citizens." As part of the game and promotional development processes, the Department determines the anticipated gain from the sale of tickets. Those figures are included in an internal document called a Product Brief that is distributed among the various departments. Among other things, the Product Brief includes the price point, ticket quantity, maximum sales, and estimated transfers to the Educational Enhancement Trust Fund (i.e., return on investment). In essence, the Lottery's Product Brief serves as a compilation document of a game's return on investment. The Lottery fulfills the needs of CFO Memorandum No. 02 (2012-2013) on its internal document but, in some cases, the information was not transferred to DFS' Cost Analysis Form. Indeed CFO Memorandum No. 02 (2012-2013) does not require that the form be completed prior to award of agreements nor does it require that the form be signed and dated. The Lottery is continually scrutinized on its performance and the total funds transferred to the EETF. With record sales, status as one of the most administratively efficient Lotteries in the country, and record transfers to the EETF, it is readily apparent to the casual observer that the Lottery is earning a significant return on investment in its contract partners. The Lottery is committed to completing DFS' Cost Analysis Forms for subsequent noncompetitive agreements and will include them in the Contract Management file.

Page 4: Subcontract Rates

Under the contract, the Department acquired public relations services for three years with a budget cap of up to \$1,000,000. The agreed upon compensation was expressed as a tiered

hourly rate ranging from \$50 per hour to \$315 per hour dependent upon the skill level of the staff person performing the work. The contractor subcontracted a portion of the work to be performed at a flat rate of \$175 per hour regardless of the skill level of the staff person performing the work. The Department was unable to provide prior written approval to subcontract work as required under the contract.

Department Response:

The Florida Lottery is not a party to the agreement between Golin Harris and Ron Sachs Communications, Inc. The Department did, however, provide a copy of the agreement between the vendor and subcontract vendor to DFS on May 30, 2013 – 42 days before DFS sent its letter of findings to the Department.

Any fee structure charged by the subcontract vendor is between them and the contracted vendor - not the Florida Lottery. Also, no provision in state law or rule requires the subcontract to mirror the primary contract with the Department.

Page 4: Department was unable to provide a copy of the subcontract

The subcontract was not based on the same terms and conditions of the primary contract, and the Department was unable to provide a copy of the subcontract; therefore, it is unclear whether the Department is receiving equivalent services based on the hourly rate structure of the primary contract. At the time of the review a total of \$37,056 was paid in subcontracting fees.

Department Response:

The Department has continued to impart to DFS that the Lottery was not party to the agreement between Golin Harris and Ron Sachs Communications, Inc. The Lottery provided to the auditors a copy of the settlement agreement between Golin Harris and Ron Sachs Communications on May 30, 2013, well in advance of the issuance of DFS' July 12, 2013 letter to the Lottery outlining its findings. Therefore, the Lottery disagrees with DFS' finding.

Page 4: Department did not provide evidence of prior written approval of work plans

The contract established a broad scope of work that was to be further detailed in the quarterly work plans submitted by the contractor. The quarterly work plans were to include work accomplished, projects to be initiated, intended outcomes and criteria to measure performance. The work plans were an integral part of the contract and intended to drive the contractor's assignments. As required by the contract, the Department was unable to provide written approval of the work plans prior to beginning the proposed activities.

After review of the contract management file and interview with the Department, a request for prior written approval of the work plans was emailed to the Department on January 10, 2013. A second request was emailed on January 25, 2013. The Department responded on January 31 and February 4, 2013 but did not provide evidence of prior written approval of the work plans.

Department Response:

All quarterly work plans were provided to DFS in the contract manager's binder. The Lottery explained to auditors during the audit process that development of the work plans were a collaborative process between the Department and the vendor. Thus the quarterly work plans reflect the final results of that collaboration. Prior to execution of a quarterly plan, a written scope of work was required from the vendor for approval and signature by the Department. A separate DFS audit of this particular contract by the same unit (DFS' Bureau of Auditing) was performed and issued with a review date of May 2, 2012. In its review, DFS' Bureau of Auditing awarded the Lottery a 100% score, which has not been achieved by any other agency. The review indicated that this contract:

- Clearly establishes the tasks to be performed by the provider;
- Divides the contract into quantifiably, measurable, and verifiable units of deliverables that must be received and accepted before payment is made; and
- Specifies the financial consequences that the agency must apply if the provider fails to perform in accordance with the contract.

