

Department of Education  
Office of Inspector General

ANNUAL REPORT

Fiscal Year 2013-2014

FLORIDA DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

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## INTRODUCTION

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### MISSION STATEMENT

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The mission of the Office of Inspector General (OIG) is to assist the Commissioner of Education in achieving the department's mission of increasing student proficiency and maintaining an accountability system that measures student progress. The OIG accomplishes this by providing independent audits and reviews of programs and activities, conducting investigations of alleged violations, and offering consulting services to assist management in their efforts to maximize effectiveness and efficiency.

### OIG RESPONSIBILITIES

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Section 20.055, Florida Statutes, establishes the Office of Inspector General within each state agency to provide a central point for coordination of, and responsibility for, activities that promote accountability, integrity, and efficiency in government. Additionally, in accordance with section 1001.20, Florida Statutes, the OIG will conduct or coordinate investigations into substantiated allegations that a district school board or college board of trustees is unwilling or unable to address relating to waste, fraud, or financial mismanagement, as determined by the Commissioner of Education.

This annual report is presented to the Commissioner and Chief Inspector General to comply with statutory requirements and to provide departmental staff and interested parties with information on the OIG's progress in accomplishing its mission. The OIG's responsibilities include:

- Conducting audits, investigations, and management reviews relating to the programs and operations of the department, including employment screening and background investigations;
- Reviewing and evaluating internal controls necessary to ensure the fiscal accountability of the department;
- Keeping the Commissioner and Chief Inspector General informed concerning fraud, abuse, and deficiencies relating to programs and operations administered or financed by the department, recommending corrective action, and reporting on the progress made in implementing corrective action;
- Advising in the development of performance measures, standards, and policies and procedures for department programs;
- Coordinating, and monitoring the implementation of, the department's response to recommendations made by the Auditor General, the Office of Program Policy Analysis and Government Accountability (OPPAGA), the Florida Department of Financial Services, the U.S. Department of Education, and other external agencies; and
- Ensuring that an appropriate balance is maintained between audit, investigative, and other accountability activities.

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## ORGANIZATION AND STAFF

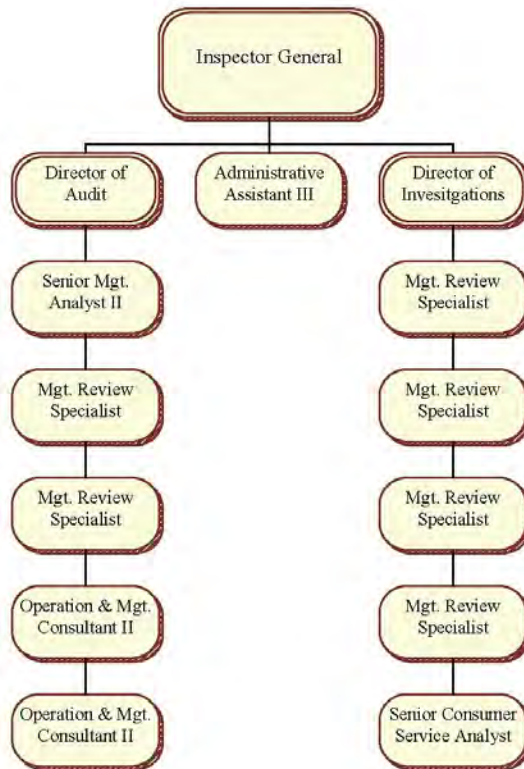
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During the 2013-14 fiscal year, the inspector general reported directly to the Commissioner of Education. A recent change to Florida Statutes changed the reporting structure for offices of inspector general under the jurisdiction of the Governor. Effective July 1, 2014, the DOE inspector general reports directly to the Governor's Chief Inspector General and remains under the general supervision of the Commissioner of Education. The OIG consists of 14 professional and administrative positions that perform internal audit and investigative functions, as shown below.

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### Office of Inspector General Organization Chart

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## OIG STAFF QUALIFICATIONS AND CERTIFICATIONS

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OIG staff is highly qualified and brings various backgrounds and expertise to the department. The collective experience spans a variety of disciplines, including auditing, accounting, investigations, and information systems.

