



EXECUTIVE OFFICE OF THE GOVERNOR OFFICE OF THE CHIEF INSPECTOR GENERAL ANNUAL REPORT 1997-1998

Introduction

IG Responsibilities

The Inspector General Act has a broad range of responsibilities for the Chief Inspector General. In addition to being Inspector General for the Executive Office of the Governor, we also have additional responsibilities dealing with all the agencies which come under the direct supervision of the Governor. These responsibilities include: providing leadership on preventing and detecting fraud and abuse; investigating and auditing; coordinating Whistle-blower's Hotline activities; monitoring Inspectors General activities; and conducting special investigations and management reviews at the request of the Governor.

The statute also calls for the Chief Inspector General to act as liaison with outside agencies to promote accountability, integrity, and efficiency in state government. To this end, in addition to normal work under the IG Act, we have helped to create a Florida Audit Forum to increase communications and exchange ideas among all auditors who work for the state and the local governmental entities in Florida. The first meeting was held August 20, 1997. It has now started the process of filing for non-profit corporate status and is developing by-laws for its operations.



Membership

GOVERNOR'S COUNCIL ON INTEGRITY & EFFICIENCY

The Governor's Council on Integrity & Efficiency (GCIE) was created by Executive Order 95-267, chaired by the Chief Inspector General, consists of all the Governor's agencies' IGs, the Deputy Director of the Office of Planning and Budgeting, and on a voluntary basis, IGs from all other state agencies, the Cabinet, and the Auditor General.

Objective

The purpose of the GCIE is: (1) to identify, review and discuss areas of government-wide weakness, accountability, performance, and vulnerability to fraud, waste and abuse; and (2) to develop plans for coordinated government-wide activities that attack fraud and waste and promote economy and efficiency in government programs and operations.

Meetings

Meetings of the GCIE are held each month and are attended by a majority of the agency IGs, including those from the Governor and Cabinet agencies, the Florida Supreme Court, the universities and



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Appointment of IGs

Board of Regents, the water management districts, and several independent agencies, as well as the Auditor General. Programs cover subjects of concern to inspector general offices and general information helpful to the performance of their duties.

The IG Act requires that the Governor be involved with the appointment and removal of IGs in the Governor's agencies and that the Governor be notified in writing at least seven days prior to an offer of employment and at least seven days prior to the removal of an IG.

This year we worked to implement effectively the Governor's May 30, 1995 memorandum to all Governor agency heads dealing with the "Selection Process for Agency Inspectors General" under the Governor. This process calls for the Chief IG's Office to be involved with the agency head in screening and interviewing the applicants for an agency's IG position with the final nominee being approved and/or interviewed by the Governor, if necessary, prior to final selection.

During this period, this process was used to select one IG. The Governor personally interviewed and approved the agency recommended IG.

AUDIT DIRECTORS ROUNDTABLE

The Audit Directors Roundtable was established as a sub-unit of the GCIE. This group is comprised of audit directors of the agencies that participate in the GCIE. The roundtable was established as a forum for the exchange of ideas among the audit directors, to promote a more unified approach within state government and to encourage discussion of issues confronting audit management and staff.

INVESTIGATORS ROUNDTABLE

The Investigators Roundtable was established as a sub-unit of the GCIE. The roundtable is comprised of directors of investigation of the agencies that participate in the GCIE. The roundtable was established as a forum for both sworn and non-sworn investigators for the exchange of ideas, procedures, new rules and changing laws.