Page 4: Department could not validate how performance was measured

The Department could not provide documentation to validate how performance was measured. The contract manager is responsible for enforcing the contract terms and evidencing contractor performance.

Department Response:

The Department disagrees with this finding. The quarterly work plans included deliverables that the vendor was responsible to produce. The contract manager's binder, which was reviewed by DFS, contains reports and presentations generated by the vendor. Measuring public relations is sometimes subjective. The binder also includes news articles that resulted in the work conducted by the vendor. Additionally, the vendor provided a post-event document outlining quantifiable results. Specifically, the Department can point to one significant tangible measurement during the past fiscal year: launch of the new Florida Lottery brand and the resulting news coverage and media impressions. This was a major undertaking for the Department and the vendor was the media lead on this project. Overall, the Florida Lottery received more than 8.8 million impressions in-state from the brand launch, while receiving 85.8 million nationwide.

Page 4: Duplicate Invoices

Duplicate Invoices were authorized by the contract manager, transmitted to the accounting department and overpayments were issued to the contractor totaling \$6,513.

Department Response:

The \$6,513 of duplicate payments represents less than 0.00002% of the Lottery's total expense for FY 11-12. Upon identification of the four duplicate payments, the Accounting Director

assigned an independent party to review all of the Department's payment logs for the past two years. No additional duplicate payments were identified. The duplicate payments were corrected. Independent review of the payment logs continues to be performed at a minimum monthly. DFS' accounting system, FLAIR, which is used by all state agencies, has not been updated to prevent duplicate payments by vendor despite requests by state agencies. The Department concurs with DFS' finding that duplicate payments occurred and will continue to survey its payment logs for anomalies.

Page 5: Services Prior to Execution of the Contract

The contract manager approved the payment of \$7,108 for services that occurred prior to the execution date of the contract. Pursuant to Section 287.058(2), Florida Statutes, "The written agreement shall be signed by the agency head and the contractor prior to the rendering of any contractual service...." Work performed prior to the establishment of a signed contract could result in disputes requiring resolution through settlement agreements that could be financially costly to the Department and detrimental to the relationship with the contractor.

Department Response:

The total cost incurred of \$7,108 represented 0.00003% of the Lottery's total expense for FY 11-12. Services occurred after the contract had been officially awarded and a performance bond had been issued by the contractor and secured by the Department. The training session was offered one day before the contract was to be officially executed in New York. Because Lottery personnel were on site, a decision was made to attend the training to avoid incurring additional travel and lodging costs by attending the training session at a later date. This was done to maximize the total transfer to the Educational Enhancement Trust Fund and as a cost savings for the State. The Lottery concurs with DFS' finding and will avoid incurring costs prior to execution of a contract.

Page 5: Out-of-Pocket Costs

Invoices in the amount of \$6,064 identifying out-of-pocket costs were approved and paid without documentation supporting the necessity of the line items. Although the contract provides for the Department to reimburse the contractor for out-of-pocket costs, there were no explanations included in the contract management file as to the necessity of the costs incurred.

Department Response:

The total out-of-pocket costs of \$6,064 represented 0.00002% of the Lottery's total expense for FY 11-12. The Department concurs and is committed to obtaining supporting documentation for out-of-pocket expenses by its contractors. The Department has worked with the vendors in assisting them in identifying out-of-pocket expenses that are eligible, per state law, for reimbursement. Additionally, a list of eligible incidental expenses is provided in the Department's "Travel Guidelines for Lottery Contractors" that will be provided to contractors upon execution of future contracts.