OIG staff members continually seek to enhance their abilities and contributions to the office and the department. Many staff members have obtained certifications that demonstrate their knowledge, motivation, and commitment to the profession. Professional certifications held by OIG staff members include:

- Certified Inspector General (CIG)
- Certified Internal Auditor (CIA)
- Certified Fraud Examiner (CFE)
- Certified Information Systems Auditor (CISA)
- Certified Governmental Auditing Professional (CGAP)
- Certified Inspector General Investigator (CIGI)



## AFFILIATIONS

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OIG staff members participate in a number of professional organizations to maintain proficiency in their areas of expertise and certification. These associations allow them to establish and advance professional networks and participate in professional development activities. OIG staff members are affiliated with the following professional organizations:

- Institute of Internal Auditors (IIA)
- Association of Inspectors General (AIG)
- Association of Government Accountants (AGA)
- Association of Certified Fraud Examiners (ACFE)
- ISACA
- Southeast Evaluation Association (SEA)

## MAJOR ACTIVITIES AND FUNCTIONS

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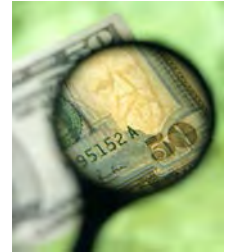
### INTERNAL AUDIT

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The purpose of the internal audit section is to provide independent, objective assurance and consulting activities designed to add value and improve the department's operations. Our vision is to help the department by facilitating change directed toward improving efficiency, effectiveness, accountability, and teamwork.

Responsibilities of internal audit include:

- Conduct compliance, electronic data processing, performance, and financial audits of the department to identify and recommend corrective action for deficiencies or matters of noncompliance.
- Conduct consulting activities in order to provide independent advisory services to department management.
- Assess the reliability and validity of department performance measures.
- Ensure effective coordination and cooperation with the Office of the Auditor General, OPPAGA, federal auditors, and other governmental bodies to ensure proper coverage and minimize duplication of effort.
- Conduct risk assessments of the department annually, taking into consideration the input of senior management.
- Develop annual and long-term audit plans outlining the audits to be conducted during each year and related resources to be devoted to the respective audits.
- Monitor the implementation of the department's response to audit reports issued by the department's inspector general, Office of the Auditor General, OPPAGA, or other oversight agency.
- Develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity, with an external assessment being conducted every three years.
- Participate in enterprise projects and provide assistance as requested by the Chief Inspector General.



Audits are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, Inc. Reports are distributed to the Commissioner of Education, the Governor's Chief Inspector General, the Office of the Auditor General, the Office of Program Policy Analysis and Government Accountability, and affected department managers.

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## ACCOMPLISHMENTS

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Internal Audit completed seven engagements during the 2013-14 fiscal year, which can be viewed online at [www.fldoe.org/ig/auditreports.asp](http://www.fldoe.org/ig/auditreports.asp). The results of those engagements are summarized below:

**Information Technology Application Development and Procurement – 18-Month Status Report** – We followed up on the status of corrective actions taken in response to deficiencies identified in Report #A-10/11-014, Information Technology Application Development and Procurement. Management has initiated or completed corrective action for each reported deficiency and will continue to do so until all deficiencies have been resolved.

**MyFloridaMarketPlace Purchase Requisition Approval Flow** – A consulting activity was conducted at the request of department management regarding the MyFloridaMarketPlace (MFMP) purchase requisition (PR) approval flow process. We reviewed historical data, led a process improvement event, and made several recommendations to strengthen and streamline the current PR approval flow process. Recommendations were made to: electronically document reviews to the highest extent possible and establish policies to promote the use of electronic reviews; streamline the approval flow process based on dollar thresholds and catalog purchases and remove automatic multiple reviewers within the same specialty review area; and establish written procedures to address the removal of separated employees' access to MFMP.



**Student Data Security** – An Executive Order released by the Governor required the department, in part, to conduct a student data security review and make recommendations regarding any needed rule or legislative change. The OIG collaborated with other department offices to facilitate the preparation of a report in response to the executive order. Legislative recommendations made include: requiring that annual notice be given to parents and students of their rights with respect to education records; establishing limitations on the collection and disclosure of student information; requiring governing boards to designate directory information in accordance with the Family Educational Rights and Privacy Act (FERPA) at a regularly scheduled meeting; and clarifying the ability of a parent or student to be awarded attorney's fees and court costs when receiving injunctive relief.