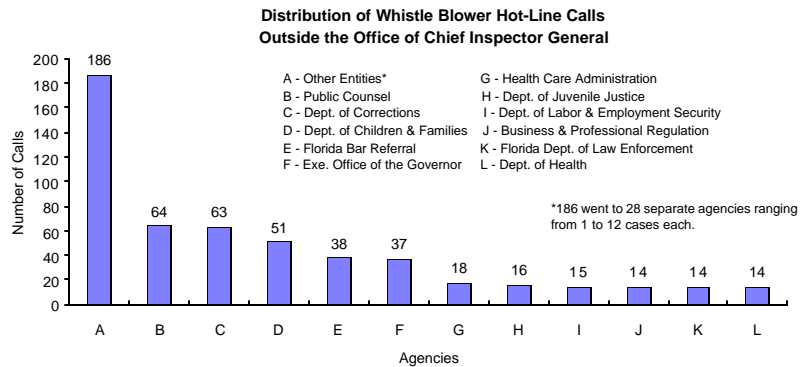
WHISTLE-BLOWER'S HOTLINE



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Other Significant IG Responsibilities

During this year, we received 736 calls on the hotline. Of the 736 calls, we were able to provide assistance or resolve 225 calls. The remaining 511 calls were referred to 39 different agencies/entities for handling. In addition, 481 written complaints were handled. The chart below depicts the distribution of calls.



The investigations that are completed during the year will be reported in the report of the agency Inspector General which performed the investigation.

PERFORMANCE MEASURES

The Office of Tourism, Trade, and Economic Development (OTTED) is the only program in the Executive Office of the Governor which develops and reports performance measures. We had early discussions with OTTED on the development of performance measures. During an ongoing audit at June 30, 1998, of OTTED's monitoring of its partner Enterprise Florida, we reviewed certain aspects of the performance measures that were applicable.

LOCAL GOVERNMENT FINANCIAL EMERGENCIES

When an Emergency

A local governmental entity is in a state of financial emergency when any of the following conditions set forth in Section 218.503, F. S.,



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Exists

occurs:

- (a) *Failure within the same fiscal year in which due to pay short-term loans from banks or failure to make bond debt service payments when due.*
- (b) *Failure to transfer at the appropriate time, due to lack of funds:*
 - 1. *Taxes withheld on the income of employees; or*
 - 2. *Employer and employee contributions for:*
 - a. *Federal social security; or*
 - b. *Any pension, retirement, or benefit plan of an employee.*
- (c) *Failure for one pay period to pay, due to lack of funds:*
 - 1. *Wages and salaries owed to employees; or*
 - 2. *Retirement benefits owed to former employees.*
- (d) *An unreserved or total fund balance or retained earnings deficit for which sufficient resources of the local governmental entity are not available to cover the deficit for 2 successive years.*
- (e) *Noncompliance of the local government retirement system with actuarial conditions provided by law.*

The statute calls for the Governor to be notified when one or more such conditions exist and gives the Governor authority to implement such measures as:

Governor's Authority

- (a) *Requiring approval of the local governmental entity's budget by the Governor.*
- (b) *Authorizing a state loan to the local governmental entity and providing for repayment of same.*
- (c) *Prohibiting a local governmental entity from issuing bonds, notes, certificates of indebtedness or any other form of debt until such time as it is no longer subject to this section.*



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- (d) Making such inspections and reviews of records, information, reports, and assets of the local governmental entity, in which inspections and reviews the appropriate local officials shall cooperate.*
- (e) Consulting with the officials of the local governmental entity and the appropriate state agency regarding any steps necessary to bring the books of account, accounting systems, financial procedures, and reports into compliance with state requirements.*
- (f) Providing technical assistance to the local governmental entity.*
- (g)1. Establishing a financial emergencies board to oversee the activities of the local governmental entity.*

New Requirements

During the 1997 legislative session, Chapter 97-255 was passed which amended Section 11.45, F.S. The new law, effective October 1, 1997, requires that "The Auditor shall notify each member of the governing body of a local governmental entity for which deteriorating financial conditions exist which may cause a condition described in Section 218.503(1), F.S., to occur if actions are not taken to address such conditions." This new requirement will put governing bodies on notice that if something is not done, they could be entering a state of financial emergency.