Page 5: Signatures on Travel Vouchers

The contract manager approved, and the accounting office issued, payment for travel without obtaining the travelers signatures on the travel vouchers. Section 112.061(11)(b)1., F.S. requires “....a certification or affirmation, to be signed by the traveler, indicating the truth and correctness of the claim in every material manner.....”.

Department Response:

The contract manager now requires traveler signatures on the travel forms. The Department has counseled the vendor on requiring signatures for all travel forms. Additionally, instructions on how to complete the Department’s travel voucher are included in the “Travel Guidelines for Lottery Contractors” that will be provided to contractors upon execution of future contracts. The Department concurs with the finding.

Pages 5 - 6: Hospitality Tickets

The Department entered into contracts to establish a promotional partnership or sponsorship relationship with the contractor. The benefits provided to the Department include promotional advertising and hospitality tickets to sporting events including college and professional football games and a weekend NASCAR race. Five contracts contained provisions where the contractor was required to deliver the tickets to the Department. One of the five contracts also contained a provision where the contractor provided gift cards in addition to the tickets.

According to the contracts, the tickets could be used by the Department for business development and retailer appreciation. Two of the five contracts contain an additional provision allowing the Department to use the tickets for “the sole purpose of reviewing and auditing a Lottery sponsored event.”

We were unable to obtain evidence regarding the distribution of the event tickets during the interview and review of the contract management files on December 13, 2012. A written request for this information was emailed to the Department on December 14, 2012. Two additional requests for this information were emailed on January 10, 2013, and January 25, 2013. The Department responded on January 31 and February 4, 2013 by submitting documentation that had been previously reviewed in the contract files.

Department Response:

During the audit review process, a DFS auditor stated that a contract file should “stand on its own.” This sounds reasonable in theory and may operate well for other state agencies. However, it is impractical when the contract involves data of a sensitive nature.

The Lottery’s contract files, which are kept in an unsecured filing cabinet, contain the minimum required documentation required by the contract manager and the Lottery’s disbursement unit for payments made through DFS. Documentation regarding receipt and use of tickets was housed in the individual contract files in the form of narratives, photos/photocopies, notarized affidavits,

and other supporting documentation. Since many of the Lottery's contract deliverables involve live tickets that are used as prizes for players during drawings, radio and television promotions and contests, as well as sales incentive programs for Lottery retailers, personal information such as addresses, telephone numbers, photos, and social security numbers are collected and recorded. Due to the sensitive nature of this information, it is securely housed in the Lottery's Claims Processing unit in lieu of the contract file.

During audit review of the contract files on December 13, 2012, additional requests were emailed by the auditors as stated above. However, it was not clear to the Lottery that photocopies of the tickets were considered inadequate evidence for distributed or forfeited tickets. During three audit review workshops it became evident there had been a misunderstanding as to what was being requested. The Lottery immediately retrieved from Claims Processing the documentation for all hospitality tickets for auditor review; however, no effort was made by the auditors to review the files despite the Lottery's repeated offers to facilitate the review. Therefore, the Department disagrees with the finding that DFS was unable to obtain evidence regarding the distribution of event tickets.

To gain further understanding of the Department's process relating to the event tickets, a request for a copy of the Department's written procedures was emailed on February 6, 2013. A second request was emailed on February 13, 2013. The Department's Policy on the Receipt and Use of Hospitality Services Provided by Major Sponsorship Contractors (Policy) was provided on February 14, 2013. The Policy was insufficient to address the chain of custody, authorization and overall independent reconciliation to account for the tickets.