**McKay Scholarship Program** - The McKay Scholarship Program allows parents of students with disabilities the opportunity to place their children in a participating private school or another public school. The purpose of this audit was to determine if there are sufficient internal controls in place to govern the scholarship program. The audit revealed insufficient documentation in the areas of affidavit forms, endorsing of warrants, and 12th grade re-enrollment. Recommendations to the department included: continue monitoring efforts and consider seeking a legislative change to increase the number of site visits and revise policies and procedures regarding proper warrant endorsement, the filing of an affidavit prior to the issuance of a scholarship payment, and receipt of 12<sup>th</sup> grade re-enrollment documents.

**Information Technology Application Development and Procurement – 24-Month Status Report** – We followed up on the status of corrective actions taken in response to deficiencies identified in Report #A-10/11-014, Information Technology Application Development and Procurement. Management has initiated or completed corrective action for each reported deficiency and will continue to do so until all deficiencies have been resolved.

**General IT Security Controls** - We completed a review of selected information systems security policies, procedures, and processes to determine if the controls in place adequately address the information security needs of the department. The report was classified as confidential in accordance with section 282.318(4)(f), Florida Statutes, and the findings and recommendations are therefore not available to the public. All individuals wishing to view or obtain the results of this report may submit a written request to the Office of Inspector General.

**Goodwill Industries of Southwest Florida** – The Division of Vocational Rehabilitation (DVR) contracts with Goodwill Industries for employment and supported employment services. We audited the contract in order to evaluate the provider’s compliance with contract terms and the adequacy of DVR’s monitoring efforts. The audit revealed that customers were inappropriately placed or employment positions did not match goals in the customer's individualized plan of employment (IPE). Monthly reports and invoices were not submitted timely, and contract monitoring was not completed in accordance with department policies and procedures. Recommendations for this audit included: verify customer employment positions align with employment goals in the approved IPE; enhance procedures to ensure Goodwill does not inappropriately place customers and DVR counselors timely approve notifications of approval; develop controls to ensure monitoring of monthly reports; enforce terms and conditions of the contract, considering amendment to remove potential barriers to invoice submission compliance; and update policies and procedures to clearly delineate monitoring responsibilities and ensure effective monitoring of DVR contracts.

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#### REVIEW OF PERFORMANCE MEASURES

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Our review of performance measures is incorporated into our assurance activities. There were no performance measures associated with the areas reviewed in the 2013-2014 fiscal year.

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#### REVIEW OF CORRECTIVE ACTIONS FOR PRIOR YEAR AUDITS

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Section 20.055(7)(c), Florida Statutes, requires the identification of each significant recommendation described in previous annual reports on which corrective action has not yet been completed. The following corrective actions were outstanding as of June 30, 2014:

**Information Technology Application Development and Procurement** – This audit focused on general project management practices, most of which were still under development from a governance perspective.



*Recommendation:* The department should develop formal written policies and procedures for administering the enterprise-wide project management function, as well as IT application development, and have them approved by executive management. Approved policies and procedures should be implemented and staff trained on their application.

*Status:* Policies, procedures, and methodologies have been developed and are being used to guide the ongoing implementation of the project management function. The Project Management Oversight Committee (PMOC) will formally adopt these written documents, though it will be necessary to make periodic revisions to ensure that these enhancements are communicated effectively. Training of personnel has been ongoing and will continue.

*Recommendation:* Continue to further develop, strengthen, and formalize the governance structure and activities to include creating governance committee charters and policies, and empower a strategy or steering committee to ensure adequate control over project decisions, directions, and performance.

*Status:* Policies, procedures, and methodologies have been developed and are being used to guide the ongoing implementation of the project management function. The PMOC meetings have been discontinued. However, new governance procedures are being drafted and will be presented to executive leadership.

*Recommendation:* Develop a formal project management methodology for managing projects, which would likely include templates to guide project teams in obtaining an appropriate level of documentation, while streamlining preparation time and effort involved.

*Status:* Policies, procedures, and methodologies have been developed and are being used to guide the ongoing implementation of the project management function. PMOC will formally adopt these written documents, though it will be necessary to make periodic revisions to ensure that these enhancements are communicated effectively.

