



ANNUAL REPORT
2023 - 2024

OFFICE OF
INSPECTOR GENERAL

FLHSMV
FLORIDA HIGHWAY SAFETY AND MOTOR VEHICLES



July 31, 2024

Dave Kerner, Executive Director
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Director Kerner,

This annual report covers the 12-month period ending June 30, 2024, and it summarizes the accomplishments of the Florida Highway Safety and Motor Vehicles (Department) Office of Inspector General (OIG). During this period, the OIG has worked extensively to safeguard the integrity and efficiency of Department programs and investigate those who allegedly abuse them.

Among our accomplishments, we completed 26 audit projects that encompassed Department program audits and consultations to improve internal operations as well as external audits of specialty license plate organizations. Our audit team has continued to expand the breadth of their services and as you will read in this report, identified improvement opportunities within the Department.

This year the investigation team continued its efforts to proactively identify and investigate fraud, waste, and abuse. These accomplishments are the result of the dedicated work of the OIG's professional staff and the support of yourself and the Department management team. In the future, we look forward to continuing our work in support of the Department's mission: *A Safer Florida*.

Respectfully Submitted,


Mike Stacy
Inspector General



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Background

The role of the Office of Inspector General (OIG) is to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency within the Department. Section 20.055, Florida Statutes (F.S.), requires the Inspector General to submit to the Executive Director an annual report summarizing its activities during the preceding fiscal year (FY).

This report outlines the engagements and accomplishments of the OIG during the 2023-24 FY and specifically details the activities and reports of the audit and investigative teams that make up the OIG.

Inspector General Responsibilities

The specific duties and responsibilities of the Inspector General as defined in Section 20.055(2), F.S., include directing, supervising, and coordinating audits, investigations, and management reviews of Department programs and operations. This includes keeping the Executive Director informed of fraud, abuses, and deficiencies, recommending and reporting on corrective actions, reviewing actions taken to improve performance, providing advice on the development and reliability of performance measures, and ensuring coordination and cooperation between the Department and external auditors with a view toward avoiding duplication.

Internal Audit

Internal Audit provides management with independent and objective assurance reviews and consultation regarding risk

management, control, and governance processes. Audit work is performed in accordance with International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors and General Principles and Standards for Offices of Inspector General published by the Association of Inspectors General.

Audit projects performed during the FY were based on the results of a risk assessment. An annual risk assessment is conducted by the Internal Audit Section and aids in developing the OIG Annual Work Plan. The Annual Work Plan was based on the results of the risk assessment, prior OIG audit and investigative findings, external audits, and requests from management.

External Audit Coordination

Internal Audit serves as a liaison to external agencies that audit the Department, monitoring and tracking the findings and recommendations from these external audits, as well as overseeing the Department's management efforts to correct the audit findings. During the year, there were not any external audits that required the OIG's coordination.

Compliance Reviews

Single Audit Reviews – The Department collects and distributes annual use fees for approximately 149 different specialty license plates (SLP) and voluntary contributions (VC) for over 30 organizations. Recipient organizations subject to audit pursuant to Section 215.97, F.S., shall submit a state single audit report in accordance with rules promulgated by the Florida Auditor General. Internal audit staff reviewed 68 state single audit reports submitted by the recipient organizations during the FY.

DUI Program Financial Audits – DUI Programs are required by Rule 15A-10.012, Florida Administrative Code, to submit a certified financial audit and an independent auditor’s report on compliance with laws and regulations to the Department annually. Internal audit staff reviewed 16 DUI Program financial audit reports during the FY.

Performance Measures Assessment

Florida law requires State agencies to develop long-range program plans that include program outcomes and standards to measure progress toward program objectives. Section 20.055(2), F.S., requires the OIG to perform a validity and reliability assessment of agency performance measures and, if needed, recommend improvements. The review determined the performance measure assessed for the 2022-2023 FY was valid and reliable.

Quality Assurance Review

Section 11.45(2)(i), F.S., requires that the Auditor General, once every three years, review a sample of internal audit reports to determine compliance by the OIG with the current International Standards for the Professional Practice of Internal Auditing or, if appropriate, Government Auditing Standards.