IG Involvement

The Chief Inspector General works closely on these issues with the Deputy Director, Office of Planning and Budgeting, and the Staff Director, Joint Legislative Auditing Committee. We obtain audit reports and other financial information and provide advice and assistance to local governments to help overcome their financial problems. During this period, we participated in a number of meetings with representatives of local governmental entities who were in a state of financial emergency. As of June 30, 1998, there are 18 local governmental entities that we are monitoring under the requirements of Section 218.503, F.S., out of the approximately 1000 local governmental entities in Florida. (*Appendix 2*)

ONE PERSON INSPECTOR GENERAL OFFICES

In our 1996-1997 Annual Report, we brought to your attention the futility of having a one person Office of Inspector General or, even



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worse, no Inspector General at all. Upon your instruction, some progress was made. However, this was not the case in all agencies.

The IG Act has a list of requirements that each Inspector General is supposed to perform, including advising management on a number of issues and performing audits, investigations, and management reviews. It further requires the IG to review and evaluate internal controls necessary to ensure the fiscal accountability of the state agency and to conduct financial, compliance, electronic data processing, and performance audits of the agency. The act also requires that an appropriate balance be maintained between audit, investigation, and other accountability activities. All audits performed must be performed in accordance with applicable audit standards. The IG must follow up on the findings of Auditor General reports and shall develop annual and long term audit plans based on periodic risk assessments.

We believe that in staffing any office which has a specific statutory mandate of required duties, a critical mass is necessary to perform effectively. Otherwise, unrealistic expectations are developed which cannot be fulfilled. Also, a false sense of security may develop just by having an IG position in an agency. We believe that having less than three people in an office is tantamount to not having an office at all. That would be one person to do audit work, one for investigative work, and one for administrative activities.

An alternative might be to provide the IG with sufficient resources so that the IG can retain the skills from outside sources to get audit and investigative work done to provide adequate oversight of the agency's activities and programs and a balanced program of audit and investigative activities.

An equal or greater concern is those stand alone or independent agencies which have no statutory Inspector General. As the legislature looks at making the state government more accountable, it should give consideration to putting inspectors general in independent agencies that have significant resources for which the agency head is accountable but does not have an inspector general.

**RISK ASSESSMENT/AUDIT PLAN
FISCAL YEARS 1998-2000**



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The risk assessment was updated for significant changes since the last assessment, so that plans can be prepared for the next two fiscal years. The risk assessment is to identify and catalog all auditable activities, to apply certain risk factors, and to assign priorities for audit, based upon relative risk identified.

An assessment was performed and ranked based on interviews with management, we identified 10 areas warranting audit attention over the next couple of years. (Appendix 3 and 4)

REPORTS COMPLETED

Mel and Pamela McGinnis/ Department of Environmental Protection - Report number A9700002, issued October 30, 1997

Case Synopsis

The case was initiated by a complaint received by the Governor's Chief of Staff and Deputy Chief of Staff on April 15, 1997. Pam and Mel McGinnis complained of harassment and unfair treatment they felt they received from the Department of Environmental Protection (DEP) concerning a permit to build.

The McGinnises purchased property on Terra Ceia Island in Manatee County at a U.S. Federal Marshall's sale in Tampa. The U.S. Marshall's office assured the McGinnises that the property was suitable to build on. DEP denied the McGinnises' attempts to get the proper permits to build a house, swimming pool, boat basin, and dock on property that was generally covered with mangroves. The McGinnises filed a request for relief under the Florida Land Use and Environmental Dispute Resolution Act. Almost ten months after initiation of the proceedings, DEP rejected the Special Master recommendations and the McGinnises were back where they started. After the denial of permits for the Terra Ceia property, the McGinnises bought a second property in Parrish, Florida. They began putting in fill dirt, believing that they had all the permits needed. That prompted a complaint to the Manatee County Environmental Offices, and an initial investigation by Southwest Florida Water Management District, who requested assistance from DEP. DEP requested an armed escort during their inspection which prompted additional aggravation of the McGinnises. This contributed to the McGinnises' belief that DEP was harassing and attempting to intimidate and retaliate. The allegations include:



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**Investigative Findings
and Conclusions**

include:

1. They complained that DEP subjected them to a meaningless and bureaucratic process.
2. They complained that because they challenged DEP, DEP officials began a program of harassment. They asserted that DEP attempted to intimidate them by trumping up criminal charges.

