

2022

ANNUAL REPORT



Message from the Inspector General



On behalf of the dedicated public servants of the Florida Department of Financial Services Office of Inspector General (OIG), I am pleased to present the Fiscal Year (FY) 2021-2022 Annual Report. The report reflects the combined efforts and results of the full OIG team to bring value to the Department and the public, by promoting a culture of integrity, accountability, and transparency. The OIG mission is also to facilitate improved efficiency, effectiveness, and performance by conducting audits, reviews and inspections, while deterring, detecting and investigating allegations of fraud, waste, and abuse within the Department or against its programs and resources.

After four years as the Inspector General, I remain proud of our team in its efforts to serve the Department and the public. I continue to be humbled for having this opportunity to lead the OIG and to serve Chief Financial Officer (CFO) Jimmy Patronis, Department public servants, and most importantly, the people of Florida.

The OIG serves as a valuable resource to enable Department leaders to realize increased efficiencies and effectiveness in their operations. The office is the primary entity for leaders and employees to report opportunities for improvement within the Department, so that we can better serve Florida's citizens and hard-working taxpayers.

During this FY, the OIG team engaged in 21 audit activities, six inspections, and 123 investigative activities.

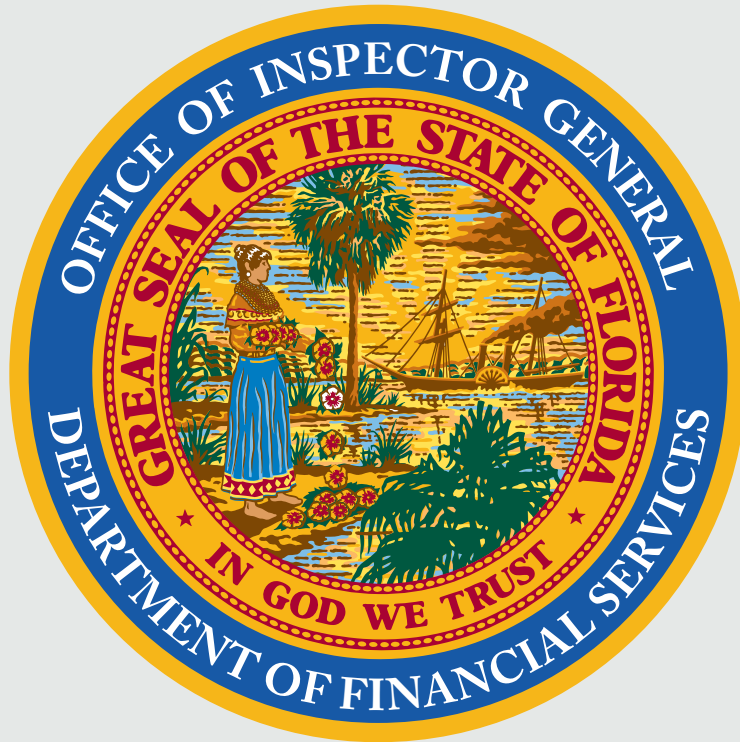
The OIG embraces a proactive stance in deterring and detecting fraud and to strengthen the efficiencies and effectiveness of Department programs and processes. This has been strengthened through the continued use of "inspections" as referenced in the Association of Inspectors General Principles and Standards for Offices of Inspector General, in which compliance is required by 20.055, Florida Statutes.

The OIG team will continue to support the CFO's mission and vision for the Department by adjusting our focus on new opportunities to proactively deter, detect, and fight fraud, waste and abuse, while promoting transparency, accountability, and integrity within the Department's operations.

Sincerely,

A handwritten signature in blue ink that reads "David T. Harper". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

David T. Harper, Inspector General



ACCOUNTABILITY
INTEGRITY
EXCELLENCE

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DFS Mission

To safeguard the integrity of the transactions entrusted to the Department of Financial Services and to ensure that every program within the Department delivers value to the citizens of Florida by continually improving the efficiency and cost effectiveness of internal management processes and regularly validating the value equation with our customers.

OIG Mission

The mission of the Office of Inspector General is to promote a culture of integrity, accountability, transparency, and to facilitate improved efficiency, effectiveness, and performance. The mission includes deterring, detecting and investigating allegations of fraud, waste and abuse within the Department of Financial Services or against its programs and resources.

Responsibilities

Section 20.055, Florida Statutes, directs the Inspector General to accomplish the following duties and responsibilities:

- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the agency's programs and operations.
- Conduct, supervise, or coordinate other activities carried out or financed by the agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, agency programs and operations.
- Keep the agency head informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the agency; recommend corrective action concerning fraud, abuses, and deficiencies; and report on the progress made in implementing corrective action.
- Review the actions taken by the state agency to improve program performance and meet program standards, and make recommendations for improvement, if necessary.
- Advise in the development of performance measures, standards, and procedures for the evaluation of agency programs; assess the reliability and validity of the information provided by the agency on performance measures and standards, and make recommendations for improvement, if necessary.
- Ensure effective coordination and cooperation between the Florida Auditor General (AG), federal auditors, and other governmental bodies with a view toward avoiding duplication.
- Maintain an appropriate balance between audit, investigative, and other accountability activities.
- Comply with the *General Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General.

Overview

The Department of Financial Services (DFS) Office of Inspector General (OIG) provides a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government within the State of Florida as required by section 20.055, Florida Statutes – Agency inspectors general.

The OIG is placed organizationally under the Chief Financial Officer (CFO), to whom the Inspector General directly reports. The DFS OIG operates in compliance with the *Principles and Standards for Offices of Inspector General*, as published by the Association of Inspectors General, requiring independence of opinions, conclusions, judgments, and recommendations. The DFS OIG encompasses two sections that carry out three major functions: audits, investigations, and inspections. The inspections function is comprised of current audit and investigative staff. The OIG is required to keep the CFO informed on significant risk exposures and control issues, including fraud, abuses, and deficiencies.

The Audit Section of the DFS OIG performs independent internal audit activities according to *The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing and the Government Accountability Offices' (GAO) Generally Accepted Government Auditing Standards (GAGAS)*, as applicable. These activities include identifying potential audits for the upcoming year via an annual risk assessment, publishing an Annual and Long-Term Audit Work Plan that is approved by the CFO, and performing operational, compliance, performance, and financial audits. The audits are performed in compliance with DFS Administrative Policies and Procedures, 6-03 (Internal Audits).

The Audit Section is statutorily responsible for monitoring DFS's response to any report on the agency issued by the Auditor General's (AG) office or the Office of Program Policy Analysis and Government Accountability (OPPAGA) in compliance with DFS Administrative Policies and Procedures 6-02 (External Audits) and serves as a liaison with external entities conducting audits and assessments of the agency's operations. These activities are accomplished by performing six-month follow-up reviews on internal and external audits, and continuing follow-up reviews on outstanding implementation of corrective actions, up to twenty-four months, from the audit report issuance date. The DFS OIG has procedures in place to address corrective actions that are not implemented within twenty-four months. The Audit Section also advises on the development, reliability, and validity of DFS performance measures and has in place a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the internal audit activity and includes a Quality Assurance Review (QAR) performed by the Auditor General. The next QAR should be conducted in the fall of calendar year 2023.

During the 2020-21 legislative session, two additional requirements were mandated for the Audit Section. House Bill 1079 requires a cybersecurity audit to be performed annually and included in the annual audit plan, and House Bill 1279 requires an audit of all contracts within the Florida Accountability Contract Tracking System (FACTS), for the prior three years, on a triennial basis.

The OIG is required to communicate the results of its internal audit activity to the CFO, Chief of Staff (COS), and in some instances, executive leadership. Reporting requirements include providing the CFO with Audit Section resource requirements as well as the impact of any resource limitations.

The Investigations Section, as charged by section 20.055, F.S., and DFS Administrative Policy and Procedure 6-01, conducts professional, independent, and objective investigations and reviews that ensure "allegations of fraud, waste, mismanagement, misconduct, or other abuse in violation of law, rule, procedure, or policy against agency employees or entities contracting with DFS," are reviewed and investigated by the OIG.

The Investigations Section is tasked with acting as the internal affairs unit for the Division of Investigative and Forensic Services and the Division of State Fire Marshal. To complete investigations of sworn law enforcement officers and firefighters, the Investigations Section is conscientious of laws and union contracts that provide additional protections for the accused, to which civilian employees are not entitled. These laws are commonly referred to as the Police Officer Bill of Rights and Firefighter Bill of Rights which are outlined in Chapter 112, F.S.

In addition to Chapter 112 F.S., the Investigations Section must also ensure employees are afforded certain rights based on case law and legal precedence. For example, legal precedence, such as the Garrity Rule and the Weingarten Rule, requires participation in an administrative investigation but gives the right to have a union representative present. Because employees might be disciplined for refusing to provide a statement or cooperate with an OIG investigation, the Garrity Rule prohibits information obtained in administrative investigations from being used in a criminal proceeding once their statement is compelled.

OIG History & Background

The first Inspector General in the United States was appointed by George Washington as a result of the Continental Army's lack of preparedness and a failing supply structure. This was made possible by Congress in December 1777.

The 95th Congress of the United States took notice of issues within the Federal government and passed the Inspector General Act of 1978, as amended, which established Offices of Inspector General within the Departments of Agriculture, Commerce, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, and the Veterans' Administration, to "increase its economy and efficiency." There have been several updates to the IG Act and there are now more than 70 federal IGs.

In 1994, Florida lawmakers passed the Florida version of the Federal Inspector General Act, which set forth the modern-day mission for State of Florida Inspectors General to promote economy, efficiency, and effectiveness in state government and detect, deter, and prevent fraud, waste, and abuse by agency members and contractors.

The Department of Financial Services OIG achieves this mission through conducting professional and independent investigations, inspections, audits, and reviews with the primary goal of enhancing public trust in government. Section 20.055, F.S., lays out the duties as, in part, "An office of inspector general is established in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government."

OIG Independence and Objectivity

The Association of Inspectors General Standards (“Green Book”) states:

The inspector general is responsible for establishing and maintaining independence so that OIG opinions, conclusions, judgments, and recommendations will be impartial and viewed by others as impartial. The inspector general and OIG staff should consider not only whether they are independent and whether their own attitudes and beliefs permit them to be independent, but, also, whether there is anything about their situation which might lead others to question their independence. All situations deserve consideration since it is important that the OIG be as independent as possible and impartial in fact and in appearance.