The Auditor General completed their review of the OIG in October 2023 and reported the quality assurance and improvement program related to the office’s internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance with applicable professional auditing standards and the Code of Ethics issued by The Institute of Internal Auditors. The Auditor General determined the OIG generally complied with those provisions of Section 20.055, F.S.,

governing the operation of State agencies’ offices of inspectors general internal audit activities.

Internal Audit Projects Completed

The following summaries describe the audit engagements completed by the Internal Audit Section during the FY. Work completed included Department assurance and consulting services as well as external compliance audits of SLP/VC organizations.

Off-Duty Police Employment (ODPE) - Report 202122-02

The purpose of this audit was to review and evaluate the ODPE process and compliance with applicable state laws and Department policies and procedures. The scope of this audit included ODPE processes and documentation for the 2020-21 FY.

The audit determined the Florida Highway Patrol (FHP) generally complied with Florida Statutes, Florida Administrative Code, and Department policies and procedures. However, improvements should be made, including providing specific guidance for conducting supervisory reviews of ODPE records, implementing an electronic reporting process to reduce errors in reporting, ensuring required forms and reports are complete and accurate, and retaining supporting documentation.

Application Programming Interface (API) Security - Report 202223-07

The purpose of this audit was to evaluate the efficiency and effectiveness of API controls and compliance with best practices, applicable laws, Department policies and procedures. The scope of this audit included the API controls, policies, and procedures effective since July 2022.

Due to the nature of the audit findings and recommendations, the results of this review are confidential and exempt from the provisions of Sections 119.07(1), and 282.318(4)(g), F.S.

Enterprise Audit of Identity and Access Management - Report 202223-16

The purpose of this audit was to evaluate the Department's controls and compliance with Chapter 60GG-2.003(1), Florida Administrative Code, *Access Control*. The scope of this audit included all current Department identity management and access control policies, procedures, activities, and processes for the Department's SmartCOP suite of programs.

Due to the nature of the audit findings and recommendations, the results of this review are confidential and exempt from the provisions of Sections 119.07(1), and 282.318(4)(g), F.S.

International Fuel Tax Agreement (IFTA) & International Registration Plan (IRP) - Report 202223-12

The purpose of the audit was to evaluate the efficiency and effectiveness of the IFTA/IRP audit program and determine compliance with applicable laws and Department policies and procedures. The scope of this audit included IFTA/IRP audit activities from July 1, 2021, through December 31, 2022.

The audit determined the Department has adequate processes to ensure the efficiency and effectiveness of the IFTA/IRP audit program and generally complies with applicable laws and Department policies and procedures. However, improvements could be made to increase compliance with IFTA and IRP guidance, such as including all required elements in the audit reports to clearly demonstrate compliance with IFTA and IRP guidance, ensuring adequate staffing resources are available to conduct the required number of audits, and improving the process of selecting carriers for audits.

Dealer Issued Temporary Tags - Report 202223-06

The purpose of this audit was to review and evaluate the efficiency and effectiveness of the Department's oversight of the dealer temporary license plate issuance process and compliance with applicable laws, and Department policies and procedures. The scope of the audit included the administration and management of the Department's oversight of the dealer temporary license plate issuance process for the period January 1, 2022, through December 31, 2022.

The audit determined the Department has policies, procedures, and mechanisms currently in place to exercise oversight and control over dealer-issued temporary tags. However, we noted opportunities for improvement, including revising procedures to include clear expectations for supervisory oversight and control, and to ensure policy and procedure directives are presented in a logical, orderly, and systematic manner.

Document Validation Unit (DVU) - Report 202223-19

The purpose of this audit was to evaluate the efficiency and effectiveness of the DVU, and compliance with applicable laws, Department policies and procedures. The scope of the audit included DVU processes and operations from July 1, 2021, through December 31, 2022.

The audit determined the DVU case management system could be improved, and formal procedures should be updated to establish clear responsibilities and accountability for DVU operations. The audit further determined written procedures should be developed to guide how and when to conduct, document, and retain evidence of supervisory reviews.