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## AUDIT RESPONSE COORDINATION AND FOLLOW-UP

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The OIG provides a single point of contact for external agencies auditing the department. This is done to ensure effective coordination and cooperation between the Office of the Auditor General, federal auditors, and other governmental bodies and to minimize duplication of effort. We coordinate information requests and responses and assist in scheduling meetings for these entities. We provide coordination of the required responses to preliminary and tentative findings issued by the Office of the Auditor General, OPPAGA, U.S. Department of Education, and other oversight agencies. We also coordinate the six-month response on the status of corrective actions taken by the department on any audit findings and recommendations issued by the Office of the Auditor General or OPPAGA. During the 2013-14 fiscal year, we coordinated the following external projects and follow-ups:



## Office of the Auditor General

REPORT NUMBER	REPORT TITLE
2013-094	SIX-MONTH STATUS: VIRTUAL INSTRUCTION PROGRAMS
2013-133	SIX-MONTH STATUS: PUBLIC ASSISTANCE ELIGIBILITY DETERMINATION PROCESSES AT SELECTED STATE AGENCIES
2014-173	COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS
2014-187	SURPLUS COMPUTER HARD DRIVE DISPOSAL PROCESSES
2014-201	CLASS SIZE REDUCTION, IT CONTROLS, AND PRIOR AUDIT FOLLOW-UP
2015-007	FEDERAL FAMILY EDUCATION LOAN PROGRAM SYSTEM

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### RISK ASSESSMENT AND AUDIT PLAN

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Section 20.055, Florida Statutes, requires the inspector general to develop long-term and annual audit plans based on periodic risk assessments of the department. This helps ensure the OIG is responsive to management concerns and that those activities judged to have the greatest risks are identified and scheduled for review.

The risk assessment included identifying programs and activities administered by the department and evaluating each activity based on indicators of risk exposure, or risk factors. The programs and activities were determined through discussions with responsible management personnel and review of organization charts and the department's strategic plan. Senior management then rated the vulnerability of the identified programs and activities by assigning scores for each activity on seven risk factors: financial impact, public relations impact, control environment, changes in operations/systems, management interest, audit coverage, and sensitive data.



Using the results from these efforts and our professional judgment, we developed the audit plan for the 2014-15 fiscal year. The audit plan provides the most effective coverage of the department's programs and processes while optimizing the use of internal audit resources. Twenty percent of direct audit hours have been dedicated to enterprise projects at the request of the Chief Inspector General. During the 2014-15 fiscal year, audit resources will be allocated to the following engagements:

## 2014-15 Audit Plan

<b>Division</b>	<b>Project</b>
Blind Services	Asset Management
Division of Technology and Innovation	Disaster Recovery Plan
Division of Technology and Innovation	Applications Development and Support
Public Schools	PPS Investigations
Multiple Divisions	Student Data
Finance and Operations	Office of Emergency Management
Finance and Operations	State Scholarships
Vocational Rehabilitation	Fee-for-Service Vendors
Vocational Rehabilitation	Centers for Independent Living - Self-Reliance CIL
Vocational Rehabilitation	Ombudsman
Vocational Rehabilitation	Centers for Independent Living – Ability 1 <sup>st</sup>
Vocational Rehabilitation	Rate Contracts

## INVESTIGATIONS

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The Investigations Section works to deter, detect, and investigate allegations of fraud, waste, abuse or employee misconduct impacting the department. The section receives inquiries or complaints regarding departmental activity from many sources, including: the Whistle-blower's Hotline, the Florida Department of Financial Services' Get Lean Hotline, the Chief Inspector General's Office, an on-line complaint form on the OIG's website, letters, telephone calls, e-mails, and the Executive Office of the Governor.

If suspicion of potential criminal activity is discovered, it is referred to the appropriate law enforcement agency. The OIG coordinates with law enforcement on any criminal investigation, while ensuring that issues of an internal nature are addressed administratively.

Investigations staff monitor and track all cases:

- All case findings are reported to the Commissioner and appropriate managers.
- The OIG provides the necessary facts to the department's Office of Labor Relations, the Office of the General Counsel, and department managers to assist them in taking the appropriate actions.
- Cases involving criminal activity are referred to the appropriate law enforcement agency, in accordance with Florida Statutes.

Investigations are conducted in accordance with quality and quantitative standards as set forth in the *Association of Inspectors General Principals and Standards for Offices of Inspector General* and the *Commission for Florida Law Enforcement Accreditation*.

During the 2013-14 fiscal year, the OIG received 160 complaints from the public and other entities, referred 43 complaints to management, initiated 8 investigations, completed 10 investigations, conducted 6 preliminary reviews, completed 4 whistle-blower determinations and made 9 referrals to criminal agencies. The OIG also processed 453 applicants' background checks and 9 background check reviews.

