

**DEPARTMENT OF  
CHILDREN AND FAMILIES**

Office of Public Benefits Integrity  
and Selected Administrative Activities



Sherrill F. Norman, CPA  
Auditor General

## Secretary of the Department of Children and Families

The Department of Children and Families is established by Section 20.19, Florida Statutes. The head of the Department is the Secretary who is appointed by the Governor and subject to confirmation by the Senate. During the period of our audit, the following individuals served as Department Secretary:

Chad Poppell	From January 14, 2019
Rebecca Kapusta, Interim	September 7, 2018, through January 13, 2019
Mike Carroll	Through September 7, 2018

The team leader was Thomas Drawbaugh, CPA, and the audit was supervised by Lisa Norman, CPA.

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# DEPARTMENT OF CHILDREN AND FAMILIES

## Office of Public Benefits Integrity and Selected Administrative Activities

### **SUMMARY**

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This operational audit of the Department of Children and Families (Department) focused on the Office of Public Benefits Integrity (Office) and selected Department administrative activities. The audit also included a follow-up on the findings noted in our report No. 2016-046. Our audit disclosed the following:

#### **Office of Public Benefits Integrity**

**Finding 1:** The Department established the Automated Community Connection to Economic Self-Sufficiency (ACCESS) Integrity Online System (AIO) to store and track the information needed to aid in fraud prevention. However, as similarly noted in our report No. 2016-046, AIO application controls were not sufficient to ensure the completeness, accuracy, and validity of AIO data, nor could the Department demonstrate whether user access privileges to the AIO were timely deactivated upon an employee's separation from Department employment.

**Finding 2:** Certain security controls related to the logging and monitoring of AIO activity continue to need improvement to ensure the confidentiality, integrity, and availability of Department data and related information technology resources.

**Finding 3:** The Office did not always timely complete investigations of referrals received regarding suspected public assistance fraud, or document the causes for delays, as required by Office policies and procedures. A similar finding was noted in our report No. 2016-046.

**Finding 4:** The Department did not always properly complete tracking logs of investigation interviews performed at Disaster Supplemental Nutrition Assistance Program events for Hurricanes Irma and Michael.

**Finding 5:** Department procedures for timely identifying and writing off eligible public assistance claims continue to need enhancement.

#### **Selected Administrative Activities**

**Finding 6:** Department controls over cellular telephones need enhancement to ensure that unused lines are appropriately terminated, the personal use of text messaging is discouraged, and the most economical usage plans are utilized.

**Finding 7:** The Department did not always accurately record the value or condition of donated motor vehicles.

### **BACKGROUND**

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State law<sup>1</sup> provides that the Department of Children and Families (Department) is to work in partnership with local communities to protect the vulnerable, promote strong and economically self-sufficient families,

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<sup>1</sup> Section 20.19, Florida Statutes.

and advance personal and family recovery and resiliency. The Department plans, administers, and delivers most of its services to target groups through offices in 6 regions and 20 circuits. For the 2019-20 fiscal year, the Legislature appropriated approximately \$3.3 billion to the Department and authorized 12,050.75 positions.<sup>2</sup>

## ***FINDINGS AND RECOMMENDATIONS***

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### OFFICE OF PUBLIC BENEFITS INTEGRITY

The Department, Office of Economic Self-Sufficiency (ESS Program Office), is responsible for public assistance eligibility determinations.<sup>3</sup> The public assistance programs the ESS Program Office determines eligibility for include the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families Program, and the Medicaid Program. The ESS Program Office utilizes the Florida Online Recipient Integrated Data Access (FLORIDA) System to assist in public assistance program eligibility determinations and benefit issuance. The Department, Office of Public Benefits Integrity (Office), is responsible for investigating public assistance program fraud and misuse and recovering any erroneously paid benefits. To help fulfill its responsibilities, the Office established the Benefit Investigations (BI) and Benefit Recovery (BR) units.

