Department of Environmental Protection
Office of Inspector General

May 8, 2026 Report A-2425DEP-026

Audit of the Hurricane Restoration Reimbursement Grant Program Payments

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of the Hurricane Restoration Reimbursement (HRR) Grant Program Payments. This audit was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2024-2025.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this audit included the requirements, grant payments, and oversight associated with the Department's HRR Grant Program from January 30, 2023, to current activities. The objectives of this audit were to:

1. Determine whether HRR Grant Program payments were made in accordance with applicable laws, rules, and Department policies.
2. Evaluate management oversight and internal controls over the HRR Grant Program.

To achieve our audit objectives, our methodology included:

- Reviewing applicable laws, rules, and Department policies.
- Reviewing the HRR Grant Program payments made during the audit period and selecting a sample of HRR Grant Program payments for detailed review.
- Interviewing Department staff as appropriate.

BACKGROUND

Chapter 2022-272, Section 10, Laws of Florida (L.O.F.), established the HRR Grant Program within the Department for the purpose of providing financial assistance to mitigate coastal beach erosion for coastal homeowners whose property was significantly impacted by Hurricane Ian or Hurricane Nicole in 2022. The HRR Grant Program is administered by the Department's Office of Resilience and Coastal Protection (ORCP).

The Department was required to adopt emergency rules prescribing the procedures, administration, and criteria for approving the applications for the HRR Grant Program. The initial Emergency Rule 62ER23-2, Florida Administrative Code (F.A.C.), was adopted by the Department on January 30, 2023. Since its creation, the HRR Grant Program has had two revisions which extended the expiration date of the program, and the Department has adopted five emergency rules to implement the program. Most recently, Chapter

2025-199, L.O.F., extended the HRR Grant Program until July 1, 2026, requiring the promulgation of the latest Emergency Rule 62ER25-1, F.A.C. All changes in each emergency rule were applied retroactively to the program's initial start date of January 1, 2023.

The HRR Grant Program provides reimbursement grants for eligible armoring projects on eligible single/multi-family homes, residential condominiums, and residential cooperatives with a 50/50 cost share between the Department and the residential property owner. Under the HRR Grant Program, sand placement projects may be reimbursed at 100 percent of the total construction costs. The maximum reimbursement amounts and corresponding reimbursement rates defined in each version of the emergency rules are outlined in the table below:

Emergency Rule	Maximum Reimbursement	Reimbursement Rate
62ER23-2 F.A.C.	$150,000 per parcel for all eligible property types	No greater than 50% of the total costs incurred for all eligible projects.
62ER23-3 F.A.C. **62ER24-1 F.A.C.**	$300,000 per parcel for all eligible property types	No greater than 50% of the total costs incurred for all eligible projects.
62ER24-2 F.A.C. **62ER25-1 F.A.C.**	$300,000 for armoring projects on eligible single/multi-family residential properties $600,000 or armoring projects on eligible residential condominiums or cooperative properties.	No greater than 50 percent of the total cost incurred on armoring projects. Costs for sand placement projects shall be reimbursed at 100 percent of the total construction cost.

To be eligible for reimbursement, the grantee must satisfy all eligibility criteria and provide the required reimbursement documentation outlined in each version of the emergency rule. At the time of our review, 839 residential applicants had applied for the HRR Grant Program with a total funding of $44,464,493.97.

RESULTS OF AUDIT

During the audit, we reviewed a sample of 89 HRR Grant Program applications along with the supporting documentation for each application. We found that each emergency rule set forth definitions that established the criteria necessary to qualify as an eligible grantee, eligible residential property, eligible cost, and an eligible project under the HRR Grant Program. Our review of the HRR Grant Program payments was conducted in alignment with these requirements to determine whether payments were made in accordance with the criteria outlined in the emergency rule in effect at the time of each application's submission date. Based on our review, we found the following:

Eligible Residential Property

Each version of the emergency rule defined an eligible residential property as, a parcel that is a coastal property on the beach located within one of the following counties: Brevard, Broward, Charlotte, Collier, Duval, Flagler, Indian River, Lee, Manatee, Martin, Nassau, Palm Beach, St. Johns, St. Lucie, Sarasota, or Volusia. Additionally, the property is required to be one of the following property types:

1) A single-family, site-built, residential property or a multi-family, site-built, residential property, not to exceed four units, where the homeowner has been granted a homestead exemption on the home under Chapter 196, Florida Statutes (F.S.)
2) A residential condominium, as defined in Chapter 718, F.S.; or
3) A cooperative, as defined in Chapter 719, F.S.