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### ADDITIONAL INVESTIGATIVE AUTHORITY

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A part of Florida's school choice programs, the McKay Scholarships for Students with Disabilities Program provides Florida students with special needs the opportunity to attend a participating private school. Another program, the Florida Tax Credit Scholarship Program, encourages private, voluntary contributions to expand educational opportunities for children of families that have limited financial resources. In accordance with section 1002.39(6)(c) and 1002.395(9)(f), Florida Statutes, individuals may notify the department of any violation by a parent, private school, or school district of state laws relating to program participation. The department shall conduct an inquiry of any violation or make a referral to the appropriate agency for an investigation. Rules 6A-6.0960 and 6A-6.0970, Florida Administrative Code, provide that

the department may at any point refer an inquiry to the department's Office of Inspector General or another appropriate agency for full investigation.

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## ACCREDITATION

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An accreditation program has long been recognized as a means of maintaining and verifying the highest standards. Accreditation is the certification by an independent reviewing authority that an entity has met specific requirements and prescribed standards. In 2009, the Commission for Florida Law Enforcement Accreditation (CFLA) expanded its program to include inspectors general offices.

The inspectors general of Florida have worked diligently with the CFLA to develop a set of professional standards for Florida's inspectors general investigations function. These standards have been drafted by the Chief Inspector General, the Inspectors General Accreditation Standards Workgroup, and CFLA for the purpose of awarding Inspectors General certificates of accreditation. The standards are divided into eight chapters, which include: Organization and Governing Principles, Personnel Practices, Training, Investigation Process, Whistle-Blower Act, Notification Process, Case Management, and Final Reporting Processes. These are minimum recommended operating standards for an Inspectors General investigations function.



In October 2013, a CFLA assessment team reviewed 38 individual standards during an on-site assessment of our Investigations section and determined compliance with all the standards with no corrective actions needed. On February 6, 2014, the full CFLA voted unanimously to award the certificate of accreditation, which remains in effect for three years.

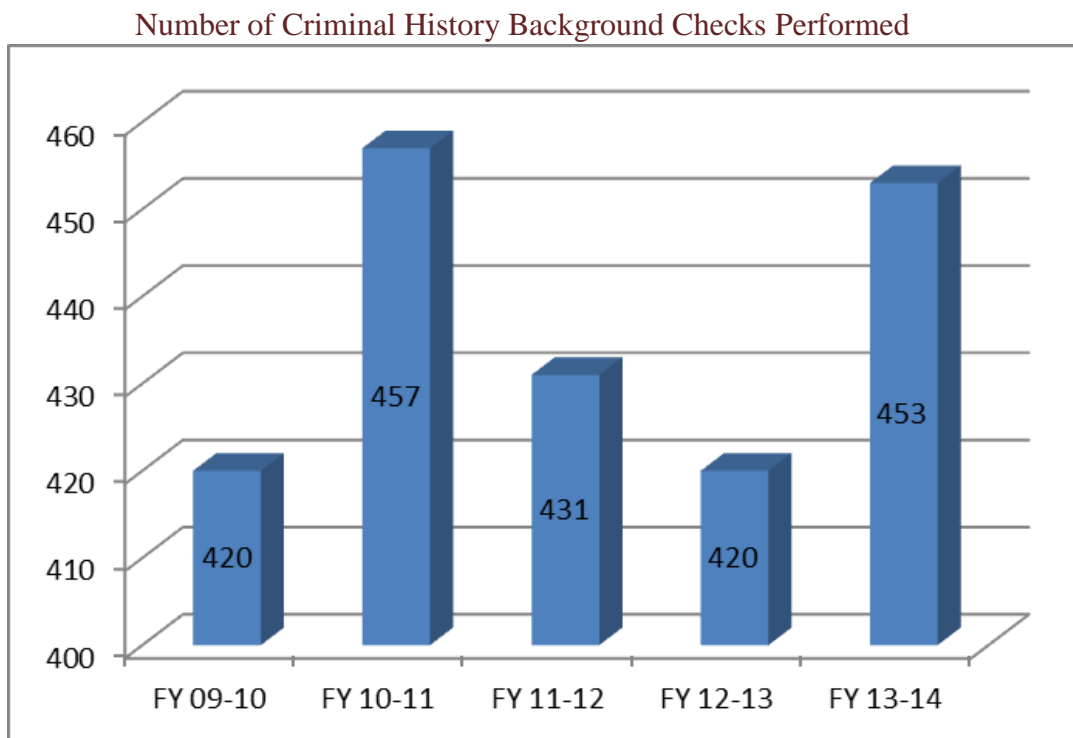


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## CRIMINAL HISTORY CHECK PROGRAM

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In accordance with section 435, Florida Statutes, all employees, volunteers, and applicants must undergo a level 2 screening as a condition of employment. The Office of Inspector General is responsible for processing the results of the level 2 screenings of each applicant. During the 2013-2014 fiscal year, the OIG analyst conducted 453 applicant background checks and conducted 9 background check reviews. The chart below depicts, by fiscal year, the number of background checks performed from 2009-2014.