The inspector general and OIG staff need to consider both personal and external impairments. If either of these affect the OIG’s ability to perform its work impartially, the inspector general should decline to perform the work and report the circumstances to the appropriate official. If the inspector general cannot decline to perform the work, the impairment should be disclosed in any resulting report, along with any potential impact the impairment might have on the outcome of the report’s conclusions.

Florida Statute 20.055 (6)(d) states that each Inspector General shall:

Conduct investigations and other inquiries free of actual or perceived impairment to the independence of the inspector general or the inspector general’s office. This shall include freedom from any interference with investigations and timely access to records and other sources of information.

Impairments may be “perceived” or “real,” but, either way, are important when it concerns the public’s confidence and trust in government.

Florida Statute 20.055 (2)(j) also states it is the “duty and responsibility” of the IGs to:

“Comply with the General Principles and Standards for Offices of Inspector General as published and revised by the Association of Inspectors General.”

The Institute of Internal Auditors (IIA)

The OIG Audit Section must also comply with The Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing” (Standards). Compliance is essential to successfully executing the internal audit activity and supporting DFS in accomplishing its mission, by performing audit services that prevent, examine, detect, and eliminate fraud, waste, and abuse.

IIA Standard 1130 – Impairment to Independence or Objectivity, provides the following direction: “If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment. Interpretation: Impairment to organizational independence and individual objectivity may include, but is not limited to, personal conflict of interest, scope limitations, restrictions on access to records, personnel, and properties, and resource limitations, such as funding.”

IIA Standard 1220 – Due Professional Care, provides the following direction: “Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor...”

Generally Accepted Government Auditing Standards (GAGAS)

The OIG has an option to utilize Generally Accepted Government Auditing Standards (GAGAS), also known as Yellow Book, if applicable for an audit. The Yellow Book standards are the guidelines for audit created by the Comptroller General and the audit agency of the United States Congress, the Government Accountability Office. These standards are the audit regulations followed by all federal audit agencies, all federal contractors being audited, and many state and local audit agencies.

A key characteristic of GAGAS audits is independence. Independence means the freedom to do work and come to conclusions without undue influence or bias affecting the result. Section 20.055, F.S., established the OIG as an independent office in order to remove outside influence on OIG work products. Independence also means that OIG takes steps to ensure that staff involved in an audit do not have a prior relationship or experiences that may compromise the independence, or appearance or independence, of an audit.

OIG auditors follow standards to make sure that findings are supported by sufficient and appropriate evidence. OIG has internal processes to make sure OIG work is accurate and robust. As outlined in Chapter 1.05 of GAGAS (2018 revision), the auditor's role:

- Is essential in providing accountability to legislators, oversight bodies, those charged with governance, and the public.
- Provides an independent, objective, nonpartisan assessment of the stewardship, performance, or cost of government (depending upon the type and scope of the engagement).

OIG follows GAGAS, even though the standards can be labor intensive, because the standards ensure that OIG auditors are free of conflicts of interest and maintain objectivity, that audits have sufficient and appropriate evidence to support findings and conclusions, and that reports have been thoroughly vetted for accuracy.

Chapter 3.06 of GAGAS (2018 revision) provides an ethical framework for auditors' work. OIG aligns its activities with this framework:

- The public interest
- Integrity
- Objectivity
- Proper use of government information, resources, and positions
- Professional behavior

In short, GAGAS are the standards that ensure that audit reports are unbiased and can be trusted to be truthful and accurate. It means that OIG audits conform to audit standards accepted by governments around the country.

Undue Influence

The IG and OIG have not been directed or unduly influenced in the OIG's selection of risk-based audits or investigations. As previously indicated, F.S. 20.055 (6)(d) states each inspector general shall conduct investigations and other inquiries free of actual or perceived impairment to the independence of the IG or OIG.

The Green Book lists interference or undue influence in the OIG's selection of what should be examined, the scope and timing of the work or approach used, and the appropriate content of the final report or resolution of audit findings would be an impairment to independence. Additionally, the Green Book also indicates that "improper political pressures" regarding OIG activities would also be impairments to independence.

DFS leadership has abided by this requirement and there have not been any impairments.

Personal Impairments

The Green Book suggests that “OIG staff involved in performing or supervising any assignment should be free from personal or external impairments to independence and should constantly maintain an independent attitude and appearance.” There are many ways that a person may become impaired, and the impairment may be actual or perceived conflicts of interest. OIG staff who fall within one of these situations should recuse themselves from participating in any OIG activity in which they have the actual or perceived conflict of interest. The personal impairment may be based on a financial conflict of interest, personal biases regarding the subject matter, a relationship with someone being investigated, etc.

Affirmation of Independence and Objectivity

The OIG has exercised independence and objectivity in all decision making and mission execution during this reporting period. All OIG team members are mindful of ethical, independence and objectivity requirements and have conducted all investigations, audits and other OIG activities free of biases, conflicts and impairments. The Inspector General has ensured that the OIG team has remained compliant with all guiding statutes, standards and policies.

Administrative Professional Services

During FY 2021-22, the Administrative Professional Services (APS) staff continued to support the OIG’s mission of producing quality audits, investigations, and inspections. In addition, APS participated in an OIG inspection by conducting four in-person tests to assess the security of access to DFS buildings.

In August 2021, APS began preparations for the OIG Investigations Section to pursue reaccredited status by the Commission for Florida Law Enforcement Accreditation (CFA). APS coordinated logistics for mock and virtual assessments, reviewed files for completeness, and coordinated the posting of a press release notice as required by CFA standards.

To assist the OIG in completing the conversion from paper to electronic files, APS conducted an extensive records disposal project for the Audit Section, following appropriate DFS and statutory retention guidelines.

APS actively participated in a review of the OIG’s internal policies and procedures, facilitated the onboarding of a new IT Auditor, and finalized procurement of a network printer. In addition, APS coordinated 27 public records requests, 50 technology assistance requests, and 23 citizen inquiries.

Investigations

COMPLAINT PROCESS:

During the 2021-22 fiscal year, the DFS OIG received 123 complaints. These complaints are logged into a tracking system which assigns a case number. The OIG strives to review each complaint within one business day of receipt. The initial evaluation results in one of the following actions:

- Initiating an investigation, a management review, or an inquiry
- Requesting additional information or conducting a preliminary inquiry
- Referring the matter to leadership or another agency, or
- Declining the matter.

Many matters evaluated by the DFS OIG are referred to the affected agency or DFS leadership. Referrals occur when the DFS OIG lacks jurisdiction or, most often, when the allegation relates to employee conduct that does not meet DFS OIG's established criteria, but nonetheless warrants the attention of leadership.

Management Reviews are inquiries into specific programmatic aspects of DFS operations. Reviews may address a wide range of issues, such as the effectiveness or efficiency of a program component or whether the program has good strategies to safeguard the appropriate use of state funds.

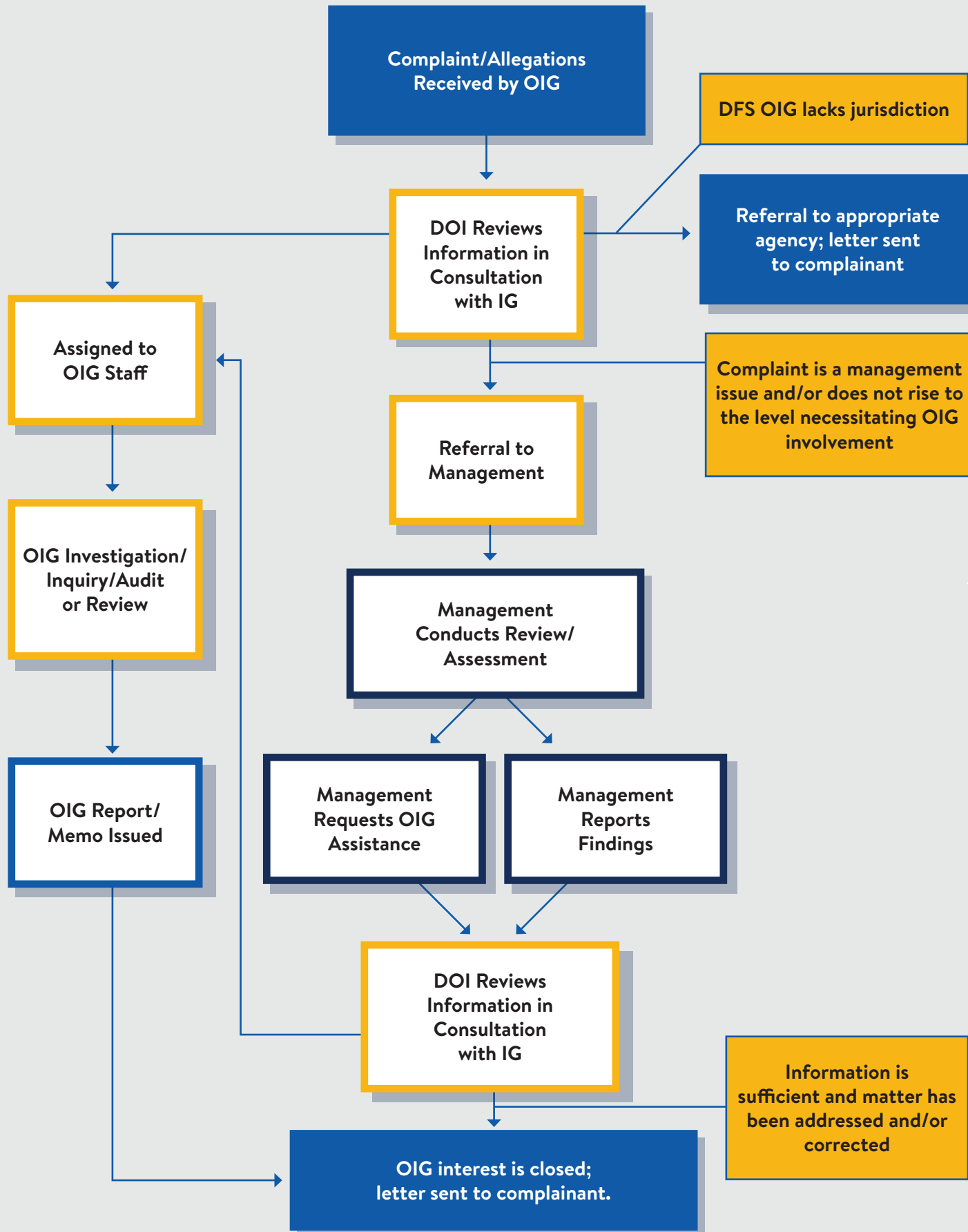
Investigations attempt to determine the validity or extent of reported allegations and incidents, the amount of loss, and any weaknesses that may have contributed to the allegations and incidents. Investigative reports may recommend corrective actions to avoid similar problems in the future.