We concluded that there were misunderstandings as to the procedures which led to disagreements between DEP, the Special Master and the McGinnises which adversely impacted the application of the Florida Land Use Environmental Dispute Resolution Act.

1. Adequate training on the statute and development of rules and guidelines could have prevented most difficulties. Had DEP better understood the process, the McGinnises may not have perceived DEP as being arrogant and bureaucratic.
2. DEP may have over-reacted to the McGinnises' activities on the second piece of property that they were attempting to build on.
3. The McGinnises have not had a satisfactory experience with DEP.

Our observations about the operation of the Conflict Resolution Act are:

1. The act does not provide a trial or result in a decision. It is only a procedure for negotiation, but the parties expect more.
2. The procedure is quasi-mediation, but differs in important respects from true mediation.
3. Either party can accept or reject the Special Master's recommendation.
4. The act is a maze of deadlines. It is difficult to meet all of them, and there appears to be no penalty for failing to comply with the deadlines.



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Based on the findings, we issued the following recommendations:

1. The Department of Environmental Protection, in cooperation with the Florida Conflict Resolution Consortium, train its personnel in both the headquarters and district offices concerning the purposes and operation of Section 70.51, F.S.
2. The Department of Environmental Protection, in cooperation with the Florida Conflict Resolution Consortium, develop and make available to the public, information material covering the purposes and operation of Section 70.51, F.S.

**Administrative
Recommendations**

Florida Entertainment Industry Council, Inc. - Management Review,
Report Number M9800045, issued February 24, 1998

Case Synopsis

The Office of the Chief Inspector General conducted a management review of the Florida Entertainment Industry Council, Inc. (FEIC) at the request of the Office of Trade, Tourism, and Economic Development (OTTED). OTTED was concerned about FEIC's ability to comply with its contract upon the Executive Director's resignation and staff termination.

Scope of Review

The review was limited to accounts payable, accounts receivable, and general business practices for the period October 1996 - February 1, 1998. Our field work was conducted February 2 - 4, 1998. We reviewed all current accounts payable provided by the FEIC. We confirmed a portion of the accounts payable to assure ourselves that the accounts payable provided were reasonable, accurate, and complete. Sans pending invoices, we concluded the accounts payable were reported fairly.

We also reviewed the accounts receivable information provided. This information could not be verified. The accounts receivable list did not qualify as such, but was merely a list of past and future hopeful contributors. We examined the advertising accounts receivable and could not determine a reasonable balance, due to inaccurate, unreliable, and incomplete documentation concerning advertising transactions.

We also reviewed the FEIC's general business practices in light of



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the Executive Director's resignation effective March 31, 1998. The FEIC did not appear to follow prudent business practices.

OTTED substantially concurred with all findings.

Conclusion

Considering the findings and contributing factors, the FEIC's ability to continue contract performance and to properly represent and market Florida's entertainment industry is unclear. FEIC's ability to survive rests solely on its ability to obtain industry contributions in the near future.

Post-Secondary Employment Restrictions - Florida Prepaid College Program, Report Number A9700007, issued on April 6, 1998

Case Synopsis

On November 17, 1997, concerns were raised whether William Montjoy had abided by post employment restrictions per Florida Statutes Section 112.3185(3) and (4) after his employment as the Executive Director of the Florida Prepaid Postsecondary Education Expense Board. The Prepaid College Board is a corporate body assigned to and administratively housed within the State Board of Administration (SBA). Also, services are provided by ten private companies to the PrePaid College Program for it to function effectively and efficiently.

On March 21, 1988, William W. Montjoy became the first Executive Director of the Prepaid College Board and maintained this position until December 27, 1996. He then accepted a position as Chief Government Relations Officer with InTuition, Inc., an entity formerly known as BTI Services, Inc. During his tenure as Executive Director, Montjoy was part of an evaluation committee that awarded a contract to North American Financial Services Ltd. (NAFS) for records administration. Subsequently, NAFS reorganized under Chapter 11 of the Bankruptcy Code and entered into an agreement with BTI Services, Inc. Both entities were later merged under InTuition, Inc.