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## COMPLETED INVESTIGATIONS

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During the prior fiscal year, the OIG investigated allegations of misappropriation of funds, conflict of interest, and other employee misconduct allegations. A synopsis of those investigations is provided below.



- An anonymous complaint to the OIG alleged that a former Division of Vocational Rehabilitation (DVR) client received assistance from DVR by providing false financial information to obtain rehabilitation equipment. DVR purchased approximately \$48,000 of rehabilitation technology equipment for the former client. The alleged income information reported by the anonymous complainant would have required the former client to pay for this equipment under the DVR Financial Participation Policy. An OIG investigation resulted in insufficient evidence to substantiate the allegation. The OIG recommended DVR management provide training to all DVR personnel regarding the procedures for recording and record keeping; clarify and develop more detailed policies in the Counselor Policy Manual regarding financial participation requirements and required documentation; and perform a new Financial Participation Assessment with the former client to determine if DVR should seek reimbursement for expenditures made.
- Seminole County Public Schools (SCPS) forwarded a complaint to the OIG alleging that K12 Florida, LLC (K12), the virtual school provider for the Seminole Virtual Instruction Program, used teachers that were not Florida certified; that K12 provided SCPS with inaccurate student/certified teacher lists for the 2010/2011 school year; and that K12 assigned teachers for the 2010/2011 school year to instruct classes outside of the field in which they were certified. An OIG investigation determined there was no evidence that K12 used teachers that were not certified to teach in the State of Florida. The OIG determined there was evidence to substantiate that K12 provided SCPS with inaccurate student/certified teacher lists for the 2010/2011 school year in which the teachers had no student interaction or student recognition, and that K12 assigned three teachers to instruct classes outside of the field in which they were certified. Numerous recommendations were suggested to K12, SCPS, and DOE to improve the procedures for recording and retaining instructor, student, and course records; to ensure that courses are taught only by Florida certified teachers who are certified in the subjects specified in the Course Code Directory; and to ensure compliance with other statutory requirements.
- The OIG received a complaint that a former employee at the Center for the Visually Impaired, Inc. (CVI), a non-profit agency dedicated to serving the blind and visually impaired, was hired without a criminal background screening prior to employment. The complaint further alleged that the former employee compromised 1,200 confidential client files located on the CVI computer database when the CVI executive director allowed him to have full access to the files and network security codes at the CVI location and remotely from his residence. The OIG's investigation substantiated the first



allegation concerning the failure to perform a criminal background screening prior to hiring the employee, but there was no evidence to support the second allegation concerning the compromised confidential client files. The OIG recommended that CVI consider strengthening their confidentiality policy statement within their employee handbook to clarify that it is mandatory for each employee to ensure all client information remains protected on all of their computer network's files and records. The OIG further recommended CVI ensure that criminal background screenings are completed on all employees prior to their hiring.

- The Division of Accountability, Research, and Measurement referred three elementary schools to the OIG for investigation of unusually high wrong-to-right answer erasures on the Spring 2012 Florida Comprehensive Assessment Test (FCAT). An OIG investigation determined there was insufficient evidence to substantiate that school personnel inappropriately administered or altered the answer sheets of students during the administration of the FCAT at two of the elementary schools, and there was no evidence to substantiate that school personnel at the third elementary school inappropriately administered or altered the answer sheets. Although our office found insufficient evidence to substantiate the allegations, we identified concerns regarding the actions of certain certified educators. Our office referred this report to the Office of Professional Practices Services for review and action deemed necessary.
- The OIG received information from the Office of Professional Practices Services (PPS) concerning the superintendent of the Lee County school district. Allegations emerged during a PPS investigation regarding possible inappropriate actions by the superintendent violating Lee County school district policies or Florida Statutes. The allegations included the superintendent suspending an active Lee County professional standards and equity department investigation concerning a school district administrator, the superintendent transferring approximately \$1.6 million in grant funds from their designated grant accounts and line items to a separate general fund account without school board approval, and the superintendent issuing an organizational plan to the Lee County School Board (LCSB) outlining a cost breakdown for specific positions that appeared to show \$298,000 in net increases, of which \$293,000 was to be expended for top level administrators instead of students or classrooms. An OIG investigation found no specific authority that would permit the superintendent to suspend an active investigation concerning a school district administrator and substantiated the allegation. There was insufficient evidence to substantiate the allegation that the superintendent transferred grant funds from their designated grant accounts and line items to a separate general fund account without board approval. The allegation that the superintendent issued an organizational plan showing net increases of funds for top level administrators instead of students or classrooms was not substantiated. The OIG suggested several recommendations to the LCSB to improve their policies and processes for conducting investigations into allegations against employees. The OIG further recommended that LCSB ensure the superintendent is aware of their fiscal responsibilities in accordance with LCSB policies and the Project Application and Amendment Procedures for Federal and State Programs Handbook.