Upon being assigned a complaint number, the Director of Investigations (DOI) reviews the initial information to determine if the complainant qualifies as a Whistle-blower per Florida Statute. The DOI, in consultation with the IG, classifies the matter for one of the following actions:

- Agency Referral (AR)
- Management Referral (MR)
- Preliminary Inquiry (PI)
- Investigative Monitoring (IM)
- Investigation (I)
- Investigation LE/FF (IA)
- Information Only (INFO)
- Computer Security Incident Response Team (CSIRT)
- Background (BCK)
- Technical Assist (TA)
- Inspection (INS)
- Management Support (MS)

The OIG works diligently to conclude activities in a timely manner. Even though lengthy cases may be necessary to complete unusually complex matters, the DFS OIG makes every effort to complete its work as quickly as possible while ensuring its investigations are fair, independent, objective, and thorough. Delays may also occur during an investigation when a reasonable belief exists that there may be a criminal violation of law. At that point, the OIG is required by Florida Statute to refer the matter to an appropriate law enforcement jurisdiction.

Complaint Process



COMMISSION FOR FLORIDA LAW ENFORCEMENT ACCREDITATION

Accreditation History

On October 31, 2007, the Chief Inspector General, along with the Commission for Florida Law Enforcement Accreditation (CFA), initiated an accreditation program for Florida offices of inspectors general. The program was the first of its kind in the nation for agency offices of inspectors general. The program also facilitates and ensures compliance with the Association of Inspectors General standards and Florida Statutes, as well as collective bargaining agreements. This coveted award symbolizes professionalism, excellence, and competence.

Benefits of Accreditation

- Enhanced community understanding of the OIG role, as well as its goals and objectives
- An in-depth review of every aspect of the OIG's organization, management, operations, and administration
- Standards against which OIG performance can be measured and monitored over time

OIG Accreditation Status

The OIG continues to maintain full accreditation status, initially awarded in 2016. On November 9, 2021, two CFA assessors completed an intensive review of OIG processes and procedures. They also completed a series of interviews, which ultimately revealed that the DFS OIG Investigations Section had achieved compliance with all required standards set forth by the CFA. The CFA assessors were highly complimentary of OIG investigative staff and subsequently recommended to the CFA that the DFS OIG Investigations Section be reaccredited for the next three years. On February 24, 2022, the CFA Commissioners unanimously voted to grant reaccredited status to the OIG Investigations Section following the “flawless” review. This status is evidence that the OIG Investigations Section operates under professionally recognized best management practices and standards.

For further information about accreditation and the accreditation process, please visit the Florida Accreditation website at: www.flaccreditation.org/.



OIG COMPUTER FORENSICS

Most of the day-to-day information used by Department employees is produced, accessed, and stored electronically. As such, the examination of digital evidence is a consideration in any investigation concerning alleged misconduct of a Department employee. The OIG is fortunate to be one of the few state Inspector General offices with its own computer forensics capability, enabling it to examine computers and other electronic devices to obtain digital evidence in support of OIG investigations.

Computer forensics is commonly defined as the collection, preservation, analysis and presentation of computer-related evidence. Digital evidence is extremely fragile by nature and can easily be erased without proper handling. The OIG has established an internal computer forensic capability to examine various electronic devices and obtain the evidence needed for its investigations. Charles Brock, the Investigator designated to conduct computer forensic examinations, has completed over 687 hours of specialized training in the field of computer forensics and digital evidence recovery and examination.

The OIG has also conducted computer forensic examinations to assist other state agencies, including the Departments of Health, Education, Children and Families, Highway Safety and Motor Vehicles, Juvenile Justice, Management Services, and the Office of Financial Regulation.

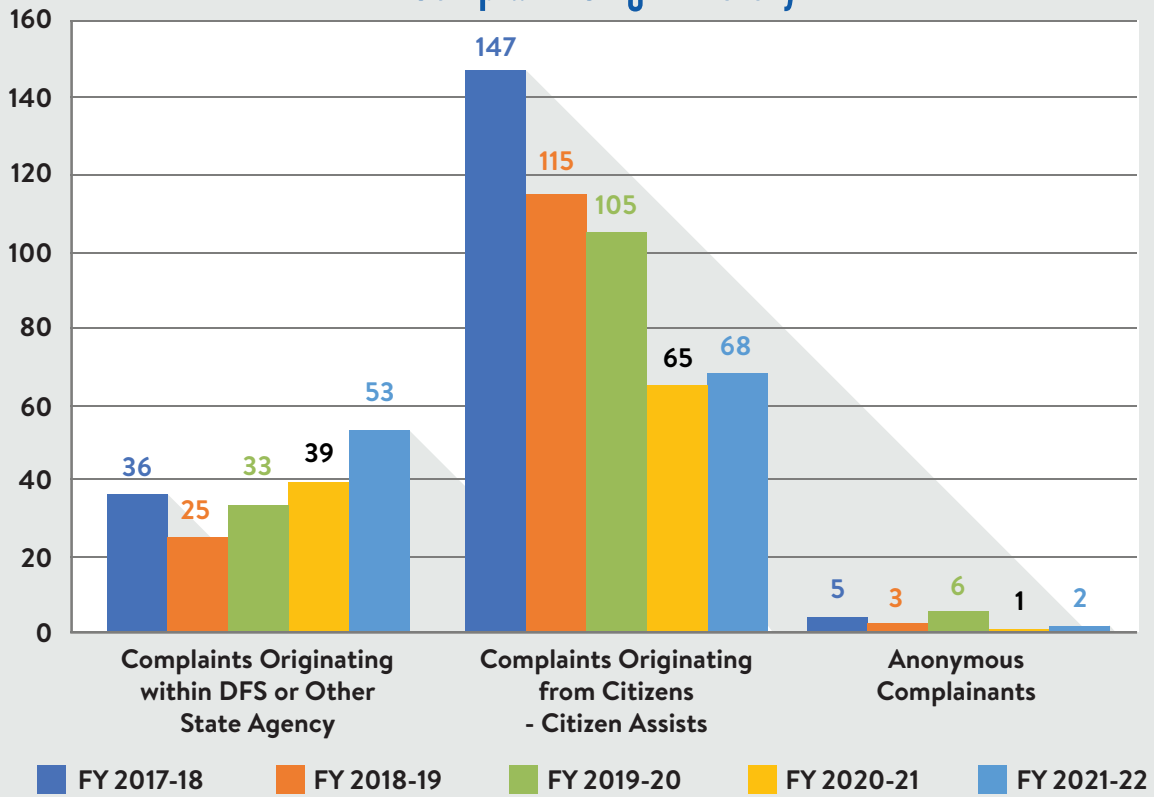
During this reporting period, with the assistance of Director Scott Stewart, Office of Information Technology, the OIG has obtained a forensic laptop computer and additional equipment drastically increasing its forensic capabilities.



The OIG computer forensics suite contains state of the art equipment enabling the OIG to successfully examine various electronic devices for digital evidence.