Radiological/Nuclear (RadNuc) Program - Report 202223-31

The purpose of this audit was to evaluate the efficiency and effectiveness of the RadNuc program and compliance with applicable laws, Department policies and procedures. The scope of the audit included inventory records, policies, and practices relating to FHP's RadNuc program from July 1, 2022, through December 31, 2023.

The audit determined the Preventative Radiological Nuclear Detection (PRND) policies and procedures should be updated to promote the quality and consistency of operations and ensure RadNuc members understand and meet their responsibilities. The audit also determined the accuracy of property records, and the timelines of inventory could be improved.

Motor Carrier Safety Assistance Program (MCSAP) Grant Overtime – Report 202223-17

The purpose of this consulting engagement was to assess the FHP Office of Commercial Vehicle Enforcement (CVE) oversight of MCSAP overtime and compliance with applicable laws, Department policies and procedures. The objective of this engagement was to determine if MCSAP overtime claimed by members on their People First time sheet included approved MCSAP activities.

The review identified opportunities for management to improve controls over MCSAP related overtime and associated commercial vehicle enforcement activities.

Bureau of Criminal Investigations & Intelligence (BCII) Procedures - Report 202324-25

The purpose of this advisory was to assess and report on the internal audit of Intelligence Procedures conducted by the FHP BCII. The review determined the FHP Intelligence

Procedures are compliant with the requirements in FHP Policy 22.03.07(d).

Department Compliance with Executive Order 20-44 - Report 202324-26

The purpose of this engagement was to ensure the Department's compliance with Executive Order 20-44, Section 4. The scope of this review included the Department's actions in response to the directives in EO 20-44.

The review determined the Department generally addressed the requirements of Section 4; however, Department management should coordinate to establish clear roles and responsibilities for collecting and reviewing annual reports regarding total executive leadership compensation and other documentation from entities that meet the criteria outlined in EO 20-44 and maintain records to evidence compliance.

Audits of the FHP Information and Evidence (I and E) Fund

The FHP BCII is responsible for the use and maintenance of an I and E Fund. This fund is available to investigators to purchase materials as evidence or pay confidential sources for information.

During the 2023-24 FY, the Internal Audit Section conducted four quarterly audits of the FHP's I and E Fund to evaluate the internal controls over the fund and compliance with applicable laws, Florida Administrative Code, and Department policies and procedures. The audit for the first and third quarter of the 2023-24 FY recommended ensuring that the bank signature card is timely updated, and that quarterly report is accurately completed, respectively.

Specialty License Plate/Voluntary Contributions Audits

Section 320.08062, 320.023, and 322.081 F.S., grants the Department the authority to examine all records relating to the use of SLP and VC funds. During the FY, seven audit reports were issued, six of which contained no recommendations and one with recommendations to improve compliance with statutory requirements related to the specific specialty tag or voluntary contribution.

The following six SLP/VC reports issued during the FY determined the recipient organizations materially complied with applicable laws and policies:

- Children’s Home Society of Florida, Inc. (Stop Child Abuse)
- Florida Network of Children’s Advocacy Centers, Inc. (Stop Child Abuse)
- The Naval Aviation Museum Foundation, Inc. (Blue Angels)
- Florida Southern College, Inc. (Florida Southern College)
- Florida Atlantic University Foundation, Inc. (Florida Atlantic University)
- Florida Institute of Technology, Inc. (Florida Institute of Technology)

The following SLP/VC audit determined an organization was not in compliance with applicable laws, policies, and regulations related to the annual reporting:

The Lauren Kids, Inc. – findings included inaccurate expenditure reporting on the single audit, deficient recordkeeping of expenditures in the general ledger, allocation of percentages for administration and marketing expenditures could not be determined, and detailed support documentation for payments and monitoring of work completed for the marketing contract was not provided.