- The OIG investigated an allegation that the Central Florida Disability Chamber (CFDC), a contracted entity with DVR, engaged in a conflict of interest by providing a DVR client with Certified Business Technical Assistant Consultant (CBTAC) and marketing services. The OIG's investigation revealed that DVR paid CFDC a total of \$14,520 for benchmark payments and implementation fees. With an extension of marketing services as proposed by CFDC, DVR would have issued an additional \$5,100 for the provision of marketing services. The OIG determined that these actions did not violate any DVR policies or procedures and there was no evidence to substantiate a conflict of interest. Several recommendations were suggested to DVR to improve policies and procedures with provider services for designated DVR clients.
- The Division of Accountability, Research, and Measurement referred six schools in Miami-Dade County to the OIG to investigate allegations that school personnel inappropriately administered or altered the answer sheets of students during the administration of the Spring 2013 FCAT and the Algebra I End of Course (EOC) Assessments. The OIG concluded that no irregular activities were evident during the administration of the Spring 2013 FCAT or EOC assessments for the six flagged schools. The OIG confirmed that three schools used a department-wide preparatory packet or guide throughout the school year to prepare students for the EOC assessments. In addition, some schools instituted good testing practices by actively assigning different subject area teachers to administer the FCAT and EOC assessments. For instance, reading teachers would be assigned to administer the math FCAT or EOC assessment and math teachers assigned to administer the reading portion of the FCAT.
- The Division of Accountability, Research, and Measurement referred a middle school in Hillsborough County to the OIG to investigate an allegation that school personnel inappropriately administered or altered the answer sheets of students during the administration of the Spring 2013 FCAT. Specifically, there appeared to be an unusually high similarity index score on the FCAT. The OIG concluded that no irregular activities were evident during the administration of the FCAT at the middle school. The OIG confirmed that the school used a preparatory packet or guide throughout the school year to prepare students for the FCAT, but found that the review packet did not violate any policies or procedures.
- An anonymous complaint alleged that the DVR headquarters office mismanaged their budget for Fiscal Year 2013/14 and was operating in a deficit between 27 and 30 million dollars due to negligence, poor accounting practices, and the embezzlement of surplus funds by the DVR budget managers in Tallahassee. As a result of the deficit, DVR had resorted to cutting back on client services and expenditures and instituted hiring freezes while lease obligations, client service costs, and salaries would not be covered. The complaint further alleged that when the DVR director became aware of the deficit, she could not offer any explanation. An OIG investigation concluded there was no evidence that the DVR headquarters office mismanaged their budget for the 2013-2014 fiscal year and was operating in a deficit.

- The Bureau of Community College and Technical Center Management Information Systems (CCTCMIS) employs data staff that work on information technology projects for the Division of Florida Colleges. The OIG investigated an allegation that a CCTCMIS systems project consultant was identified by his DOE login ID as the owner of an inappropriate image that was placed on the Division of Florida Colleges network drive. The allegation was substantiated, and subsequently, the CCTCMIS employee resigned from DOE.