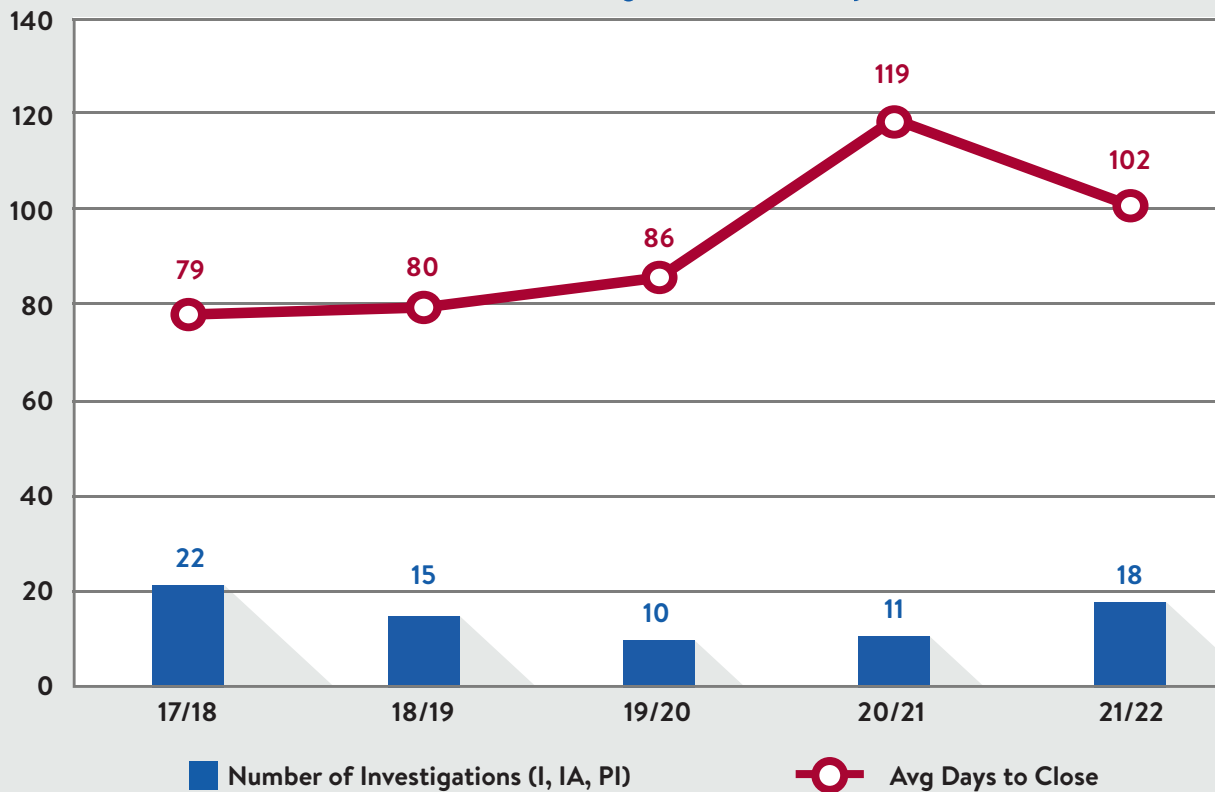
INVESTIGATIVE STATISTICS

Complaint Origin History

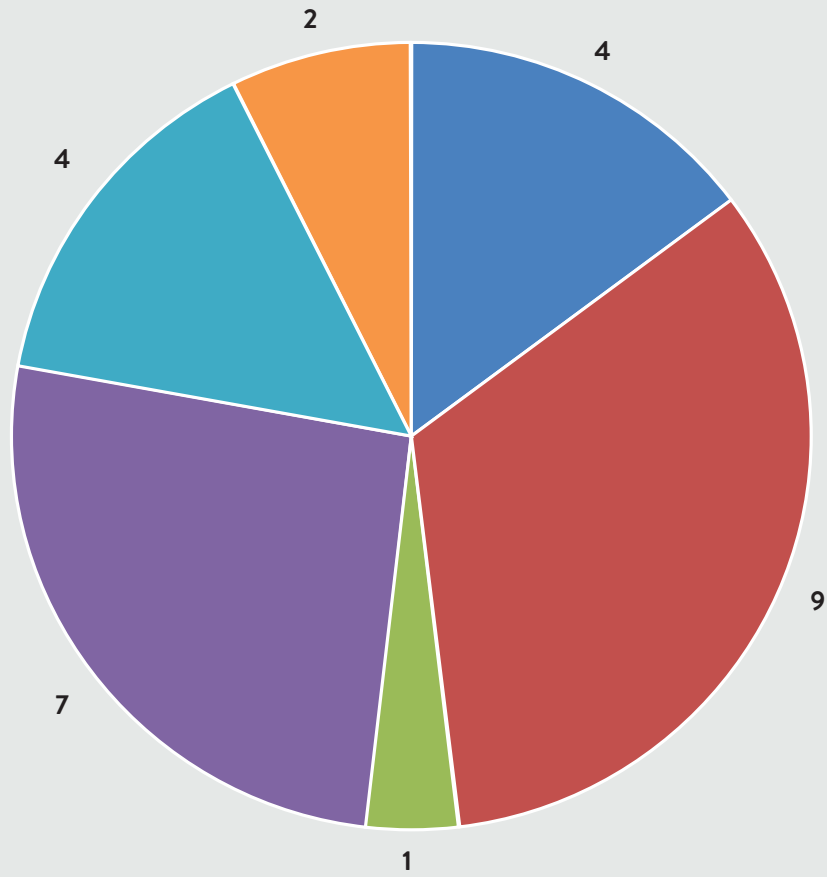


12

OIG Number of Investigations and Days to Close



Intake Allegations by Type



- Ethical Violation
- Conduct Unbecoming
- Misuse of State Resources
- Violation of Policy/Rule/Statute
- Other
- Poor Performance

Investigative Case Summaries

INTERNAL AFFAIRS

21091 IA – The OIG initiated this internal affairs investigation after receiving a complaint about the Division of Investigative & Forensic Services (DIFS) misidentifying the suspect of an active arrest warrant. As a result of this investigation, the allegation was **UNFOUNDED**.

22014 IA – The OIG initiated this internal affairs investigation after the Bureau of Human Resource Management (HR) requested the OIG investigate a complaint of retaliation filed with HR. As a result of this investigation, the two allegations were **UNFOUNDED**.

22035 IA – The OIG initiated this internal affairs investigation after receiving request to investigate possible allegations that a Division of State Fire Marshal (SFM) Field Representative was having an inappropriate relationship with a student at the Florida State Fire College. As a result of this investigation, the allegation was **UNFOUNDED**. Additionally, it was determined that there are no Department or Division policies that address inappropriate relationships. It was concluded that there is a **POLICY FAILURE**.

INVESTIGATIONS

20075 I – The OIG initiated this investigation after receiving a complaint regarding alleged misconduct on the part of a Department employee. The alleged misconduct included discriminatory acts and conduct unbecoming a public employee, among others. There were seven allegations, and as a result of this investigation, four allegations were **UNFOUNDED**, two allegations were **EXONERATED**, and one allegation was **NOT SUSTAINED/INCONCLUSIVE**.

21053 I – The OIG initiated this investigation after receiving allegations that a Department employee provided interview questions and desired responses to another Department employee before their interview. As a result of this investigation, two allegations were found to be **SUSTAINED**, one allegation was **NOT SUSTAINED/INCONCLUSIVE**, and one allegation was **ADMINISTRATIVELY CLOSED**.

21054 I – The OIG initiated this investigation after receiving an allegation that Division of Insurance Agent and Agency Services (A&AS), Bureau of Investigations Chief, reached an improper conclusion and caused intentional delays in an investigation. These allegations were **UNFOUNDED**.

21055 I – The OIG proactively initiated a computer forensic investigation for policy compliance after randomly selecting a computer of a recently separated employee. The OIG determined that a forensic examination of the subject computer could not be performed due to BitLocker encryption on the hard drive. The investigation was **ADMINISTRATIVELY CLOSED**.

21056 I – The OIG proactively initiated a computer forensic investigation for policy compliance after randomly selecting a computer of a recently separated employee. As a result of the examination, there were no allegations of misconduct. The investigation was **ADMINISTRATIVELY CLOSED**.

21058 I – The OIG initiated this investigation after receiving allegations of an Insurance Examiner II within A&AS, engaging in unapproved secondary employment and using Department resources to conduct secondary employment. The allegations were **UNFOUNDED**.

21065 I – The OIG initiated this investigation after receiving an allegation that two Department employees assaulted a citizen in the parking garage of the Larson Building. The result of the investigation was **UNFOUNDED**.

21080 I – The OIG initiated this investigation after receiving an allegation of possible fraudulent timesheet activity by an Office of Information Technology (OIT) Other Personnel Service (OPS) employee which totaled approximately \$200,000. Due to the criminal activity of the subject, this investigation was referred to the Florida Department of Law Enforcement (FDLE). However, FDLE closed their case as the State Attorney's Office did not believe they would be successful in prosecution. The employee resigned from state employment in 2018. Therefore, this case was **ADMINISTRATIVELY CLOSED**.

22022 I – The OIG initiated this investigation after receiving an allegation that a Deputy Boiler Inspector with the SFM had a conflict of interest with his secondary employment. As a result of this investigation, the allegations were **SUSTAINED**.

22029 I – The OIG initiated this investigation after receiving a complaint of alleged misconduct by a former Worker's Compensation Examiner and a possible unapproved secondary employment outside of the state government. As a result of the investigation, this allegation was **SUSTAINED**.

22034 I – The OIG initiated this investigation after receiving an allegation that the Division of Workers' Compensation (DWC) mishandled a citizen's and his wife's social security number, which allowed an unknown person to attempt to open bank accounts under their name fraudulently. This investigation was **UNFOUNDED**.

22041 I – The OIG initiated this investigation after receiving a request from the OIT to review a sample of 250 computers being donated to local schools to ensure they had been adequately sterilized and did not contain confidential information. The OIG was then notified that the subject hard drives had been destroyed compared to sterilized. Therefore, this investigation was **ADMINISTRATIVELY CLOSED**.

PRELIMINARY INQUIRIES

21072 PI – The OIG initiated this preliminary inquiry after receiving an online complaint about the DWC Director verbally attacking and threatening an employee. The allegations made were **UNFOUNDED**.

21093 PI – The OIG initiated this preliminary inquiry after receiving a complaint that an SFM Field Representative allegedly used cocaine. Due to insufficient information to proceed with an investigation, the matter was **ADMINISTRATIVELY CLOSED**.

22001 PI – The OIG initiated this preliminary inquiry after receiving a complaint from a citizen that his business was being targeted by administrative action from the Division of Funeral, Cemetery, and Consumer Services. There were no misconduct allegations or specific information to support an investigation. This matter was **ADMINISTRATIVELY CLOSED**.

INSPECTIONS

Pursuant to Section 20.055, F.S., an office of inspector general is established in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government. Historically, the DFS OIG has met this responsibility through conducting investigations and audits of program areas within DFS. In December 2019, the DFS OIG incorporated a more robust proactive use of its resources to perform additional assessment activities to provide useful information about DFS operations to DFS leadership. Through the implementation of an inspection program, the DFS OIG engaged in proactive review activities that led to positive interactions with DFS leadership. Currently, the DFS OIG’s Inspections function is a collaborative effort between investigative and audit staff members under the leadership of the Director of Investigations.

Through inspections, the DFS OIG is able to bridge the gap between investigations and audits (see table below). Similar to investigations, inspections can review for specific violations of policy, rule, or statute. Further, they can be either proactive or reactive, where investigations are typically reactive. Unlike audits, which are typically broad in nature and are planned in advance based on an annual risk assessment, inspections are narrow in scope and can be flexible in terms of how and when they are performed. However, investigations, audits, and inspections are all conducted in accordance with applicable standards and all seek to find the truth.

Audits	Inspections (the bridge)	Investigations
Usually detailed = more time required	Often a limited examination = less time required	Situation dependent
Reactive (by request) or proactive (IG initiated)	Reactive (by request) or proactive (IG initiated)	Reactive (conducted as a request or from a “tip”)
Typically, Red or Yellow Book Standards	Green Book Standards	Green Book Standards
Compliance, efficiency, and effectiveness	Compliance, efficiency, and effectiveness	Compliance
More rigid rules Less adaptable or flexible	Less rigid rules More adaptable or flexible	Situation dependent

Inspections will typically fall into one of the three following categories:

- 1) Compliance Inspection** – This type of inspection is performed to determine if applicable standards, policies, rules, or statutes are being followed. Observations are often limited to simply “compliant” or “non-compliant,” and recommendations are typically limited in nature. These inspections can be unannounced and are sometimes used to determine the readiness of a program area for upcoming external assessments.
- 2) Performance Inspection** – This type of inspection can be generally characterized as an examination to measure or assess the effectiveness and efficiency of programs, functions, procedures, and processes. In this way, performance inspections are similar to performance audits. These inspections are objective-based and require more in-depth examination and analysis than compliance inspections. Performance inspection findings are often detailed, and recommendations can be robust.
- 3) Combination Inspection** – This type of inspection combines aspects of compliance and performance inspections.

Other types of inspections can include program reviews, monitoring, contract reviews, follow-up activities, or complaint-driven inspections.