The BI unit is responsible for preventing and detecting public assistance fraud and misuse. The BI unit receives referrals regarding potential public assistance fraud or misuse from various sources, including ESS Program Office eligibility staff, the public, and internal Office data analytics. BI unit employees investigate cases of potential public assistance fraud prior to the approval of benefits and monitor active public assistance cases to ensure the proper issuance of benefits, and utilize the Automated Community Connection to Economic Self-Sufficiency (ACCESS) Integrity Online System (AIO) to store and track the information needed to aid in fraud prevention. During the period July 2017 through January 2019, the BI unit initiated 20,918 investigations.

The BR unit is a claims establishment and recoupment program responsible for calculating and recovering public assistance dollars lost to client and agency error or fraud. The BR unit receives referrals from a variety of sources, including ESS Program Office eligibility staff, the Department of Financial Services, Division of Public Assistance Fraud, and the public. BR unit employees utilize the Integrated Benefit Recovery System (IBRS) to: maintain all client, budget, claims, and accounting data; recover overpaid benefits; and report to the Federal Government. During the period July 2017 through January 2019, the BR unit received 35,039 referrals (as well as 500 Disaster SNAP referrals related to Hurricane Irma), established 27,443 overpayment claims totaling approximately \$10 million, and collected approximately \$42 million on outstanding claims.

#### **Finding 1: AIO Application Controls**

Application controls, including data input controls, are necessary to ensure the completeness, accuracy, and validity of data entered and processed in a computer application. Effective application controls also

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<sup>2</sup> Chapter 2019-115, Laws of Florida.

<sup>3</sup> Department Rule 65A-1.203(2), Florida Administrative Code.

include provisions to timely deactivate user access privileges when access to an information technology (IT) resource is no longer required.

The Office entered data for referrals accepted for investigation into the AIO using both automated and manual processes. During the period July 2017 through January 2019, the AIO electronically uploaded 17,488 referrals from the FLORIDA System and 3,430 referrals received from other sources were manually added to the AIO.

In our report No. 2016-046 (Finding 2), we noted that AIO input controls were not sufficient to ensure the completeness, accuracy, and validity of AIO data. Additionally, the Department was unable to demonstrate whether user access privileges to the AIO were timely deactivated upon an employee's separation from Department employment. As part of our follow-up audit procedures, we obtained an understanding of AIO IT controls, assessed whether selected application controls were in place and operating effectively, and evaluated the completeness, accuracy, and validity of AIO data for the period July 2017 through January 2019. Our audit procedures disclosed that AIO application controls still need enhancement. Specifically, we noted:

- Referrals rejected for further investigation were deleted from the AIO by a supervisor without an audit trail of the deletions. While the Department maintained a separate system that could track the referrals received by the AIO through the FLORIDA System that were rejected for further investigation, the AIO did not record the deletion of these referrals. Our analysis of AIO records disclosed that 54,233 referral records were deleted from the AIO during the period July 2017 through January 2019. While Department management indicated that information about rejected referrals was to be manually documented in the FLORIDA System, the Department did not verify that information for all rejected referrals was entered in the FLORIDA System.
- Instances of inaccurate and invalid AIO data such as:
  - Recorded case investigation ending dates that predate the recorded respective referral dates.
  - Blank fields, for example, the field identifying the county to which the referral was assigned.
- An instance where more than one investigator shared an investigator identification code in the AIO.
- The AIO still did not record the date user access privileges were deactivated. Instead, the AIO flagged user accounts as being inactive and recorded the date the user last logged into the system. Consequently, the Department was unable to demonstrate whether user access privileges were timely deactivated upon an employee's separation from Department employment.

Our examination of system records for 23 AIO user accounts associated with 15 employees who were separated from Department employment as of February 26, 2019, and for whom the AIO showed user login activity and access privileges at some point during the period July 2017 through January 2019 disclosed that:

- 1 user account appeared to have accessed the AIO approximately 3 years after the user separated from Department employment.
- 2 user accounts retained access privileges as of March 2019, although both users had been separated from Department employment for over 6 years. Subsequent to our audit inquiry, the Department indicated that they deactivated the user accounts.