Specifically, we noted the following:

- A written record was not created nor maintained for receipt of tickets into or removal of tickets from the safe. The Department secures the tickets in a locked safe where one staff member has access. The Policy states, "...all items are audited and secured..." by Department staff. To enhance internal controls, the Department should require a written record to track tickets placed into and removed from the safe.*

Department Response:

Access to the safe was limited to a single high-level member of the Lottery's Senior Executive team. Addition and removal of tickets to/from the safe was done in the presence of a junior staff member and the Senior Executive team member whenever tickets were delivered to the safe upon receipt or removed from the safe for mailing/distribution. To enhance its care, custody and control over event tickets, the Lottery has instructed vendors to mail tickets directly to an independent section, Claims Processing, by adding language as such to new contracts. The Claims Processing section distributes merchandise, tickets, and gift cards for prize winner promotions, and therefore is the natural candidate to assume distribution of the hospitality event tickets. Tickets are maintained in a secure cage that is accessed by two individuals at any given time. The chain of custody of items within the cage is documented and provides a secure mechanism by which to receive, safely house, and distribute the hospitality event tickets.

- *The criterion for requesting tickets on three of the Department's Event Ticket and Hospitality Request Forms (Request Form) was not supported by the Department's Policy. The Policy states, "The Lottery's acceptance and use of Hospitality Services ('Event Tickets and/or Hospitality Credentials') must be used to support marketing and promotional advertising and/or retailer recruitment, retention and recognition." For example, one form did not contain any criteria and the proposed ticket usage was, "to see the game."*

Department Response:

The criteria for selecting and awarding tickets to Retailers is identified on page two (2) of the Lottery's Policy on the Receipt and Use of Hospitality Services Provided by Major Sponsorship Contractors. Therefore, unless stated otherwise, the criteria for selection is assumed. A meeting was held with the Contract Manager, the Accounting Director and the Director of Sales on proper documentation of ticket request forms. It was determined moving forward, that the Director of Sales will have a workshop with his field staff on proper documentation practices, and all ticket requests from district offices will be directed to the Director of Sales for review and authorization of requests.

- *The Department did not consistently follow written procedures established for requesting the use of event tickets. Although the Policy identifies staff that has authority to request event tickets, a review of the Request Forms showed 40% (169/426) of the tickets were requested by someone other than those authorized.*

Department Response:

The Lottery had a significant agency-wide reorganization with a reduction in workforce and realignment and reclassification of positions, resulting in retitling of positions. The individuals submitting requests for event tickets indeed were authorized to do so, but the policy had not yet been updated to reflect the changes. The policy is currently being updated to reflect the new staffing and titling changes.

- *The Department did not establish a clear separation of duties for handling tickets. On 20% (87/426) of the Request Forms the "Authorized Lottery Headquarter Approver" was the same staff member who shipped the tickets.*

Department Response:

The Lottery has transferred ticket-handling duties to the Claims Processing section, which is independent of the contract manager and his department. As stated above, Claims Processing has established procedures for ensuring the proper care, custody and control of hospitality event tickets.

- *The Department did not document acknowledgement for the receipt of tickets as required by the Policy. Documentation that the intended end-recipient received the tickets was not provided for 46% (194/426) of the event tickets.*

Department Response:

In many instances, tickets are shipped directly to a corporate office address according to the corporate client's instructions and disbursed to the end recipient by the corporate office. In such cases, the request form, along with the shipping label and FedEx billing statement, serve as proof of delivery. Documentation for 100% (426/426) of the event tickets was provided in the contract files (those from the contract manager and those housed in the Claims Processing unit, as described above) and presented to the auditors for their review during the audit review workshops. Despite urging by the Lottery, the auditors refrained from reviewing the additional documentation. The Lottery is currently revising its procedures to include acknowledgement correspondence to and from the corporate offices via the Director of Sales.

- *The Department did not provide documentation showing independent reconciliation of the initial receipt, custody, and final distribution of the event tickets. According to the Policy a Department staff member, "...will maintain a hard-copy file of all documents supporting the request, utilization and audit of each contracted Hospitality event." Independent reconciliation must be performed by someone not responsible for the custody, authorization, requesting, or shipping of the tickets.*

Department Response:

The Department provided documentation for the disposition of 100% of the event tickets.