During Fiscal Year 2021-22 OIG staff engaged in six proactive inspections. Below represents a summary of each inspection:

22005 INS – The OIG initiated this inspection to review the physical security of DFS facilities. The OIG made recommendations to DFS senior leadership for review and action deemed appropriate.

22009 INS – The OIG initiated this inspection to ensure DFS computers and other IT resources available to DFS employees are being utilized in a manner consistent with Department Administrative Policies. The review included obtaining a list of twenty former employees who had recently separated from the Department, and by using a random number generator, one computer was selected for review. The computer assigned to a former OIT employee was forensically examined using standard forensic practices to ensure that no data was added, deleted, or altered in any way. The examination revealed no evidence of any user having violated any DFS policy, rule, or Florida law.

22010 INS – The OIG initiated this inspection to ensure that DFS computers and other IT resources available to DFS employees are being utilized in a manner consistent with Department Administrative Policies. The review included obtaining a list of twenty former employees who had recently separated from the Department, and by using a random number generator, one computer was selected for review. The computer assigned to a former Division of Consumer Services employee was forensically examined using standard forensic practices to ensure that no data was added, deleted, or altered in any way. The examination revealed no evidence of any user having violated any DFS policy, rule, or Florida law.

22036 INS – The OIG initiated this inspection to ensure DFS computers and other IT resources available to DFS employees are being utilized in a manner consistent with Department Administrative Policies. The review included obtaining a list of fourteen former employees who had recently separated from the Department, and by using a random number generator, one computer was selected for review. The computer assigned to a former DIFS employee was forensically examined using standard forensic practices to ensure that no data was added, deleted, or altered in any way. The examination revealed no evidence of any user having violated any DFS policy, rule, or Florida law.

22037 INS – The OIG initiated this inspection to ensure DFS computers and other IT resources available to DFS employees are being utilized in a manner consistent with Department Administrative Policies. The review included obtaining a list of fourteen former employees who had recently separated from the Department, and by using a random number generator, one computer was selected for review. The computer assigned to a former DIFS employee was forensically examined using standard forensic practices to ensure that no data was added, deleted, or altered in any way. The examination revealed no evidence of any user having violated any DFS policy, rule, or Florida law.

22043 INS – This inspection was initiated to review the process that OIT uses to collect and dispose of surplus computers, including those with hard drives which may contain confidential data. The review included conducting interviews and reviewing applicable policies and procedures regarding the safeguarding of physical assets and confidential data, as well as requirements regarding the retention and destruction of data that may constitute public records. The review revealed the following information:

- No process is currently in place to track and reconcile surplus hard drives with surplus computers.
- Hard drives are stored with original data on them for indeterminate amounts of time.

The OIG referred these issues to Division leadership for review and consideration as well as any action deemed appropriate.

Audit

The Audit Section performs independent and objective assurance and consulting engagements that provide information on the adequacy and effectiveness of the Department's internal controls and on the economy, efficiency, and effectiveness of Departmental programs, activities, and functions.

The Audit Section also provides management advisory services to assist leadership with concerns that do not require an extensive audit or consulting services. In addition, the Audit Section provides management advisory services through various methods such as counsel, advice, facilitation, reviews, and training.

The Audit Section performs assurance and consulting engagements in accordance with the International Standards for the Professional Practice of Internal Auditing published by The Institute of Internal Auditors, Inc.

TYPES OF ENGAGEMENTS:

- **Operational audits** are a systematic process of evaluating an organization's effectiveness and efficiency of operations under leadership's control. It may include an evaluation of policies and procedures, including management reporting and achievement of goals, as well as operations outside the control of management that may affect performance.
- **Financial audits** provide reasonable assurance about the reliability of financial information and involve a review of procedures used to record, classify, and report financial information. In addition, these audits often include a determination of conformance with applicable legal and regulatory requirements.
- **Compliance audits** evaluate whether a program or process is operating in compliance with applicable laws, rules, and regulations or contractual provisions. Compliance auditing is generally a component of financial, information systems, operational, and performance audits.
- **Information systems audits** evaluate the organization's internal controls over its management, administration, and operation of information technology systems and applications.
- **Performance audits** analyze the economy, efficiency, and effectiveness of Departmental programs, functions, or activities. Performance audits generally include an evaluation of the adequacy and effectiveness of controls established to help ensure the achievement of goals and objectives. In addition, performance engagements generally include elements of financial, compliance, and information systems audits.
- **Consulting engagements** are carried out at leadership's request. The nature and scope of such engagements are agreed upon with the client and are generally intended to help improve the Department's governance, risk management, and control processes.
- **Management Reviews** are a systematic process of evaluating government operations and programs for the purposes of providing information for decision-making, and of making recommendations to improve programs, policies, or procedures. The objectives of these processes include providing a source of factual and analytical information, monitoring compliance, measuring performance, and assessing the efficiency and effectiveness of operations.

Audit services provided by the Audit Section during FY 2021-22 are summarized in the following Internal Audit Overview section.

INTERNAL AUDIT OVERVIEW

The DFS OIG either completed or is in the process of completing the audit and consulting engagements described below:

Project No. IA 22-501

Operational Audit: Division of Rehabilitation and Liquidation, Claims Section

The DFS OIG conducted an audit of the DFS Division of Unclaimed Property Accounts Receivable Processing Section. The audit's purpose was to determine if established controls effectively manage the processing of holder reports during the period of July 1, 2019, through June 30, 2020. The objectives of this audit were:

- 1) To determine whether proper controls are in place to ensure holder reports are reviewed and approved by division staff in a timely manner.
- 2) To determine whether proper controls are in place to ensure holder report late fees and interest are appropriately assessed by division staff.
- 3) To determine whether proper controls are in place to mitigate internal and external fraud threats to the integrity of the holder data in the holder reports.

The audit resulted in two findings:

Finding 1: The Division did not consistently approve and document penalty and interest waivers in conformance with its administrative rules, policies, and procedures.

Recommendation: The OIG recommends that the Division update its policies and procedures as necessary and provide additional training to staff to ensure administrative rules, policies, and procedures are followed related to penalty and interest waiver requests.

Finding 2: Certain security controls related to logging and monitoring need improvement.

Recommendation: The OIG recommends that Division leadership improve specific security controls related to logging and monitoring to ensure system data integrity.

Project No. IA 22-502

Operational Audit: Division of Risk Management (DRM), Bureau of State Employees Workers' Compensation Claims (Bureau)

The DFS OIG conducted an operational audit of the DFS DRM, Bureau of State Employees Workers' Compensation Claims. The audit's purpose was to determine if established controls effectively manage and safeguard confidential data maintained in the Origami system during the period of July 1, 2020, through June 30, 2021.

The objective of this audit was to determine the effectiveness of selected Information Technology (IT) controls in achieving management control objectives in compliance with controlling laws, administrative rules, and other guidelines; and ensuring the confidentiality, integrity, availability, and safeguarding of IT resources.

The audit resulted in three findings:

Finding 1: DRM did not always maintain documentation to support access authorization.

Recommendation: The OIG recommends that the Bureau update its policies and procedures to include saving the Origami access request forms of all employees for the time established in the GS1-SL, which requires that access control forms be maintained for one anniversary year after an employee's access rights are terminated.

Finding 2: DRM did not ensure that access to Origami was consistently deactivated in accordance with policies and procedures.

Recommendation: The OIG recommends that the Bureau terminate access to Origami on the day of employee separation and maintain documentation for the time established in the General Records Schedule GS1-SL.

Finding 3: Certain security controls related to logging, monitoring, and downloads need improvements.

Recommendation: The OIG recommends that DRM leadership improve specific security controls related to logging, monitoring, and downloads to ensure the integrity of Origami data.

Project No. IA 22-503

Compliance Audit: Department of Financial Services Contract Procurement Compliance

The DFS OIG conducted a compliance audit of the Division of Administration Office of Purchasing and Contractual Services (OPCS). The audit's purpose was to evaluate the contracts procured and executed by DFS during the fiscal year 2018 through the fiscal year 2021 for compliance with Chapter 287, F.S., and other applicable procurement statutes.

The objectives of this audit were:

- 1) To determine whether DFS contracts were procured in compliance with section 287.057, Florida Statutes, and other applicable laws and rules.
- 2) To determine whether contract data was appropriately recorded in FACTS according to applicable laws and rules for selected contracts.
- 3) To review the overall DFS contract data to identify any trends in vendor preference.

The audit resulted in two findings:

Finding 1: Eight contracts were recorded in FACTS after the required 30-day deadline.

Recommendation: The OIG recommends that Division leadership enhance internal controls to ensure contract data and documents are recorded in FACTS within the 30-day deadline.

Finding 2: DFS did not consistently document that employees participating in the procurement or the contract review and approval process attested in writing that they were independent of and had no conflict of interest in the entities selected.

Recommendation: The OIG recommends that Division leadership strengthen the internal controls to ensure all individuals participating in the procurement or contract review and approval process complete the Attestation of No Conflict of Interest forms.

Project No. IA 22-504

Compliance Audit: Department of Financial Services Cybersecurity Controls for Security Continuous Monitoring of the Florida Planning, Accounting and Ledger Management (PALM)

The DFS OIG conducted a compliance audit to evaluate the Department's controls over cybersecurity monitoring of the Florida PALM for compliance with the Florida Cybersecurity Standards, Rule 60GG-2.004(2), Florida Administrative Code.

The audit objectives were to assess the Department's cybersecurity practices in the following areas:

- Monitoring the network to detect potential cybersecurity events
- Monitoring the physical environment to detect potential cybersecurity threats
- Monitoring user activity to detect potential cybersecurity events
- Monitoring for malicious code
- Monitoring for unauthorized mobile code
- Monitoring for external service provider activity to detect potential cybersecurity events
- Monitoring for unauthorized personnel, connections, devices, and software
- Performing vulnerability scans which are part of the System Development Life Cycle

The audit resulted in zero findings.

Project No. IA 22-301

Management Review: Review of Selected Fiscal Year 2020-2021 Performance Measures

The DFS OIG conducted a management review of the results of one performance measure for each of the following divisions: Risk Management, Insurance Agent and Agency Services, and State Fire Marshal. The audit's purpose was to assess the reliability and validity of the information provided by the state agency on performance measures and standards and make recommendations for improvement as necessary.