In response to our audit inquiry, Department management indicated that the AIO does not have input controls to prevent or detect the issues noted on audit. While the Department had implemented monthly reporting to identify AIO data errors, the report used did not address the types of errors we noted.

Department management also indicated that the untimely deactivations of AIO access privileges were due to management oversight.

Absent a complete record of all referrals received, including appropriate records of all referrals deleted from the AIO, there is an increased risk that referrals may not be properly handled and Department actions related to referrals may not be appropriately supported. Effective data input controls decrease the risk that erroneous or incomplete data may be entered into the AIO and enhance the Department's ability to accurately track public assistance fraud prevention and detection investigations. In addition, recording the date user account privileges are deactivated would better demonstrate that AIO user access privileges are timely deactivated upon an employee's separation from Department employment.

**Recommendation:** We again recommend that Department management enhance data input controls to ensure the completeness, accuracy, and validity of AIO data, including rejected referral information. We also recommend that Department management enhance AIO data error reporting to incorporate the errors noted on audit and ensure that the timely deactivation of AIO access privileges upon an employee's separation from Department employment is appropriately documented.

### **Finding 2: AIO Security Controls**

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed that certain AIO security controls related to logging and monitoring need improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising Department data and related IT resources. However, we have notified appropriate Department management of the specific issues.

Without appropriate security controls related to logging and monitoring, the risk is increased that the confidentiality, integrity, and availability of Department data and IT resources may be compromised. A similar finding was noted in our report No. 2016-046 (Finding 3).

**Recommendation:** We again recommend that Department management establish appropriate AIO security controls related to logging and monitoring to ensure the confidentiality, integrity, and availability of Department data and related IT resources.

### **Finding 3: Timely Investigation of Referrals**

Office policies and procedures<sup>4</sup> required BI unit investigators to complete an investigation of a referral received regarding public assistance cases suspected of containing or involving fraudulent information or activity and to notify ESS Program Office eligibility staff of the investigation results within 10 working days from the date the referral was received. According to Office policies and procedures, a household was to be afforded a reasonable opportunity to resolve discrepancies during the eligibility determination process and that this process, referred to as a rebuttal interview, was not part of the 10 working day period. If the BI unit investigator could not notify eligibility staff within 10 working days of the investigation's results, the BI unit investigator was required to document the reason for the delay in the FLORIDA System case notes.

<sup>4</sup> Department Policy and Procedure CFOP 165-13, *Access Integrity*.

As part of our audit, we evaluated the number of working days between the dates BI unit investigators received referrals and the dates the related investigations ended, as indicated in the AIO, for the 20,918 investigations initiated by the BI unit during the period July 2017 through January 2019. Our analysis found that 1,070 (5 percent) of the investigations were completed 11 to 50 working days (an average of 15 working days) after the referrals were received. Some of these referral investigations may not have been completed within 10 working days due to rebuttal interviews.

We reviewed Office records for 10 of the 1,070 referral investigations that were not completed within 10 working days and noted that reasons for the delays for 3 investigations were not documented in the FLORIDA System case notes. According to Office management, reasons for the delays in completing the investigations were not documented due to employee oversight.

Absent the timely completion of BI unit referral investigations, the Department may not prevent or timely detect the inappropriate issuance of public assistance benefits. Additionally, documenting the reasons for investigation delays would provide management the information needed to assess the reasonableness of such delays, should they occur. A similar finding was noted in our report No. 2016-046 (Finding 6).

**Recommendation:** We again recommend that Office management ensure that BI unit referral investigations are timely completed and that, if delays occur, investigators document the reasons for the delays in the FLORIDA System case notes.

