

Rick Scott  
GOVERNOR



Jesse Panuccio  
EXECUTIVE DIRECTOR

September 4, 2013

Mr. Jesse Panuccio, Executive Director  
Department of Economic Opportunity  
Suite 212, Caldwell Building  
107 East Madison Street  
Tallahassee, Florida 32399-4120

Dear Director Panuccio:

As required by Section 20.055(5)(h), Florida Statutes, we have prepared the attached status of corrective actions taken by Department of Economic Opportunity for findings and recommendations contained in Auditor General Audit Report No. 2013-133, *Public Assistance Eligibility Determination Processes At Selected State Agencies Operational Audit*, issued on March 14, 2013. This audit focused on the eligibility determination processes utilized in 43 State-administered public assistance programs during the period from July 1, 2010, through December 31, 2011.

The four findings identified by the Auditor General as being related to the Department have been fully corrected.

In accordance with Section 20.055(5)(h), Florida Statutes, I am also copying the Joint Legislative Auditing Committee. If you have any questions, please call me at (850) 245-7141.

Sincerely,

Joseph K. Maleszewski, MBA, CIG, CIA, CISA  
Inspector General

JKM/cam

cc: Joint Legislative Auditing Committee  
Chad Poppell, Chief of Staff  
Tom Clendenning, Division Director, Division of Workforce Services  
Carolyn McGriff, Director of Auditing

Enclosure

**SIX MONTH FOLLOW-UP TO AUDITOR GENERAL REPORT # 2013-133  
FOR THE FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY'S (FDEO)  
FINDINGS IDENTIFIED IN PUBLIC ASSISTANCE ELIGIBILITY DETERMINATION  
PROCESSES AT SELECTED STATE AGENCIES  
FOR THE PERIOD: JULY 1, 2010 THROUGH DECEMBER 31, 2011**

<b><u>PARAGRAPH/FINDING NO(S).</u></b>	<b><u>BRIEF DESCRIPTION</u></b>	<b><u>STATUS OF FINDING</u></b>	<b><u>FDEO'S COMMENTS</u></b>
Finding # 1	ARRA Findings No. 1. The efficiency of the State's public assistance eligibility determination processes could be improved. We found that for several programs, identifying information, such as social security numbers, was not always required, no documentation was required in support of significant applicant-reported information, and some processes were duplicated by administering State agencies.	Fully Corrected	To the extent that FDEO's reemployment assistance (RA) program information would be able to support a centralized and consolidated state system for applications to public assistance programs and eligibility determinations for other programs, FDEO is willing to cooperate on a cost reimbursement basis as required by Title 20 Part 603, Code of Federal Regulations providing such a system was not found by the U.S. Department of Labor to be out of conformity with 42 U.S.C. 503(a).

**SIX MONTH FOLLOW-UP TO AUDITOR GENERAL REPORT # 2013-133  
FOR THE FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY'S (FDEO)  
FINDINGS IDENTIFIED IN PUBLIC ASSISTANCE ELIGIBILITY DETERMINATION  
PROCESSES AT SELECTED STATE AGENCIES  
FOR THE PERIOD: JULY 1, 2010 THROUGH DECEMBER 31, 2011**

<u>PARAGRAPH/FINDING NO(S).</u>	<u>BRIEF DESCRIPTION</u>	<u>STATUS OF FINDING</u>	<u>FDEO'S COMMENTS</u>
Finding # 2	ARRA Findings No. 2. Our review of enrollment in 42 of the selected public assistance programs during the month of December 2011 disclosed that 43 percent of the recipients were enrolled in at least two programs. For a selection of these recipients, we compared the information shown in the records of each of the administering agencies and found numerous instances in which the information shown in the records of one agency, concerning such matters as employment status, household income, family size, and participation in other public assistance programs, differed from that shown in the records of other agencies. Such differences, in some instances, may indicate the existence of fraud or record errors resulting in improper payments.	Fully Corrected	FDEO currently obtains information from the Department of Homeland Security, the Social Security Administration, the Department of Health and Human Services, as well as records from the Florida Department of Revenue, and the Department of Financial Services, which currently operates the Stop Inmate Fraud Program to support the administration of the RA program. Further, FDEO would be interested in using additional information from other entities to combat and limit fraudulent payments.

**SIX MONTH FOLLOW-UP TO AUDITOR GENERAL REPORT # 2013-133  
FOR THE FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY'S (FDEO)  
FINDINGS IDENTIFIED IN PUBLIC ASSISTANCE ELIGIBILITY DETERMINATION  
PROCESSES AT SELECTED STATE AGENCIES  
FOR THE PERIOD: JULY 1, 2010 THROUGH DECEMBER 31, 2011**

<u>PARAGRAPH/FINDING NO(S).</u>	<u>BRIEF DESCRIPTION</u>	<u>STATUS OF FINDING</u>	<u>FDEO'S COMMENTS</u>
Finding # 6	ARRA Findings No. 6. Data exchanges were not always processed timely, resulting in the failure to timely detect public assistance benefits that were authorized or paid on behalf of some recipients subsequent to the recipient's death.	Fully Corrected	FDEO receives two monthly updates from the Office of Vital Statistics (OVS) on the first and fifteenth of each month, the death records for the two individuals identified in the audit test were not provided by OVS to FDEO until January 3, 2012, which was the first business day of January 2012. When the file was run through the nightly batch process stops were placed on the claims to prevent further payment. Although both individuals already were dead for several weeks, the improper payments were discontinued immediately upon receipt of the information from OVS.
Finding # 7	ARRA Findings No. 7. Benefits Payments – Incarcerated Individuals. Data exchange processes did not always effectively identify recipients who had been incarcerated. As a result, public assistance benefits were paid by State agencies to the accounts of some individuals subsequent to the date of their incarceration.	Fully Corrected	On June 4, 2012, FDEO implemented a revision to its match process to better ensure the detection of all inmate records.