The objectives of this management review were to:

- 1) Determine the validity of each selected FY 2020-2021 performance measure based on the information and supporting documentation provided by the division and make recommendations as necessary.
- 2) Determine the reliability of each selected FY 2020-2021 performance measure based on the information and supporting documentation provided by the division and make recommendations as appropriate.

The review resulted in two observations:

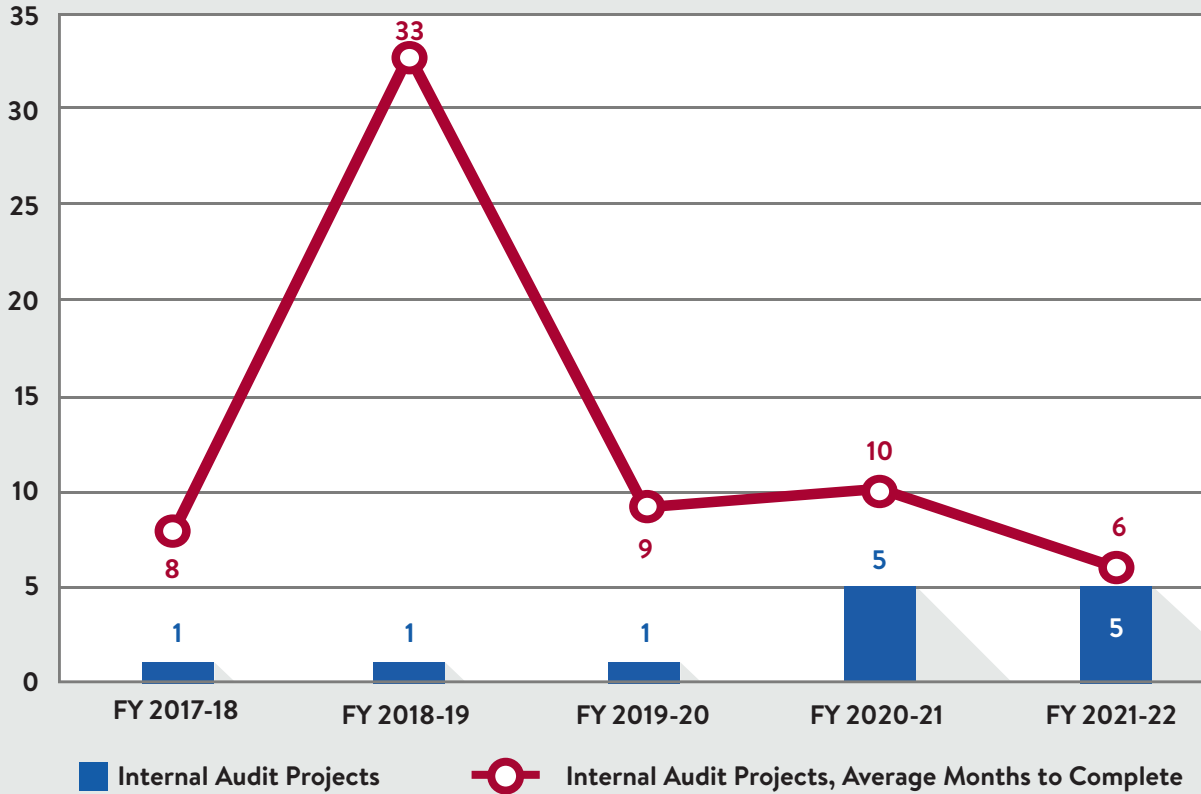
Observation 1: The OIG could not determine the reliability of the measure's outcome for DRM due to a lack of documentation. DRM could not provide the original data used to calculate the measure's outcome.

Recommendation: The OIG recommends that DRM maintain documentation used to calculate the performance measure.

Observation 2: SFM's performance measure was not an adequate measure of the Division's performance. Analysis showed that while the performance measure identifies the number of cases to be closed within a required timeframe, there is nothing to compare it against to determine if the performance is adequate. Additionally, SFM could not justify the number of cases shown as their target.

Recommendation: The OIG recommends that SFM update the measure, such as expressing it as a percentage, to increase its effectiveness at measuring performance.

Internal Audit Projects and Number of Months to Close



LONG-RANGE PROGRAM PLAN

Per section 20.055 F.S., the Audit Section utilizes a three-step method to assist with the LRPP performance measures.

During the fiscal year, the OIG identified and reviewed the results of three performance measures. The review was designed to meet the requirements of Step 2 and assess the validity and reliability of the chosen measures. The review noted that each of the three performance measures was valid. However, one performance measure was not found to be reliable, as no documentation was available to support the numbers published in the LRPP. No new performance measures were developed during the fiscal year; therefore, the OIG could not perform the advisory duties noted in Step 1. However, during the review, one performance measure did not effectively measure performance since it only measured the number of cases completed by a statutory deadline but did not indicate how many cases occurred. Therefore, we advised the Division to redefine the performance measure by utilizing a percentage of total cases completed versus the current measure of number of cases completed.



QUALITY ASSURANCE IMPROVEMENT PROGRAM (QAIP)

To ensure the quality of the audit program, the Audit Section performs ongoing maintenance of a Quality Assurance and Improvement Program (QAIP). During the year, Audit implemented strategies to add more value to its clients and has improved some of its audit processes and implemented best practices. The OIG also began utilizing an electronic tool that facilitates the performance of audits more effectively and efficiently. Over the course of the fiscal year, the OIG trained audit staff on its use to further increase the efficiency and effectiveness of audit projects. Additionally, the OIG has implemented a three-step QAIP process in which the auditor must perform a quality review of their project, an auditor unrelated to the project conducts a secondary review of the project and the supervisor performs a final review of the project. Each review is performed utilizing a checklist form in which specific standards within the International Professional Practices Framework (IPPF) are identified as completed and documented within the project under review.

The International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2430, requires that use of the “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing” statement is only appropriate if supported by the results of the QAIP.

RISK BASED AUDIT PLANNING

Section 20.055, F.S., and professional audit standards require the Office of Inspector General (OIG) to develop a risk-based annual and long-term audit work plan that includes input from the Department of Financial Services executive and senior leadership.

The Audit Section completes an annual risk assessment of DFS programs and activities to assist in developing an Annual and Long-Term Audit Work Plan (Work Plan). In 2022, the OIG revised its risk assessment process to better identify the risks related to the Department. As a result, the OIG conducted the 2022 annual risk assessment and developed the audit plan utilizing the Institute of Internal Auditors’ eight-step risk-assessment process, as shown below:

- 1) Defined the audit universe and auditable units using the organizational chart and various online resources describing fourteen operating divisions.
- 2) Identified the objectives of the Department and mapped each objective to the division(s) primarily responsible for meeting the objective.
- 3) Categorized the objectives into four risk factor categories and determined the risks associated with each category.
- 4) Identified fourteen significant risks within the four risk factor categories.
- 5) Developed questions related to the fourteen areas of risk and distributed a survey of the questions to ninety-four bureau chiefs and supervisors within each auditable unit.
- 6) Performed in-person interviews of division directors and senior leadership.
- 7) Analyzed the results of the survey and interview responses and assessed audit or review history for each auditable unit.
- 8) Developed an annual Audit Work Plan based on the results of the analysis.

The survey provided to participants involved questions soliciting responses of “high, medium, or low,” which were assigned corresponding values of 400, 300, or 200. Survey responses were calculated to produce the average response values by auditable unit. The survey response rate was 75% (74 out of 94) from various auditable units.

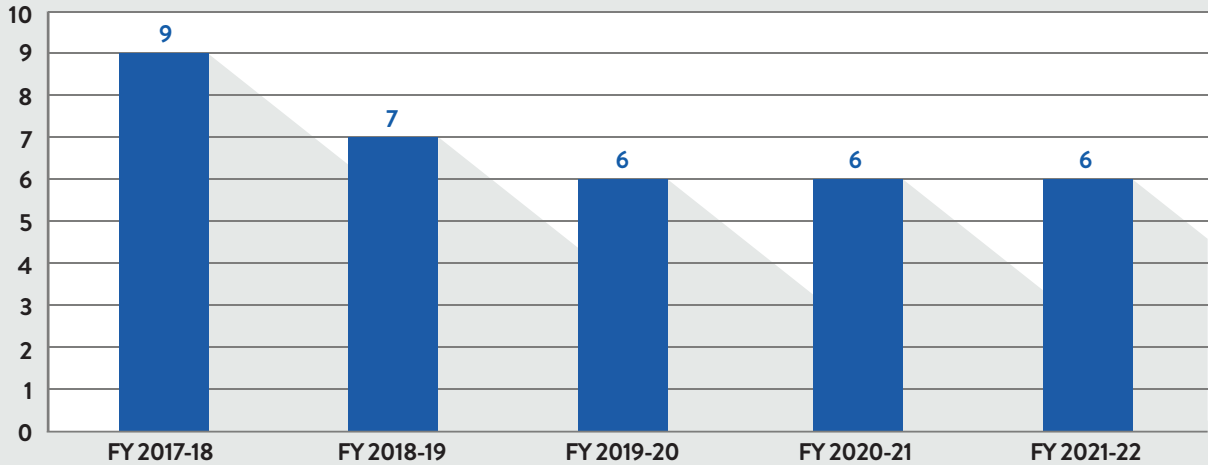
The Work Plan identifies planned internal audits and consulting engagements for the period July 1, 2022, through June 30, 2024. *(The Work Plan was signed and approved by CFO Patronis).*

EXTERNAL AUDIT COORDINATION

In addition to audits, consulting engagements, and management reviews conducted by the Audit Section, DFS programs and operations are subject to audit by various external entities, such as the AG, OPPAGA, and various federal and regulatory entities. The Audit Section is responsible for coordinating with these external auditors.

In the fiscal year 2021-22, the Audit Section coordinated the Department’s response to findings and recommendations made in two reports published by external entities. Additionally, the Section coordinated audit activities for four other external audits that were ongoing as of June 30, 2022.