#### **Finding 4: Completeness of D-SNAP Tracking Logs**

After Hurricanes Irma and Michael impacted the State,<sup>5</sup> the Department held Disaster Supplemental Nutrition Assistance Program (D-SNAP)<sup>6</sup> events in the impacted areas to distribute assistance to affected individuals. As part of these events, Department Program Integrity Specialists were on-site to interview any individual suspected of providing fraudulent information to the D-SNAP intake workers. The Department's D-SNAP Plan required Program Integrity Specialists to complete a Program Integrity Tracking Log (Tracking Log) recording their activities for all investigations of D-SNAP benefits applications. At the end of each day, Program Integrity Specialists were to send their completed Tracking Log to their supervisor, who assembled and sent the Tracking Logs to Office Headquarters for compilation, recording, and analysis. According to Office management, the Tracking Logs were used, among other things, to provide up-to-date statistics and illustrate return on investment.

As part of our audit, we examined a total of 20 Tracking Logs completed by five different Program Integrity Specialists for five D-SNAP events held for Hurricane Irma and 10 total Tracking Logs completed by two different Specialists for two events held for Hurricane Michael to determine whether the Tracking

<sup>5</sup> Hurricane Irma made landfall as a Category 4 hurricane in Cudjoe Key on September 10, 2017, bringing severe storms, damaging winds, flooding, and extensive power outages to many Florida counties. Hurricane Michael made landfall as a Category 5 hurricane near Mexico Beach on October 10, 2018, causing catastrophic damage from wind and storm surge in parts of the Florida Panhandle.

<sup>6</sup> D-SNAP provides food assistance to households affected by major natural disasters. A D-SNAP operation is administered by the United State Department of Agriculture, Food and Nutrition Service, and can only begin when the President of the United States gives a major disaster declaration. D-SNAP recipients receive aid in the form of funds issued on Electronic Benefits Transfer cards.

Logs were appropriately completed. Our examination disclosed that information fields were incomplete for 14 of the Tracking Logs. For example, the Tracking Log information did not always evidence:

- Whether D-SNAP benefits were reduced or denied as a result of the Program Integrity Specialist's review.
- When benefits were reduced or denied, the amount of D-SNAP benefits an applicant was initially eligible for and the amount of the reduction or denial.
- Whether the application required future follow-up by Program Integrity Specialists.

In response to our audit inquiry, Office management indicated that, while the Department wanted Program Integrity Specialists to fully complete the Tracking Logs, completion was a best practice and management understood during a major disaster that Tracking Logs were not always going to be appropriately completed.

Notwithstanding management's response, absent proper completion of the Tracking Log, the Office may not have the information necessary to appropriately analyze the effectiveness of D-SNAP benefits investigations or conduct follow-up investigations on applications, as warranted.

**Recommendation: We recommend that Department management emphasize for future D-SNAP events the importance of completing all relevant Tracking Log fields for each interview performed by Program Integrity Specialists.**

#### **Finding 5: Write-Off of Public Assistance Overpayments**

State law<sup>7</sup> requires the Department to take all necessary steps to recover, from any person or provider receiving public assistance to which they are not entitled, any overpayment of public assistance. State law<sup>8</sup> also requires State agencies to submit a report to the President of the Senate, the Speaker of the House of Representatives, and the Chief Financial Officer by October 1 each year that details all accounts referred for collection, accounts not referred for collection, and accounts written off, including the total amount for each account or claim. Department policies and procedures<sup>9</sup> provided that claims were to be written off if they met specific criteria, such as claims involving eligible recipient bankruptcies.

In our report No. 2016-046 (Finding 9), we noted that Department procedures for identifying and appropriately and timely writing off eligible public assistance claims needed enhancement. As part of our follow-up audit procedures, we examined claims identified for write-off and evaluated whether Office write-off actions for those claims were timely and in accordance with established policies and procedures. Our audit procedures disclosed that the Office did not identify claims subject to write off due to recipient bankruptcy until February 2018. At that time, the Office identified 1,675 claims, with balances totaling approximately \$2.35 million, involving bankruptcy; however, as of January 2019, the Office had not taken action to determine which of the identified claims should be written off. In response to our audit inquiry, Office management indicated that Hurricanes Irma and Michael impacted the Office's normal operations, including the BR unit's availability to complete the claims write-off process.

<sup>7</sup> Section 414.41(1), Florida Statutes.

<sup>8</sup> Section 17.20(4), Florida Statutes.