Findings and Conclusion

On December 27, 1996, Montjoy accepted a position as Chief Government Relations Officer with InTuition, Inc. Montjoy's employment with InTuition, Inc. does not appear to have any responsibilities associated with the contract between Florida Prepaid College Program and InTuition, Inc. Based on the information gathered and the Florida Commission on Ethics advisory opinions on similar situations; we believe that the provisions of Section 112.185(3) and (4) do not prohibit William Monjoy's current



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employment with InTuition, Inc. In addition, we found no evidence to suggest that William Montjoy corruptly used or attempted to use his official position to secure a special privilege or benefit for himself or another.

Post-Employment Restrictions - State Board of Administration,
Report Number A9700078, issued on April 6, 1998

Case Synopsis

On November 26, 1997, concerns were raised whether Ashbel "Ash" Williams had abided by post employment restrictions per Florida Statutes Section 112.3185(3) and (4). Williams was the Executive Director of the State Board of Administration (SBA) until he accepted employment with Schroder Capital Management International, Inc. (SCMI) on June 3, 1996. During his tenure as Executive Director, an agreement was executed by and among the SBA and IBJ Schroder Bank & Trust Company, as trustee, and Schroder Capital Management International, Inc., as adviser. This agreement appointed SCMI as the "Investment Manager" with respect to funds of the Florida Retirement System Trust Fund to be invested by the SBA. The amount of the initial commitment was \$20 million dollars. The agreement was executed on June 23, 1995. SCMI currently manages approximately \$51 million of the SBA's investments.

**Findings and
Conclusion**

A consulting firm and the equity staff of the SBA were the parties primarily involved in the awarding of the contract to SCMI. Ash Williams did sign the agreement between the SBA and SCMI and, as Executive Director, this contract was within his responsibility. Williams' initial postemployment was with SCMI. However, he was immediately assigned to SCM and within one month became president of SCM. Williams appears to have had no responsibilities associated with the contract between SCMI and the SBA while employed by either SCMI or SCM. Based on this information and the Florida Commission on Ethics' advisory opinions on similar situations, we believe that the provisions of Section 112.3185(3) and (4) do not prohibit Ash Williams' current employment with SCM. In addition, we found no evidence to suggest that Ash Williams corruptly used or attempted to use his official position to secure a special privilege or benefit for himself or another.

Alleged Solicitation and Receipt of Gifts - Marine Fisheries
Commission Staff, Report Number A9700008, issued April 6, 1998

On November 26, 1997, the Governor's Cabinet Aide provided the



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Case Synopsis

Office of the Chief Inspector General with information suggesting that a Marine Fisheries Commission staff member had solicited and received gifts. It is possible that the incident could be in violation of Florida Statutes Sections 112.313(2), (4); 112.3148(4) and 112.3145. The inquiry was directed at ascertaining the facts related to the September 2, 1997 reception at the Burnt Store Marina where allegedly a Marine Fisheries staff member received the gift.

In an interview with John Sanchez, he stated that the reason he gave the gifts to the two men was because he believes that because the two staff members were being honored for ten years of service, he did not want to show up empty-handed. Therefore, he brought two token gifts that he knew they would personally enjoy.

Findings and Conclusion

The allegation that Dr. Nelson solicited gifts or made improper comments about gifts was not substantiated. The gifts involved do not appear to be illegal or improper. Additionally, because the gifts were under \$100, the receipt of the gifts does not violate Section 112.3148(4), Florida Statutes. Further, John Sanchez gave the gifts openly at the reception, which would tend to challenge any allegation that the gifts were intended to influence the staff members' actions.

Agency Management Team/Department of Health Management Review - Report Number M9800095, issued April 27, 1998.