Number of External Audit Coordinations



24

EXTERNAL AUDIT OVERVIEW

Audit coordinated the following AG audits and related management responses to the audits listed below:

- AG Report No. 2022-189 State of Florida - *Compliance and Internal Controls Over Financial Reporting and Federal Awards*, published March 30, 2022
- AG Report No. 2022-128 *Department of Financial Services Florida Accounting Resource Subsystem (FLAIR) and Selected Information Technology General Controls*, published February 21, 2022

Audit also coordinated the following AG audits that were in process as of June 30, 2021:

- Auditor General, *IT Operational Audit of FLAIR 2022*
- Auditor General, *Statewide Financial Statements & Federal Awards Audit for FYE June 30, 2022*
- Auditor General, *Local Government Financial Reporting System*
- Auditor General, *State Fire Marshal*

REPORTS ON STATUS OF IMPLEMENTATION OF CORRECTIVE ACTIONS

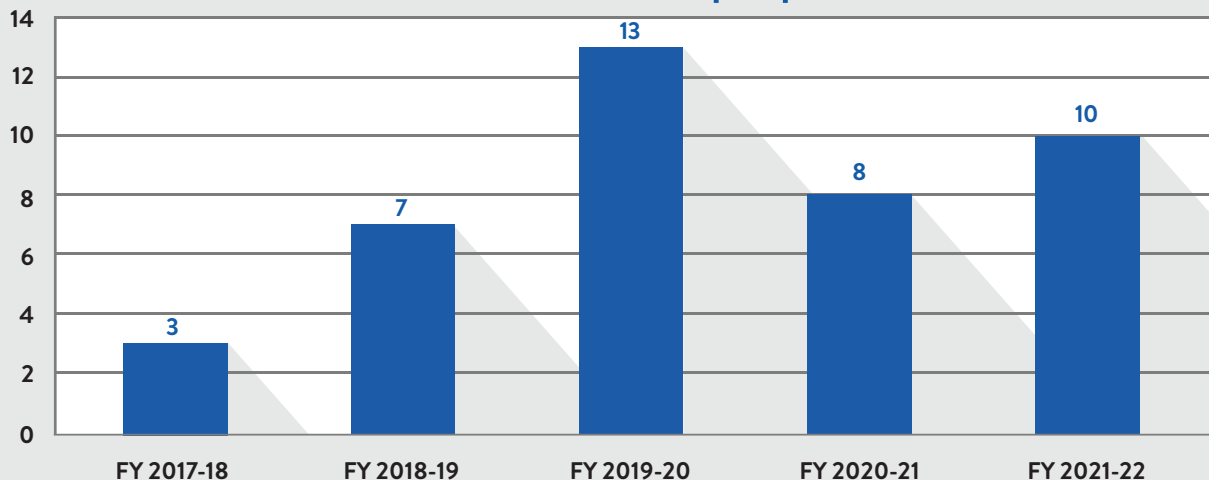
Section 20.055, F. S., requires the Inspector General to monitor implementation of corrective action the Department takes in response to findings and Joint Legislative Auditing Committee on the status of corrective action within six months of the report’s publication. In accordance with internal auditing standards, the Audit Section also reports to the Chief Financial Officer on the status of corrective action taken in response to findings and recommendations made in internal audits. The Audit Section continues to monitor implementation status for all external and internal reports at six-month intervals until planned action is complete or executive leadership assumes the risk of not implementing the corrective action. Ten follow-up reviews were conducted during the 2021-22 fiscal year.

FOLLOW-UP REPORTS

The Audit Section prepared the following audit follow-up reports on the status of the implementation of leadership's corrective actions:

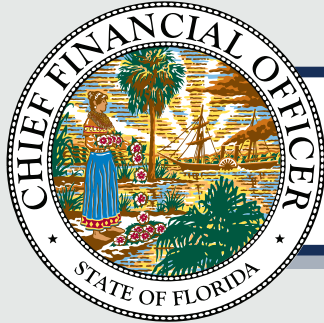
- Project IA 19-601 Twelve-Month Status Report – Auditor General Report Number 2021-046: *Department of Financial Services Division of Funeral, Cemetery, and Consumer Services and Prior Audit Follow-up*, published October 2020
- Project IA 19-601 Eighteen-Month Status Report – Auditor General Report Number 2021-046: *Department of Financial Services Division of Funeral, Cemetery, and Consumer Services and Prior Audit Follow-up*, published October 2020
- Project IA20-601 Six-Month Status Report – Auditor General Report Number 2021-131: *Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR)*, published February 22, 2021
- Project IA20-602 Six-Month Status Report – Auditor General Report Number 2021-182: *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards*, published March 2021
- Project IA 20-604 Six-Month Status Report – OPPAGA Report Number 21-04 *Review of Professional Employers Organizations and Workers Compensation*, published March 2020
- Project IA 21-301 Six-Month Status Report – DFS OIG Report Number IA 21-301: *Management Review of Selected Fiscal Year 2019-2020 Performance Measures*, published June 30, 2021
- Project IA21-501 Six-Month Status Report – DFS OIG Report Number IA 21-501: *Audit of the Department of Financial Services Division of Rehabilitation and Liquidation Claims Section Confidential Data Access*, published August 16, 2021
- Project IA 21-502 Six-Month Status Report – DFS OIG Report Number IA 21-502: *Audit of the Department of Financial Services Division of Agent and Agency Services, Bureau of Licensing Confidential Data Access*, published May 3, 2021
- Project IA 21-502 Twelve-Month Status Report – DFS OIG Report Number IA 21-502: *Audit of the Department of Financial Services Division of Agent and Agency Services, Bureau of Licensing Confidential Data Access*, published May 3, 2021
- Project IA 21-503 Six-Month Status Report – DFS OIG Report Number IA 21-503: *Contract Administration by the Division of State Fire Marshal and the Division of Administration*, published June 30, 2021

Number of Follow-Up Reports



Organizational Chart

Office of Inspector General



Jimmy Patronis
Chief Financial Officer

David T. Harper
Inspector General

Debbie Clark
Director of Audit

Tingting Fan
Senior Auditor

Crista Hosmer
Senior Auditor

Jasmine London
Auditor

Sheryl Cosson
Administrative Assistant III

**Valentina Delgado
Victoria**
Administrative
Assistant II

**Stephanie
Gonzalez-Herrera**
Administrative
Assistant II

Captain Mike Shoaf
Director of Investigations

Andrew Blimes
Investigator

Chuck Brock
Investigator

Maintaining Operational Excellence

To deliver as fully as possible on its responsibilities, the OIG focuses on building a team that has the collective capacity to perform across various skill sets. These include investigations, auditing, program evaluation, and technical support. In this vein, the OIG has endeavored to cross train staff in both audit and investigations. Additionally, OIG staff are encouraged to seek training opportunities that will enhance and expand the employee's knowledge. Finally, the OIG searches for ways to learn about best practices that might be recommended within the OIG community. This is accomplished by attending Association of Inspectors General events as well as other networking opportunities offered by the following organizations: Association of Certified Fraud Examiners, The Institute of Internal Auditors, Association of Government Auditors, Florida Internal Affairs Investigators Association, National White-Collar Crime Center, and Information Systems Audit and Control Association (ISACA), to name a few.

To date, OIG staff have obtained the following recognized certifications:

- Certified Contract Manager (4)
- Certified Financial Crimes Investigator (1)
- Certified Fraud Examiner (3)
- Certified Information Systems Auditor (2)
- Certified Inspector General (1)
- Certified Inspector General Auditor (4)
- Certified Inspector General Investigator (3)
- Certified Inspector General Inspector/Evaluator (2)
- Certified Internal Auditor (2)
- Certified Law Enforcement Officer (1)
- Certified Public Accountant (1)
- Certified Public Manager (1)
- Certified Supervisory Manager (1)
- Internal Audit Practitioner (1)
- Certified Economic Crime Forensic Examiner (1)
- Certified Government Auditing Professional (1)

During the fiscal year, OIG staff attended trainings, which were chosen to enrich and expand the OIG's capabilities. Some of the notable trainings and webinars attended were:

- AIG: Inspector General Inspector/Evaluator (CIGE) course
- ACFE/IIA Fraud Training Conference
- Basic Cyber Investigations: Digital Footprint
- Cybersecurity Fraud and Detection
- Digital Forensic Analysis
- Diversity, Equity, and Inclusion Training
- FBI Cybersecurity Bootcamp
- Financial Crimes and Fraud Investigations
- FLETC-Cyber and Technical Investigations
- IIA/ACFE: Strategies for Detecting Fraud During a Global Pandemic
- IIA: Agile Auditing
- Internal Control and Fraud Detection
- ISACA: 2021 Cyber Threat Landscape: Why People are Targets
- ISACA: Cybersecurity for the Cloud and State of Cybersecurity
- ISACA: Data Security Trends Impacting IT Auditing
- Program Integrity in State and Local Pandemic Spending
- Recognizing Antitrust Conspiracies
- White Collar Crime, Prosecution and Investigation Workshop

Staff Biographies



DAVID T. HARPER Inspector General

David T. Harper was appointed by CFO Jimmy Patronis as the Inspector General for the Florida Department of Financial Services in August 2018. Previously, he was the City Council appointed Inspector General for the City of Albuquerque. Harper retired in 2016 from a 40-year Air Force career, consisting of both military and civil service. He spent 35 years as a Special Agent for the Air Force Office of Special Investigations (AFOSI), where he primarily oversaw and investigated allegations of fraud and financial crime. While on active duty, he spent five years as an Air Force Security Policeman, in which he provided security to nuclear missiles and sensitive intelligence facilities. He has had a variety of assignments, which included the Chief of Economic Crime at HQ AFOSI, Quantico, VA, the Special Agent-in-Charge for the AFOSI Boston area office, and other fraud investigative positions in Los Angeles, New York City, Sacramento, Munich, and Berlin. His Air Force active duty service from 1976 to 1985 and reserve service from 1985 to 1993, included assignments in California, North Dakota, New Jersey, and Europe.

Harper holds a Master of Public Administration from California State University, Dominguez Hills, and a bachelor's degree in Criminal Justice from Sacramento State University. He also has an associate degree from the University of Maryland, College Park, and the Community College of the Air Force. He is a Certified Inspector General and serves on the national board of the Association of Inspectors General (AIG) and as the Certified Inspector General Investigator course manager. He is a Certified Fraud Examiner (CFE) with the Association of Certified Fraud Examiners (ACFE) and has served on the board of the New Mexico ACFE Chapter, and as the Vice President and Director of Training for the Tallahassee ACFE Chapter. He's a Certified Financial Crimes Investigator (CFCI) with the International Association of Financial Crimes Investigators (IAFCI) and a Certified Economic Crime Forensic Examiner (CECFE) with the National White Collar Crime Center. He has been a public speaker on several occasions, to include presenting at the ACFE Global Conference, the AIG annual training conference, several Department of Defense Procurement Fraud Conferences and local chapters of the ACFE, AIG and Association of Government Accountants (AGA). He's a member of the Veterans of Foreign Wars, the American Legion and the Disabled American Veterans. He has received several awards from his Air Force service, to include the Air Force Outstanding Civilian Service Award, Air Force Commendation Medal and Army of Occupation Medal. In 2019, he was honored with the "Criminal Justice Alumni Distinguished Leadership & Service Award" for fraud and financial crimes by his Alma Mater, Sacramento State.