The Lottery's contract files, which are kept in an unsecured filing cabinet, contain the minimum required documentation required by the contract manager and the Lottery's disbursement unit for payments made through DFS. Documentation regarding receipt and use of tickets was housed in the individual contract files in the form of narratives, photos/photocopies, notarized affidavits, and other supporting documentation. Since many of the Lottery's contract deliverables involve live tickets that are used as prizes for players during drawings, radio and television promotions and contests, as well as sales incentive programs for Lottery retailers, personal information such as addresses, telephone numbers, photos, and social security numbers are collected and recorded. Due to the sensitive nature of this information, it is securely housed in the Lottery's Claims Processing unit in lieu of the contract file. During the audit review workshops, the DFS audit team concurred with this practice.

The Lottery is in the process of revising its hospitality event ticket policy. To enhance its care, custody and control over event tickets, the Lottery has instructed vendors to mail tickets directly to an independent section, Claims Processing, by adding language as such to new contracts. The Claims Processing section distributes merchandise, tickets, and gift cards for prize winner promotions, and therefore is the natural candidate to assume

distribution of the hospitality event tickets. Tickets are maintained in a secure cage that is accessed by two individuals at any given time. The chain of custody of items within the cage is documented and provides a secure mechanism by which to receive, safely house, and distribute the hospitality event tickets.

Likewise, the request and authorization of event tickets has been removed from the control of the contract manager. District managers may request event tickets and authorization to distribute them will emanate from the Director of Sales based upon objective criteria. Direction will be given by the Director of Sales to the Claims Processing unit, rendering the contract manager independent of the request and utilization of event tickets. The contract manager will independently reconcile the request, authorization, and distribution of event tickets.

Page 7: Sky Box Tickets

During the review of the contract file it was noted that the Department received two skybox tickets and a valet parking pass to a Miami Hurricane home game without supporting documentation establishing parameters for the receipt and use of the items. A request for an explanation was emailed to the Department of February 20, 2013. According to the Department, the tickets and parking pass were provided so that Department staff could participate in a live, 3-4 minute half-time interview for promotional purposes where participation in the interview as a deliverable under the contract.

- *Receipt of skybox tickets and a valet parking permit was not included as a provision under the contract. According to the terms of the contract, the Contractor was to provide the Department with a one 3-4 minute half-time interview during a home game broadcast at no cost to the Department.*

Department Response:

As stated on page 2, letter (e) of the contract, "At no cost to the Lottery, Contractor shall provide the Lottery with a minimum of one (1) 3-4 minute half-time interview during a home game broadcast. Half-time interview will promote the Fan-Tastic College Football Promotion and the Canes Fan Experience and discuss the Lottery's contributions to education." Additionally, the contract file contains a letter dated 9/8/11 from the Contractor, which identifies the interview game date, time of game, opponent and number of credentials and parking passes that were forwarded to the Lottery office for the Secretary and/or Lottery representative(s). The letter also explained that the Secretary and/or Lottery representative(s) will be escorted from their seat location to the radio booth prior to the end of the half to participate in the interview.

Access to the radio booth, which is located on the suite level, is secure and requires a ticket and credentials. Because radio broadcasts have rigid time constraints and navigation around the crowded stadium is cumbersome, it is common practice to stage individuals participating in the radio broadcast as close to the media booth as possible. Additionally, parking is limited at SunLife Stadium. Therefore, parking passes are

always provided in contracts with the Miami Hurricanes and Miami Dolphins, both of whom are tenants of the facility.

- *The Department did not provide documentation to substantiate the use of one of the skybox tickets. The contract management file contained an email from the Department staff member who used one of the tickets to participate in the half-time interview stating the additional ticket was returned to a Miami Hurricane staff person. No additional supporting documentation was provided.*

Department Response:

A deliverable in the contract with the Miami Hurricanes required a live 3-4 minute radio interview during halftime of a pre-determined game. The Hurricanes provided tickets to that game based on their convenience for escorting the Department representative to and from the radio booth for the interview. As was explained to DFS the second ticket was returned to the Miami Hurricanes during the game. Other than an email stating the second ticket was returned to the University of Miami, no other documentation was available to provide to DFS. The Lottery concurs the Department should have obtained a receipt.