Secretary's Request

The Chief Inspector General was asked by the Secretary, Department of Health, to perform a management review of his Agency Management Team (AMT). Eighteen individuals were interviewed to get their perceptions of how effective the AMT was carrying out its leadership and managerial responsibilities.

Accomplishments

Based on these interviews, we found that the ATM, led by the Secretary, has accomplished a great deal. A number of those interviewed assert that the Secretary was one of the few that could have gotten the department to its current status in such a short time.

Concerns

However, a number of issues and concerns were identified.

- The Secretary says he supports quality management, new ideas, and better ways of doing things, but his actions do not always support these contentions.



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- The Secretary is said to question the loyalty of those who disagree with him, and when conflict arises he is likely to force the issue or withdraw, leaving the conflict to fester.
- The Secretary has not held the AMT accountable for carrying out their responsibilities and consequently some of their problems have come to his desk for resolution.

For the above reasons:

Results

- The AMT has concerns about the leadership of the Secretary. There was concern that he is prone to outbursts of anger and does not treat associates fairly and with respect. His choice of language is sometimes harmful and intimidating.
- The AMT does not function as a team even though certain individuals sometimes work together on a particular project.
- The AMT does not have mutual respect for each other and sometimes the Secretary finds himself as referee among certain AMT members.

The Secretary has acknowledged many of the difficulties and on March 30, 1998, the day before requesting this review, a memo was issued to the AMT in which he pledged to eliminate "... emotional charged issue sessions." He further stated that he "...let strategic management and team building slip."

Secretary's Position

On April 17, 1998, a meeting was held with the Secretary to get input and convey the results of our interviews to date. He generally acknowledged the issues identified in our interviews and expressed a desire to change his own leadership behavior and to have the deputy secretaries be more accountable for the operations of their respective areas.

Fundraising for Out of State Elections, Report Number A9800077, issued on May 11, 1998.

Case Synopsis

A March 31, 1998 article in the Tampa Tribune referenced documents found in the files of Harold Lewis, former Chief Inspector General. Based on these documents, the reporter suggested that Lewis and Bragg Crane, Special Assistant to the Governor, may have illegally



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**Findings and
Conclusion**

employed state resources to raise funds for a partisan political activity. The document was a copy of a master letter that could be merged with a list of intended recipients to produce individual letters. The master letter thanks the intended recipient for a commitment to raise \$1000 for the Carnahan for Missouri Committee. According to the master letter, checks are to be made payable to the committee and sent to Bragg Crane at a post office box number in Tallahassee.

A second document discovered by the reporter was a letter from former U.S. Senator Alan J. Dixon to Mr. Barney Elias in Hot Springs, Arkansas. In this letter, Senator Dixon solicited \$400 for the Carnahan for Missouri Committee. According to the letter, Ted Prior was to send "...all of this along to Harold..." who would get the money to Governor Chiles who would, in turn, forward it to Governor Carnahan in Missouri.

Crane provided a file he identified as his complete and only file on the solicitation of contributions for Governor Carnahan. This file contained:

- Several drafts of the document identified by the reporter. One of these indicates that the draft had been faxed from the Executive Office of the Governor on September 14, 1995. The sender and recipient are unknown.
- Copies of 10 checks payable to the Carnahan for Missouri Committee.
- Notes from donors.
- A handwritten list of names and addresses.
- A list titled *Calls to make for Gov. Carnahan*. And,
- Copies of letters dated September 13, 1995 to six individuals.

An examination of all of Lewis' files that remain in the custody of the Inspector General's office located the following:

- A list of contributions given to candidates by the tobacco industry.



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- Two copies of a September 27, 1995, memo from P. Tim Howard to "Appropriate Governor's Staff" announcing a fund raiser for Mississippi Attorney General Mike Moore. According to this announcement, Florida's Attorney General's Office and the Florida Tobacco Litigation Team were assisting in the fund raiser.
- A copy of an October 9, 1995 memo to Dexter Douglass and Harold Lewis from P. Tim Howard discussing the fund raiser for Moore. The memo notes that "...Carlos McDonald has already spoken to Harold about Fred's contribution." It also discusses the goal of the fund raiser and identifies suggested donors to be contacted by Douglass.
- A biography of Mississippi Attorney General Mike Moore.