In addition to the seven SLP/VC audits completed during the FY, the OIG conducted four follow-up reviews and determined the following organizations have implemented corrective action for the recommendations communicated in previous SLP/VC audits:

The Florida State Lodge of the Fraternal Order of Police, Inc. (Fraternal Order of Police) – management implemented corrective action related to unallowable expenditures, statutory allocation of administrative and marketing costs, recordkeeping, and annual reporting.

The Fish and Wildlife Foundation of Florida, Inc. (Wildlife Foundation) – management implemented corrective actions to ensure specialty license plate fund expenses meet statutory percentage requirements and limits.

The Live Like Bella, Inc. (Voluntary Contributions) – management implemented corrective actions to ensure support documentation is obtained and retained for all expenses associated with the voluntary contribution funds.

The Santa Rosa Arts and Culture Foundation (Florida Arts) – management has implemented corrective actions to enhance the recording of expenditures and revenue and retention of support documentation.

Status of Prior Recommendations

Section 20.055, F.S., requires the identification of each significant recommendation described in previous annual reports on which corrective action has not been completed. As of June 30, 2024, there were four audit reports described in previous OIG annual reports that have outstanding recommendations open 12 months or more.

FHP Sworn Employee Hiring and Background Processing (Report 201819-06) - The outstanding recommendation

relates to enhancing the selection process to ensure it is conducted in a complete and uniform manner.

COOP/IT DR Program (Report 201819-19) - The outstanding recommendations relate to recovery point objectives for critical applications.

FHP Evidence Program Audit (Report 201920-18) – The outstanding recommendation relates to improving cash handling procedures and review of currency items.

Identity and Access Management (Report 202223-16) – The outstanding recommendation relates to expanding the use of multi-factor authentication.

Investigations

The Investigations Unit is responsible for receiving complaints and coordinating activities of the Department in accordance with the Whistle-blower's Act pursuant to Sections 112.3187, and 112.31895, F.S. Additionally, the Unit receives and considers complaints that do not meet the criteria for an investigation under the Whistle-blower's Act and conducts, supervises, or coordinates such inquiries, investigations, or reviews as deemed necessary. When there are reasonable grounds to believe there has been a violation of criminal law, a criminal investigation is conducted, and the OIG refers the case to the appropriate state attorney for prosecution. Investigations are conducted in accordance with the Association of Inspectors General Quality Standards for Investigations. Once an investigation report is completed, case disposition is reported to the Executive Director and appropriate managers.

Reaccreditation

Established in 1995, the Commission for Florida Law Enforcement Accreditation, Inc. (CFA) is a council of law enforcement and criminal justice professionals that establish standards for staffing, training, conducting, and documenting the investigative function. In 2008, the CFA introduced an accreditation profession for offices of inspectors general, and in 2010 the OIG went through an initial accreditation assessment and was reaccredited in 2013, 2016, and 2019. In August 2022, the Investigative Unit went through an additional assessment, resulting in its fourth CFA reaccreditation.

Investigative Report Activities

Complaints are received through many sources and are reviewed to determine an appropriate course of action. During the FY, the OIG closed 25 administrative investigations and 3 criminal investigations. Of the investigations closed, 1 was within a Florida Not For Profit Corporation receiving state financial assistance, 2 were within the Division of Motorist Services, and 25 were within the FHP.

Additionally, 171 complaint inquiries were performed to assess allegations, of which 157 were referred to the appropriate Department functional area for handling and 14 were handled internally by the OIG.

Case Summaries

The following is a summary of each closed investigative report:

20230126: A criminal investigation alleging that a Florida Not For Profit Corporation illegally misused monies allocated for

subrecipients was closed by the arrest of the Corporation CEO.

20230204: A Department investigation sustained allegations that a sworn member illegally purchased controlled substances, operated their assigned Division vehicle for personal use while in an off-duty status, used the Division's WEX Fuel Card to purchase fuel for other than Division Vehicles, converted property/evidence in connection with a police action/investigation to their own use, and illegally used controlled substances. The investigation did not sustain the allegation that the member failed to accurately report their duty status. The member was dismissed.

20230244: A Department investigation sustained allegations that a sworn member disengaged/turned off their Automatic Vehicle Locator (AVL), was at their residence for extended amount of time during shift and left their work station without authorization. An allegation that the member failed to follow lawful orders from supervisors was determined to be unfounded. The member received a written reprimand.