<sup>9</sup> Department Operating Procedure CFOP 165-18, *Benefit Recovery Accounting*.

The timely identification and write-off of bankruptcy related claims would provide greater assurance that Department records accurately reflect all overpayments of public assistance owed by a person and statutorily required collection reports appropriately reflect the details of all accounts referred for collection, accounts not referred for collection, and accounts written off.

**Recommendation: We recommend that Department management take appropriate actions to timely identify and write off claims as specified by Department policies and procedures.**

#### SELECTED ADMINISTRATIVE ACTIVITIES

As part of our audit, we also evaluated selected Department administrative activities and controls, including those related to cellular telephones and motor vehicles.

#### **Finding 6: Cellular Telephone Usage**

Department of Financial Services (DFS) guidelines<sup>10</sup> specify that cellular telephones should only be used for conducting official State business when a conventional telephone is not readily available. DFS guidelines further specify that State agencies are to establish internal controls over the use of State-owned or leased cellular telephones to ensure that payments relating to the cellular telephones serve a specific authorized public purpose and billing options are reviewed to determine that the most economical option is selected considering the specific usage requirements of the cellular telephone user.

As part of our audit, we evaluated the adequacy of Department controls, including policies and procedures, over cellular telephone usage, and evaluated cellular telephone usage during the period July 2017 through January 2019 to determine whether Department cellular telephone usage plans were cost effective and appropriate. We noted that:

- Department policies and procedures did not address the termination of services for unused cellular telephones and our examination of the 19 billing and usage reports related to one of the Department's cellular service carriers for the period July 2017 through January 2019 found that, on average, the Department incurred charges for 40 unused lines each billing period. For example, in August 2018, the Department was billed approximately \$1,100 for 39 lines with no usage during the monthly billing period. In response to our audit inquiry, Department management indicated that only the individual program office was authorized to terminate an inactive line or change a line to a pay-per-use plan to avoid charges. If the program office elected to keep a line in service (e.g., after an employee separated from Department employment because the program office expected to fill the position), the line could only be suspended for a 90-day period before the Department was charged for the line again.
- Department policies and procedures did not discourage the personal use of text messaging and the Department utilized plans that charged for text messaging, although options were available that would not result in charges for text messaging. While the Department was eligible for a plan that allowed for 200 free messages a month, as well as an unlimited text messaging plan, neither plan had been adopted, and our examination of billing statements for the period July 2017 through January 2019 for one carrier found that the Department incurred \$1,055 in text messaging usage charges. According to Department management, they were unaware that the Department was eligible for unlimited text messaging at no additional charge.

<sup>10</sup> DFS *Reference Guide for State Expenditures*.

The selection of appropriate cellular telephone usage plans and appropriate utilization of Department cellular telephones helps to ensure that Department funds are used in the most economical and cost-effective manner. Policies and procedures restricting the personal use of text messaging help promote the use of Department resources solely for Department business.

**Recommendation: We recommend that Department management enhance policies and procedures to provide for the timely termination of unused cellular telephone lines and to discourage personal use of text messaging. We also recommend that Department management review Department cellular service contracts and billing statements to ensure that the most cost-effective usage plans have been selected.**

### **Finding 7: Motor Vehicle Records**

Effective controls for the management of tangible personal property<sup>11</sup> require that property items be adequately controlled, safeguarded, and accounted for by Department management. DFS rules<sup>12</sup> require that, for each property item, State agency property records include the item's acquisition cost, method of acquisition, and condition. DFS rules and Department policies and procedures<sup>13</sup> specify that donated property items are to be valued at fair market value at the date of acquisition and, regardless of acquisition method, the cost or value of a property item is to include the ancillary charges necessary to place the asset into its intended location and condition for use.

Our examination of Department records for the 44 motor vehicles donated to the Department during the period July 2017 through January 2019 disclosed that the Department did not always record the donated motor vehicles at fair market value or at the appropriate condition. Specifically, the Department recorded \$1 as the acquisition cost for 33 of the motor vehicles and \$2 for 3 other motor vehicles and recorded the condition for the 44 donated vehicles as "new." In response to our audit inquiry, Department management indicated that the Department's practice was to record all donated vehicles at a \$1 acquisition cost because the vehicles were not warrantied and additional costs were usually incurred to place them into service.