Documents referred to in the Tampa Tribune article were not located. However, both before and after the Tampa Tribune reporter searched the files, the Florida Department of Law Enforcement (FDLE) had reviewed the files and removed documents.

Lewis is the target in an active criminal investigation. His attorney advised that Lewis was not prepared to discuss these matters until the criminal investigation was behind him.

Crane raised funds for Carnahan. In doing so, he admits that he used state resources. While this is not an illegal act as the contributions were not for an election in this state, Crane's fund raising was against established policy and was a demonstration of poor judgment. His use of state resources – his time, the time of state personnel that assisted him, state computers and any use of state phones – is improper. The cost of using these resources should be recovered in addition to other appropriate discipline. If Lewis took part in fund raising for either Carnahan or Moore, it would not be an illegal act. However, if he used state resources – his time or phones – to do so, he was in violation of policy and the cost of these resources should be recovered. These issues cannot be pursued further until such time as the criminal investigation of Lewis is completed.

Investigation of Abuse of Authority - Department of Children and Families, Report Number A9800034, issued on May 15, 1998

On February 10, 1998, Inspector General Guiseppe A. Betta,



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Case Synopsis

Department of Children and Families (DCF), requested the Office of Chief Inspector General review a complaint concerning two of the department's regional inspectors. Betta asked for this assistance to avoid any question about objectivity. The complaint is from four DCF employees who advised on January 8, 1998 that two regional inspectors conducted interviews that were intimidating, demeaning, and unprofessional. Three interviewees provided typed statements and a co-worker wrote a letter of complaint to Governor Chiles.

On April 30, 1998, Regional Inspectors John B. Doyle and Richard F. Scholz were interviewed concerning the aforementioned allegations. Doyle was the lead inspector and recalled most of the details of the investigation. Scholz advised he could not recall specific details of the interviews as he was not the lead inspector.

Doyle and Scholz denied their method of interviewing witnesses at the DCF Wauchula Service Center was inflammatory or upsetting to those interviewed.

Three persons interviewed by Doyle and Scholz reaffirmed their typed statements. They proffered the interviews were conducted in an intimidating manner, were accusatory, demeaning, sarcastic and all were emotionally and physically upset at conclusion of the interviews. Two of the interviewees requested sick leave and went home. Their statements were corroborated by a supervisor and a coworker.

**Findings and
Conclusion**

- Doyle and Scholz's interviewing methods and mannerisms are outdated.
- Doyle and Scholz lack sensitivity and empathy for the persons interviewed.
- Doyle and Scholz need to develop an insight and awareness of human emotions and emotional reactions.
- They need to gain control of their personal opinions as it can affect their attitudes toward interviewees.

ESCAMBIA COUNTY DERIVATIVE AND FINANCIAL ISSUE

Since our last annual report, further developments in this case are



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that the Honorable Curtis Golden, State Attorney for the First Judicial Circuit of Florida, has obtained convictions or pleas for 4 individuals. One additional trial date has been set in late 1998. The case remains open and active.

COORDINATION WITH OUTSIDE ORGANIZATIONS

During the 1997-1998 fiscal year the Auditor General issued three reports which include activities under jurisdiction of the Executive Office of the Governor. These reports are:

- 13053** Operational Audit of the Executive Office of the Governor transmitted 9/24/97.
- 13178** Review of the Travel Records of the Governor's Office transmitted 3-25-98.
- 13256** Report on Audit of the Federal Awards Program of the State of Florida transmitted 5-29-98.