Page 7 - 8: Substitute Media Buy

Four agreements did not have a provision that provided for substitute media buys in the contracts. However, the Department accepted substitute media buys from the contractors.

Department Response:

Radio and television programming for sporting events are live broadcasts. Natural occurrences during the course of a broadcast can cause inventory to shift or not air altogether. Natural occurrences are extended interviews with special guests, team and TV timeouts, long stoppages of play for injuries, technical difficulties, etc. In these instances it is customary in the industry for the affected inventory to be “made good”. Whenever possible, missed inventory is “made good” during the affected live broadcast. Otherwise it is “made good” during the course of the season. In these situations we assess the value of the “make good” inventory for acceptance as a viable substitution. Language has been added to all future agreements, granting the Lottery the ability to perform this commonplace occurrence.

In addition, one agreement allowed for media substitutions but did not contain documentation to validate the value of the substitution was of comparable value as the contract media buy.

Department Response:

Often, contractor substitutions are made with similar deliverables that are identified in the agreement. In such cases, the value can be applied to the substituted inventory. In the event the contractor provides substitute make goods that are not already valued in the agreement, industry knowledge can be applied to determine value. Examples: Post-game spots are generally ½ the

value of a Pre-game spot, which is generally ½ the value of an In-game spot. Otherwise, the Lottery seeks counsel from one of its advertising agencies to help determine values on new deliverables.

Page 8: Contract/Grant Management – Training Requirement

Section 287.057(14), Florida Statutes, requires all contract managers that are responsible for contractual service contracts in excess of threshold of Category Two to attend training conducted by the Chief Financial Officer for accountability in contract and grant management. Additionally, according to CFO Memorandum No. 04 (09-10), contract managers who are required by statute to attend training are responsible for attending at least once every two years.

- *Since inception of the Statute, the Bureau records show that none of the Department's contract managers have attended the required Advancing Accountability Training.*

Department Response:

An internal contract management training course prepared by Walter Sachs was held for all contract managers within the Lottery in June 2012. The content of the course was substantively comparable to that offered by DFS with the exception of omission of subject matter related to grants. (The Lottery has no grants.) Mr. Sachs was the lead trainer for the Department of Management Services for Contract Management certification. The training addressed the Lottery's unique authority, Contract Manager responsibilities, procurement methods, contract close-out and provided development and use of a monitoring tool.

Over the past year, employees within the Vendor Disbursements unit have attended both courses offered by DFS: Advancing Accountability and Contract/Grant Monitoring. The Lottery has tentatively scheduled on-site contract management training from DFS for mid-September for all contract managers.

Page 8: Contract Agreement – Other

Section 287.058(1) & (2), Florida Statutes, requires all contractual service agreements to be in a written agreement or purchase order prior to the rendering of any contractual service over the Category Two threshold.

- *The Department allowed the contractor to begin services prior to the transmittal of the purchase order for five agreements. These purchase orders were procured using State Term Contract 973-561-10-1, which states the contract shall not deliver or furnish services until the transmittal of the purchase order. Allowing the contractor to provide services without an executed written agreement or purchase order could result in the Department entering into a settlement agreement with the contractor.*


Ms. Christina Smith, Division Director
August 8, 2013
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Department Response:

Staff Augmentation resources are contracted on a quarterly basis. To ensure the contractors are under contract, computer systems access is now configured to suspend on the date the current contract period ends. The contract renewal process will be started at least 30 days in advance to allow for proper procurement, including all approval steps. Contracted staff will not be allowed to complete work without an executed written agreement or purchase order in place.

I would like to thank your staff for their efforts on behalf of the Florida Lottery.

Sincerely,



Cynthia F. O'Connell
Secretary

cc: J. Bruce Hoffmann, Chief of Staff
Glenda Thornton, General Counsel
Ellyn Hutson, Interim Chief Financial Officer
David Bishop, Deputy Secretary
Andy Mompeller, Inspector General