Absent effective tangible personal property controls, Department management has reduced assurances regarding the accuracy of the information needed to correctly report and maintain proper accountability over Department property and cannot demonstrate compliance with applicable DFS rules and Department policies and procedures.

**Recommendation: We recommend that Department management ensure that donated property items are recorded at fair market value and the appropriate condition in accordance with DFS rules and Department policies and procedures.**

<sup>11</sup> Tangible personal property is defined in applicable laws and rules as State-owned equipment, fixtures, and other tangible personal property of a nonconsumable or nonexpendable nature, the value or cost of which is \$1,000 or more and the projected useful life is 1 year or more.

<sup>12</sup> DFS Rule 69I-72.003, Florida Administrative Code.

<sup>13</sup> Department Policy and Procedure CFOP 80-2, *Property Management*.

## ***PRIOR AUDIT FOLLOW-UP***

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Except as discussed in the preceding paragraphs, the Department had taken corrective actions for the findings included in our report No. 2016-046.

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

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The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2019 through July 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit of the Department of Children and Families (Department) focused on the Office of Public Benefits Integrity (Office) and selected administrative activities. The overall objectives of the audit were:

- To evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- To examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- To determine whether management had corrected, or was in the process of correcting, all deficiencies disclosed in our report No. 2016-046.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable governing laws, rules, or contracts, and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in

considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Department policies and procedures, and other guidelines, and interviewed Department personnel to obtain an understanding of Office operations.
- Obtained an understanding of selected Department information technology (IT) controls, assessed the risks related to those controls, evaluated whether selected general and application IT controls for the Automated Community Connection to Economic Self-Sufficiency (ACCESS) Integrity Online System (AIO) were in place, and tested the effectiveness of the controls.
- Obtained an understanding of Office internal controls and evaluated the effectiveness of key Office processes, policies, and procedures.
- From the population of 91 group training classes and 79 individual training classes conducted by the Office during the period July 2017 through January 2019, examined Office records for 5 selected group training classes and 5 selected individual training classes to determine whether the training related to the detection and investigation of fraud.
- Analyzed AIO data related to the 20,918 investigations initiated by the Office during the period July 2017 through January 2019 to determine whether the Office processed referrals for investigation in a timely manner and whether AIO data appeared accurate and complete.
- Analyzed AIO and Integrated Benefit Recovery System (IBRS) data for the 41,977 referrals the Office sent to the Department of Financial Services, Division of Public Assistance Fraud (DPAF), during the period July 2017 through January 2019 to determine whether the Office made referrals within 30 days of identifying potential fraud.
- From the population of 6,803 referrals recorded in the AIO and made by the Office, Benefit Investigations unit, to DPAF during the period July 2017 through January 2019, examined records for 40 selected referrals to determine whether the referral information was recorded in the AIO, agreed with supporting documentation, and was properly recorded in the Florida Online Recipient Integrated Data Access (FLORIDA) System.
- From the population of 48 counties where the Department issued Disaster Supplemental Nutrition Assistance Program (D-SNAP) benefits during the period July 2017 through January 2019, selected 7 counties and examined 30 selected Program Integrity Tracking Logs completed by 7 Program Integrity Specialists and related AIO and FLORIDA System data to determine whether the Logs were complete and the Office followed up on any cases marked for follow-up.
- From the population of 35,039 referrals and 500 Hurricane Irma D-SNAP referrals made by the Benefit Recovery unit to DPAF during the period July 2017 through January 2019, examined

referral documentation for 30 selected referrals and 10 selected D-SNAP referrals to determine whether the suspected fraud was properly documented and the amount of the suspected overpayment exceeded the minimum overpayment amount necessary for referral.