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Appendix 1

**STATISTICAL SUMMARY
FISCAL YEAR 1997-1998 ACTIVITIES**

	FY 97-98	FY 96-97	FY 95-96	FY 94-95
Whistle-blower Hotline Calls	736	879	763	671
Review and Process Auditor General and Inspector General Internal Audit Reports	402	373	361	347
Written Complaints Handled	481	350	253	180
Preliminary Investigations Completed	38	61	*	*
Active Investigations Tracked	42	47	47	17
Public Records Request	34	34	*	*
Local Government with Financial Emergencies Being Tracked at the End of Year	18	21	18	13
Coordination with Auditor General's Offices on Reports Covering Executive Office of the Governor Activities	3	3	3	5
Management Reviews Completed	2	0	2	3
Investigations Completed	7	4	4	0
Audits Completed	0	1	0	0

* Unknown - Not broken down in previous years.



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Appendix 2

**LOCAL GOVERNMENTAL ENTITIES
WITH FINANCIAL EMERGENCIES
BEING MONITORED AS OF JUNE 30, 1998**

LOCAL GOVERNMENTAL ENTITIES
1. Baker County Hospital Authority
2. Big Corkscrew Island Fire Control and Rescue District*
3. Bradford County
4. Dove Pointe Community Development District (Heritage Greens)
5. East Point Water & Sewer District
6. City of Gretna
7. Town of Horseshoe Beach
8. Lanark Village Water & Sewer District
9. Town of Lee
10. City of Miami
11. City of Midway
12. Town of Noma
13. Parkway Center Community Development District *
14. Reserve Community Development District
15. Riverwood Community Development District
16. Town of Welaka
17. City of West Miami
18. Town of Zolfo Springs *

* These entities were removed from financial emergency after June 30, 1998



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**RISK ASSESSMENT/AUDIT PLAN¹
FISCAL YEAR 1998-2000**

APPENDIX 3

Risk Rank Number	Audit Area	Audit Year FY 98 - 99	Audit Year FY 99 - 00
1	OTTED Contract Monitoring – EFI* Contract	In Progress	
2	OPB – Security System Design & Development	1 audit	
3	Administration – Tangible Personal Property	1 audit	
4	Florida First Capital Finance Corporation	1 audit	
5	Spaceport Florida	1 audit	
6	Wages Board		1 audit
7	EFI – International Trade & Economic Development		1 audit
8	EFI – Workforce Development		1 audit
9	FCT* & FTIMC*		1 audit
10	Florida Association of Volunteer Agencies for Caribbean Action		1 audit

*EFI – Enterprise Florida Incorporated
 FCT – Florida Commission on Tourism
 FTIMC – Florida Tourism Industry Marketing Corporation AKA Visit Florida

¹The Office of the Chief Inspector General conducted meetings with staff to assess the current and future audit risk within the Executive Office of the Governor in light of legislative and organizational changes. Based on the meetings the risk assessment has been revised to reflect current concerns.



**EXECUTIVE OFFICE OF THE GOVERNOR
OFFICE OF THE CHIEF INSPECTOR GENERAL
ANNUAL REPORT 1997-1998**

**RISK ASSESSMENT/AUDIT PLAN
FISCAL YEAR 1998-2000**

Appendix 4

Resources Available

Total Direct & Indirect Hours Available per Auditor (52 weeks x 5 days x 8 hours per day)	2,080
Less Indirect Time	
Holidays (80)	
Vacations (120)	
Sick Leave (80)	
Training (40)	
Administrative (300)	
Total Indirect Time	(620)
 Total Direct Hours Available (per Auditor)	 1,460
 Less Estimated Hours for Unplanned Activities	
Special Projects	(200)
Assistance on Investigation	(200)
 Direct Hours Available for Audits (per Auditor)	 1,060
x Number of Auditors	2
Total Direct Hours Available for Audit	2,120

Estimated Hours for Planned Audits

1998/99 FY		
OTTED - Contract Monitoring (carry forward)		100
OPB - System Design & Development - Security		570
Administration - Tangible Personal Property	250	
Florida First Capital Finance Corporation		600
Space Port Florida		600
1999/2000 FY		
EFI - International Trade & Economic Development	450	
EFI - Workforce Development	450	
Wages Board		420
FCT & FTIMC		400
Florida Association of Volunteer Agencies for Caribbean Affairs		400