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### OTHER INVESTIGATIVE ACTIVITIES

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- The OIG received a complaint that the parents of three children falsified their income on two Florida Tax Credit Scholarship applications over a two year period in order to obtain scholarship funds. An OIG review, in collaboration with Step Up for Students (SUFS), determined the parents failed to properly report their household composition in accordance with SUFS policy and they received \$25,038 for their children to attend a private school. As a result, SUFS determined that the family will not be eligible for scholarship funding in the future and the OIG reported the matter to the Florida Department of Law Enforcement for suspected violations of criminal law.
- The OIG received information from the Tallahassee Community College (TCC) Police Department alleging that students submitted false General Educational Development (GED) certifications to TCC. The OIG provided resources and assistance to the TCC Police Department for their criminal investigation. After providing requested information to the TCC police, the OIG closed their file when there was no further contact from the TCC police for additional assistance.
- The Manatee County School District superintendent requested the OIG to conduct a review into the financial practices and activities of the former Manatee County school district superintendent from 2010 through 2012. Allegations included the former superintendent purposely delaying the notification of an impending deficit to the school board, intentionally misleading the school board about the district's budget shortfall by presenting false or misleading financial reports, and violating Florida Statutes by incurring a debt against district school funds in excess of allowed expenditures or budget. The OIG conducted a thorough analysis of the superintendent's complaint and supporting documentation, reviewed extensive financial documentation and numerous audit and investigative reports, and conducted interviews with thirteen Manatee County school district staff and board members. The OIG's preliminary review of the allegations did not disclose any new evidence or testimony to indicate a need for further investigation.
- A former employee at a private school alleged that the school received and endorsed McKay Scholarship funds for students not in attendance and teachers completed and submitted fraudulent tests for students not in attendance. A preliminary review by the OIG revealed two McKay Scholarship payments were made for a student that was attending a public school and that the school's director had a felony criminal record,

which would have barred her participation at the school. The OIG referred this matter to the Department of Financial Services, Office of Fiscal Integrity for investigating violations of criminal law. Subsequently, DOE suspended the school's McKay Scholarship eligibility, the school closed, and the Office of Fiscal Integrity closed their investigation due to the lack of sufficient evidence to pursue criminal charges.

- The OIG received information concerning alleged violations and charter school mismanagement committed by five administrators serving at three private schools in Palm Beach, Broward, and Miami-Dade County. Alleged violations involved a conflicting contractual relationship, misuse of public position, voting conflicts, and Sunshine Law violations. The OIG referred this matter to the Palm Beach and Broward County School Boards for review and action deemed appropriate. The financial allegations were provided to the Miami-Dade County School Board for investigation and response. The OIG determined the responses from the Miami-Dade County School Board Chair and the Miami-Dade Public Schools Chief Auditor adequately addressed the allegations. A total of \$149,320.00 was returned to the Miami-Dade County school district in July 2013.
- The OIG received information from the Florida Department of Revenue that a Division of Blind Services (DBS) employee was either wrongfully receiving unemployment assistance benefits or was a victim of identity fraud. The OIG subsequently learned that the DBS employee was part of a fraud investigation being conducted by the U.S. Department of Labor, and it appeared the DBS employee's identity was stolen by someone in order to apply for unemployment benefits. The OIG and the DOE Director of Labor Relations interviewed the DBS employee and advised that her personal identity information was stolen and used to obtain unemployment assistance benefits in her name. The DBS employee was further advised that the U.S. Department of Labor was investigating this matter and may be contacting her in the future.

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#### WHISTLE-BLOWER DETERMINATIONS

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The investigations section completed four whistle-blower determinations during Fiscal Year 2013-2014. After assessing each complaint, the OIG determined that the allegations did not demonstrate reasonable cause to suspect that the department or independent contractor violated any federal, state, or local law, rule or regulation. Based upon further review, the complaints were referred to the necessary entities for action deemed appropriate.

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## OTHER OIG ACTIVITIES

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The Chief Inspector General appointed an Information Technology Working Group (working group) made up of inspectors general from various state agencies in June 2013 to evaluate issues crossing agencies. The DOE inspector general was appointed as the chair of the working group. The original working group had eight members and was later expanded to have sixteen members including the information security managers from each of the state data centers. The working group's first task was to evaluate the existence and potential standardization of Computer Security Incident Response Team (CSIRT) protocols in the agencies and communicate our findings at the conclusion of the review. The working group facilitated a meeting with the state agency information security managers, chief information officers, and staff from the Florida Department of Law Enforcement Fusion Center. This meeting resulted in a collaborative discussion on the use of common cybersecurity incident categorizations.

The working group was later called on by House and Senate staff to participate in the revision of some of the technical specifications within section 282.318, Florida Statutes, which was part of the new legislation being drafted to establish the Agency for State Technology. The input from the working group helped to clarify terms as well as roles and responsibilities. The working group continues to hold periodic meetings to address additional issues such as evaluating the need for data sharing agreements and reviewing the requirements for the information security risk assessment conducted by agencies every three years.

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