20230259: A criminal investigation alleging that a sworn member was married to two spouses at the same time, falsified official documents, and committed an act that constituted Grand Theft was closed by prosecution declined.

20230372: A citizen complaint investigation sustained allegations that a sworn member received insurance benefits which they were not entitled to and committed an act which constituted bigamy by being married to two spouses at the same time. The member received an 8-hour suspension.

20230274: A citizen complaint investigation did not sustain allegations that a sworn member committed an act that

constituted robbery by sudden snatching or committed an act that constituted domestic violence/battery.

20230369: A citizen complaint investigation alleging a sworn member failed to conduct a proper crash investigation was determined to be unfounded.

20230375: A Department investigation sustained an allegation that a member accepted money to pass individuals taking the physical driving exam. The member resigned during investigation.

20230394: A criminal investigation alleging a sworn member inappropriately touched complainant during an arrest was closed as unfounded.

20230416: A Department investigation sustained allegations that a sworn member displayed inappropriate conduct/behavior in the workplace to a female subordinate, was rude and discourteous to a subordinate, and made inappropriate comments regarding the ethnicity of another member(s). The member resigned in lieu of dismissal.

20230425: A citizen complaint investigation alleging a sworn member committed an act which constituted domestic violence and aggravated assault was determined to be unfounded.

20230427: A Department investigation did not sustain allegations that a sworn member failed to conduct a proper crash investigation or failed to collect and preserve drug evidence. The investigation sustained the allegation that the member failed to conduct a proper DUI investigation. The member received a written reprimand.

20230454: A citizen complaint investigation did not sustain allegations that a sworn member committed an act which

constituted domestic violence or committed an act which constituted aggravated assault.

20230456: A Department investigation sustained allegations that a sworn member was insubordinate and reported for duty unshaven. The member received a probationary dismissal.

20230468: A citizen complaint investigation sustained allegations that a sworn member was involved in an inappropriate communication with another person online and failed to answer questions during an administrative investigation. The member was dismissed.

20230520: A Department investigation alleging a sworn member created a hostile work environment was determined to be unfounded.

20230521: A Department investigation did not sustain the allegation that a sworn member failed to transmit citations to the Clerk of Court. The investigation sustained that the member failed to activate Mobile Video Recorder (MVR) during traffic stops. The member received counseling.

20230535: A Department investigation sustained the allegation that a sworn member obstructed an investigation being conducted by another agency. Discipline is pending.

20230573: A citizen complaint investigation sustained the allegation that a sworn member committed an act that constituted Theft. The member was dismissed.

20230574: A citizen complaint investigation sustained the allegations that a member failed to immediately notify their supervisor regarding a possible burglary to the Vehicle Impound Facility (VIF), allowed a person who was not authorized unsupervised access to the VIF, and attempted to

release property stored in the VIF to a person not authorized to receive it. The member was dismissed.

20230575: A Department investigation sustained the allegation that a sworn member committed an act that constituted Resisting an Officer Without Violence. The member received a 24-hour suspension.

20240045: A Department investigation alleging a member attempted to commit fraud from the Department was determined to be unfounded.

20240089: A citizen complaint investigation sustained the allegation that a sworn member, while off-duty, identified themselves as an FHP Trooper and was rude and discourteous to Law Enforcement personnel. Discipline is pending.

20240124: A Department investigation sustained the allegation that a sworn member refused to follow an order to deploy in support of Operation Vigilant Sentry. Discipline is pending.

20240135: A Department investigation sustained the allegation that a member purposely mislabeled evidence to give the impression that missing evidence was located. Discipline is pending.

20240145: A Department investigation sustained the allegation that a sworn member committed the criminal offense of Burglary. The member was dismissed.

20240164: A citizen complaint investigation sustained the allegation that a member displayed inappropriate behavior and conduct in the workplace. Discipline is pending.

20240196: A Department investigation did not sustain the allegation that a sworn member made inappropriate comments of sexual nature.

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