- Analyzed IBRS data related to the 27,443 claims established by the Benefit Recovery unit during the period July 2017 through January 2019 to determine whether the claims were timely established upon discovery of the overpayment.
- From the population of 19,710 claims written off by the Department during the period July 2017 through January 2019, examined Department records for 40 selected write-offs to determine whether the write-offs were done in accordance with Department policies and procedures and were properly approved.
- Observed, documented, and evaluated the effectiveness of selected Department processes and procedures for:
  - The assignment and use of motor vehicles. As of January 31, 2019, the Department was responsible for 453 motor vehicles with related acquisition costs totaling \$5,253,050.
  - The assignment and use of mobile devices with related costs totaling \$2,622,706 during the 2017-18 fiscal year.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

## **AUTHORITY**

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Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE

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State of Florida  
Department of Children and Families

Ron DeSantis  
Governor

Chad Poppell  
Secretary

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December 30, 2019

Sherrill F. Norman, CPA  
State of Florida Auditor General  
Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

Thank you for the opportunity to respond to your November 19 list of preliminary and tentative audit findings and recommendations on the *Operational Audit of the Office of Public Benefits Integrity (OPBI) and Selected Administrative Activities*.

Pursuant to Section 11.45(4)(d), Florida Statutes, the Department of Children and Families is submitting this written statement of explanation concerning all findings and actual or proposed corrective actions.

**Finding 1:** The department established the Automated Community Connection to Economic Self-Sufficiency (ACCESS) Integrity Online System (AIO) to store and track the information needed to aid in fraud prevention. However, as similarly noted in our report No. 2016-046, AIO application controls were not sufficient to ensure the completeness, accuracy, and validity of AIO data, nor could the department demonstrate whether user access privileges to the AIO were timely deactivated upon an employee's separation from department employment.

**Recommendation:** We again recommend that department management enhance data input controls to ensure the completeness, accuracy, and validity of AIO data, including rejected referral information. We also recommend that department management enhance AIO data error reporting to incorporate the errors noted on audit and ensure that the timely deactivation of AIO access privileges upon an employee's separation from department employment is appropriately documented.

**OPBI Response:** The department acknowledges the limitations of the AIO system and agrees that the system needs replacing to ensure data input controls are seamlessly incorporated into our processes. In response to this need, we have submitted a Legislative Budget Request to gain funding for a full system replacement. In the interim, we will continue to take additional measures to ensure better control and monitoring of

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the AIO by adding additional requirements to our monthly monitoring of the AIO, which will ensure any errors found are corrected.

Additionally, to better ensure the security of data, we have added an additional level of control of granting and terminating access for OPBI staff to the AIO. A monthly monitoring of OPBI users will be conducted by AIO system administrators to ensure the user list is current. In addition, we have added a tracking component of all OPBI AIO users to track granted and terminated user access.

**Finding 2:** Certain security controls related to the logging and monitoring of AIO activity continue to need improvement to ensure the confidentiality, integrity, and availability of department data and related information technology resources.

**Recommendation:** We again recommend that department management establish appropriate AIO security controls related to logging and monitoring to ensure the confidentiality, integrity, and availability of department data and related IT resources.

**OPBI Response:** The department acknowledges the limitations of the AIO system and agrees that the system needs replacing to ensure data input controls are seamlessly incorporated into our processes. In response to this need, we have submitted a Legislative Budget Request to gain funding for a full system replacement. In the interim, we will take additional measures to ensure better controls related to logging and monitoring of the AIO system by tracking AIO access on a spreadsheet and monitoring the user roster monthly.

**Finding 3:** The Office did not always timely complete investigations of referrals received regarding suspected public assistance fraud, or document the causes for delays, as required by Office policies and procedures. A similar finding was noted in our report No. 2016-046.

**Recommendation:** We again recommend that Office management ensure that BI unit referral investigations are timely completed and that, if delays occur, investigators document the reasons for the delays in the FLORIDA System case notes.