DEBBIE CLARK

Director of Audit

Debbie Clark is the Director of Audit for the DFS OIG and formerly, the Audit Director for the Florida Department of Economic Opportunity (DEO) OIG. Ms. Clark began her career with the state as a Financial Analyst in May 2001 at the Division of Business and Professional Regulation, where she analyzed financial statements from timeshare and condominium associations. Ms. Clark worked over 13 years in the Office of the Auditor General as an auditor and later a lead auditor where she performed as the team lead on a variety of financial, operational and information technology audits for several state agencies. As Audit Director at DEO, she was responsible for the supervision of a staff of five auditors and participated in employee engagement, talent management, communications, diversity and inclusion. Additionally, while at DEO she became an expert in the disaster recovery program, which required an internal audit function of the federal funding for each natural disaster and oversaw the implementation of an aggressive audit plan designed to mitigate risk in disaster recovery funding. Clark earned a BA and a master's in accounting from the University of West Florida, in Pensacola Florida, and a master's in information technology, project management from Kaplan University, online. She is a licensed CPA, a Certified Inspector General Auditor, a Certified Information Systems Auditor and a Certified Government Auditing Professional.



CAPTAIN MIKE SHOAF

Director of Investigations

Mike Shoaf began his career in law enforcement at the age of 19. The youngest of his basic recruit class, he got his start as a Reserve Deputy Sheriff for the Leon County Sheriff's Office. His time and exposure as a Deputy led to a position with the Tallahassee Community College Campus Police Department. Shoaf's background has been with the Department of Environmental Protection, Division of Law Enforcement, where he was promoted from Officer, to Corporal, to Special Agent. After six years of resource protection and environmental investigations, Shoaf made his segue into the inspector general community. He has been in the IG community for the last 15 years, working as a sworn IG investigator for the Department of Business and Professional Regulation, Department of Transportation, and DFS. In 2014, he was promoted to his current position as the Director of Investigations for the DFS OIG. Shoaf holds a Bachelor of Arts in Business Administration from Flagler College, and a Master of Public Administration from Florida State University. He is a Certified Fraud Examiner, a Certified Inspector General Investigator, and a

Certified Public Manager. During his career, he has been a Certified Law Enforcement Firearms, Driving and General Topics Instructor. In addition to his current duties, Shoaf also oversees activities associated to OIG Inspections.



SHERYL COSSON

Office Manager

Sheryl Cosson is the senior member of the OIG team and has over 15 years in her current position as Administrative Assistant to the Inspector General. Cosson began working for DFS over 30 years ago and brings a vast amount of knowledge, which is vital to the OIG's operations. As the OIG office manager, she is liaison for all personnel and purchasing actions, and serves as coordinator for public records requests, records management, and information technology issues.



Valentina Delgado Victoria

Administrative Assistant II

Valentina Delgado Victoria graduated cum laude from Florida State University (FSU) in 2020 with a Bachelor of Science in Criminology and a double major in Chinese. In 2022, she graduated again from FSU with a Master of Science in Criminology and is currently pursuing a federal career. As an undergraduate student, Valentina was a member of national honor societies Phi Eta Sigma and the National Society of Collegiate Scholars. In addition, she is a life member of the American Criminal Justice Association, Lambda Alpha Epsilon. Valentina is fluent in English and Spanish and has limited working proficiency in Chinese. Furthermore, she studied abroad in China at the Tianjin Foreign Studies University while furthering her Chinese skills. She was also actively engaged and served as the President of FSU salsa dance team Corazón Dancers. Valentina has worked with the Fraud Unit at the Department of Highway Safety and Motor Vehicles and the Department of Health Bureau of WIC Program Services. In May 2022, Valentina joined the DFS OIG as an Administrative Assistant II.



STEPHANIE GONZALEZ-HERRERA

Administrative Assistant II

Stephanie Gonzalez-Herrera is a first-generation graduate from Florida International University (FIU), where she obtained a Bachelor of Arts in Political Science in 2019. Most recently, she graduated from Florida State University in 2022 with a Master of Public Administration. As an undergrad, Gonzalez-Herrera was actively involved in FIU's Student Government Association and is also an active member of the FIU Young Alumni Network in Miami, Florida. As a graduate student, she served as the 2021-2022 Social Events Chair of the Public Administration Graduate Association at FSU. Gonzalez-Herrera held the position of Administrative Assistant II from July 2021 to March 2022.



ANDREW BLIMES

Investigator

Andrew Blimes began his state employment as a Data Entry Operator with the Florida Department of Juvenile Justice (DJJ) in 2005. In 2006, he became a Government Operations Consultant with the DJJ OIG, and in 2008, he was promoted to a Government Analyst position in the Investigations Section of the DJJ OIG. In 2012, he left DJJ to become an Internal Auditor with the Florida Supreme Court and was subsequently promoted to the Senior Internal Auditor position. He joined the DFS OIG in August 2014. He holds a bachelor's degree in finance and business administration and a Master of Business Administration from Florida State University. He is also a Certified Fraud Examiner, a Certified Inspector General Investigator, a Certified Inspector General Inspector/ Evaluator, a Certified Inspector General Auditor, a Florida Certified Contract Manager, and a lead assessor for the Commission for Florida Law Enforcement Accreditation.



CHUCK BROCK

Investigator/Computer Forensic Examiner

Chuck Brock is a veteran of the United States Army where he served as a Special Agent with the Criminal Investigation Command. He holds a bachelor's degree in English from Florida State University. Brock has over 30 years of experience working for the State of Florida, working as a Child Protective Investigator for the former Department of Health & Rehabilitative Services, and as an Intelligence Analyst and Investigator for several Inspector General offices. He began conducting computer forensic investigations in 2000 and has received specialized training in this field from several agencies, including the National White-Collar Crime Center and the Federal Bureau of Investigation. Brock was a member of the Florida Department of Law Enforcement's Computer Incident Response Team, and has assisted numerous federal, state, and local government agencies in obtaining and analyzing electronic evidence for use in criminal and administrative investigations.

In addition, he helped establish state-of-the-art computer forensic capabilities for the DFS OIG shortly after his arrival in March 2014. Mr. Brock is a Certified Inspector General Investigator and a Florida Certified Contract Manager.



CRISTA HOSMER

Senior Auditor

Crista Hosmer joined the DFS OIG in June 2019, while continuing a rewarding career in the State of Florida that began in 2004. Her work experience includes seven years in the DFS Division of Accounting and Auditing, including three years as a Financial Administrator supervising nine auditors. As supervisor, her audit team performed vendor and grant recipient contract reviews and expanded audits of payment, and consistently received an Exceptional rating in Quality Assurance. Hosmer is a graduate of DFS's Leadership Excellence (LEX) program in Levels 1 and 2, served as a business requirements evaluator for the Florida PALM project, performed as a User Acceptance Tester for several systems and projects, and was a member of the Florida Grant Consortium's DFS Work Group. Hosmer holds a bachelor's degree with high honors from the University of Florida and a master's degree from Florida State University. Additionally, she recently completed the Diversity, Equity and Inclusion in the Workplace Certificate from the University of South Florida in May 2021. She is also a Certified Internal Auditor, Certified Inspector General Auditor, Certified Inspector General Inspector/Evaluator, Internal Audit Practitioner, and Florida Certified Contract Manager.



Tingting Fan

IT Auditor

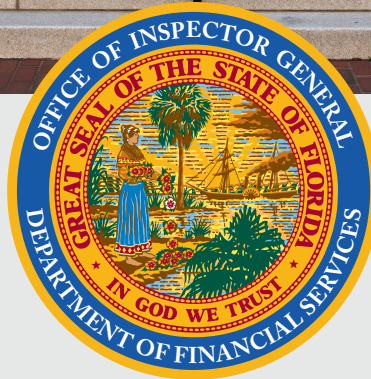
Tingting Fan started her career in auditing with the Florida Department of Revenue in 2017 as a tax auditor. In 2019, she became an internal auditor with DEO's Office of Inspector General (OIG), and in 2020, she was promoted to a lead auditor position performing operational and compliance audits as well as information systems audits/reviews. Fan joined the DFS OIG in September 2021, focusing primarily on information technology audits. Fan is a Certified Information Systems Auditor with a master's degree in accounting from the University of West Florida.



JASMINE LONDON

Auditor

Jasmine London began her state employment in 2017 as a Florida Abuse Hotline Counselor for the Department of Children and Families. In 2018, she became the financial assistant for Andrew Gillum's governor campaign. In December of 2018, London began her career in auditing as an Operations Analyst II with the Office of Insurance Regulation's Office of Inspector General. She joined the DFS OIG in September of 2019 as an auditor. London possesses a bachelor's degree in Psychology from Florida State University. She is an active member of the Institute of Internal Auditors and the Association of Inspectors General and is a Certified Inspector General Auditor and a Florida Certified Contract Manager.



OIG Outreach

A strong Outreach program is essential to the success of the OIG and its efforts to serve both the DFS team and the people of Florida. The DFS OIG has an active outreach stance to better support DFS and the OIG community. The outreach focus also includes professional associations, such as the Commission for Florida Law Enforcement Accreditation, the Association of Inspectors General, and the Association of Certified Fraud Examiners.

The OIG embraces the need to cultivate and nurture strong relationships both within the Department and with external stakeholders, the IG community, and the public. Central to this effort is transparency – the office makes transparency a top priority and accomplishes this by ensuring DFS executive leadership is kept informed on a frequent basis regarding the operations and activities of the OIG. The OIG seeks formal and informal feedback and input on all matters from DFS leadership and stakeholders, to use towards improvement and growth.

The OIG supported opportunities to collaborate with the greater Florida IG community and the Office of the Chief IG on matters pertaining to legislative mandated enterprise level of audits of procurement and information technology.

The OIG continued to support requests from DFS Human Resources in matters pertaining to EEO issues and presenting at the Management Bootcamp training for new supervisors.