**OPBI Response:** OPBI drafted and disseminated correspondence to all OPBI investigative staff in November 2019 to reinforce this practice and will continue discussing this practice during upcoming conference calls. Additionally, in January 2020, a training tool will be developed for OPBI investigators to ensure the reasons for the delays are documented in the FLORIDA System. Additionally, beginning in January 2020, the statewide monitoring process will include a review of FLORIDA system notations to determine if a case is beyond the 10-working day requirement to ensure the delay is documented.

**Finding 4:** The department did not always properly complete tracking logs of investigation interviews performed at Disaster Supplemental Nutrition Assistance Program (D-SNAP) events for Hurricanes Irma and Michael.

**Recommendation:** We recommend that department management emphasize for future D-SNAP events the importance of completing all relevant Tracking Log fields for each interview performed by Program Integrity Specialists.

**OPBI Response:** The department will update the 2020-2021 D-SNAP plan to reflect the use of the D-SNAP Tracking log. The D-SNAP Tracking log will also be reviewed and updated to ensure that only the required fields are captured. Additionally, training will be held prior to any future D-SNAP event to ensure employees are informed of how to complete the log during a D-SNAP event.

**Finding 5:** Department procedures for timely identifying and writing off eligible public assistance claims continue to need enhancement.

**Recommendation:** We recommend that department management take appropriate actions to timely identify and write off claims as specified by department policies and procedures.

**OPBI Response:** From February 2018 until November 2019, OPBI created and completed a request for approval to write-off claims due to bankruptcy. The request is currently pending with the Florida Department of Financial Services for approval. Additionally, OPBI will conduct quarterly reviews of claims subject to write-off to ensure all claim types are written off.

**Finding 6:** Department controls over cellular telephones need enhancement to ensure that unused lines are appropriately terminated, the personal use of text messaging is discouraged, and the most economical usage plans are utilized.

**Recommendation:** We recommend that department management enhance policies and procedures to provide for the timely termination of unused cellular telephone lines and to discourage personal use of text messaging. We also recommend that department management review department cellular service contracts and billing statements to ensure that the most cost-effective usage plans have been selected.

**General Services Response:** Purchasing will now maintain a log of all suspended phone lines. Once a line has completed a single unbilled suspension period and if the line is still not being utilized, it will be cancelled. Later, the program offices can request a new line of service if there is a need for one. Outreach to program offices to evaluate the need for both currently suspended lines and active lines with low or no usage has already begun and is ongoing.

Moving forward, all new cellular device users will be provided with a copy of Children and Families Operating Procedure (CFOP) 70-6 outlining that personal use of a state cell phone is discouraged. Additionally, verbiage has been added to the bottom of the Cellphone Activation Form for each user to sign and date that they received a copy of the CFOP 70-6 and are aware that their state issued cell phone shall not be used for

personal use and they may be financially responsible if it is used for anything other than official state business.

In addition to reviewing call details for increasing usage plans, Purchasing will also begin reviewing call details for decreasing plans. In order to correct this issue immediately, Purchasing will review call details for users that are currently on the Verizon "Unlimited Everything" plan over a 3-month period. If the call minutes average less than 289 minutes a month, Purchasing will make a recommendation to reduce the plan down to the \$35.99 a month plan (Note that the Unlimited Everything plan is \$51 a month). Going forward, we will review the call details monthly and make any necessary recommendations on plan changes. Outreach to Program Offices to recommend downgrading plans has already begun and is ongoing.

**Finding 7:** The department did not always accurately record the value or condition of donated motor vehicles.

**Recommendation:** We recommend that department management ensure that donated property items are recorded at fair market value and the appropriate condition in accordance with DFS rules and department policies and procedures.

**General Services Response:** The Office of General Services has reviewed records for the 44 motor vehicles in question and has updated the acquisition cost for those vehicles to fair market value. The acquisition costs for those vehicles were obtained by using Kelly Blue Book values. In order to avoid future findings concerning this matter, CFOP 40-2 (Vehicle Management) has been updated to include the language under DFS Rule 69I-72.003, Florida Administrative Code. The updated operating procedure is anticipated to be published by February 28, 2020.

If you have any questions or need additional information, please contact our office.

Sincerely,



Chad Poppell  
Secretary