Based on our review, we found that all properties included in the sample applications were beachfront coastal properties located within the counties deemed to be eligible under each version of the emergency rule. Furthermore, we found that all single-family homes included in the sample were granted a homestead exemption pursuant to Chapter 196, F.S.

Eligible Project

Each version of the emergency rule defined an eligible project as *construction activities that occurred after September 23, 2022, related to sand placement, temporary coastal armoring, or permanent coastal armoring construction projects intended to prepare for or remedy coastal beach erosion or damage sustained from Hurricane Ian or Hurricane Nicole, on an eligible residential property.* To be eligible, *projects must be permitted or authorized under chapter 161, F.S., prior to the commencement of authorized work, exempt from permitting requirements, or otherwise authorized by law. The project address on any issued permit under chapter 161, F.S., must match the address of the eligible residential property.* Based on our review, we found that all projects included in the sample applications involved construction activities that occurred after September 23, 2022. Our review found that each project was permitted or authorized under Chapter 161, F.S., prior to the commencement of the authorized work, and the property address matched the address listed on the permit, as required by each version of the emergency rule.

Eligible Costs

Each version of the emergency rule established that eligible costs are *construction costs associated with execution of an eligible project that have been incurred and for which the grantee has evidence of payment. Construction costs may include design, engineering, construction-related monitoring required by permit or contract, surveys, materials, labor, contractors, and construction oversight. Eligible costs do not include permit fees or repair of residential structures.* Based on our review, we found one applicant in our sample whose reimbursement included permit fees, which are deemed as ineligible costs under each version of the emergency rule.

We also found several applications that included a similar invoice from an individual who stated they were the *Acting Agent Coordinating*, and reported to have assisted several property owners with submitting their HRR Grant Program applications. Our review found a total of eight applications, which included invoices issued by this same individual. Most of the invoices were for the same amount of $5573.57 for *Total Cost for Dune Nourishment Project* and listed the property address. In a letter, the individual stated that they initially covered the full cost of replenishing beach sand across nine parcels and subsequently received reimbursement from each property owner. The letter also stated this individual populated information about the project into the online system on behalf of the property owners. Documentation provided by the individual listed dates/times of sand orders and included $32,588.59 for *Total Sand Amount;* $4,073.54 for *Extra machine to Pull out Trucks + Drone Photos & Lunches, Drinks;* and $13,500 for *Total Labor* for a grand total of $50,162.13. However, there was no supporting documentation provided for the reported costs incurred or evidence of payment to the vendors listed. Additionally, *Lunches* and *Drinks* are not eligible expenses under the HRR Grant Program.

Each version of the emergency rule, also stipulated that reimbursement of armoring projects may be no greater than 50 percent of the total cost incurred for construction. Within our sample, we identified two armoring project reimbursements that exceeded the 50 percent cost-share threshold permitted for armoring projects under each version of the emergency rule.

Eligible Grantee

The emergency rules specify that an eligible grantee is an eligible applicant that is the recorded deeded landowner for the eligible residential property who has complied with all documentation requirements in paragraph (6)(b) of the emergency rule and has received a grant from the Department. Paragraph (6)(b) outlined the documentation that an eligible grantee must submit to qualify for reimbursement. The criteria for each requirement as well as the results from our review are provided below:

1) *The parcel identification number for the applicable county:* Our review found that the parcel identification number for the applicable county was provided by the grantee in all sampled applications.

2) *A valid social security number or tax identification number:* During our review, we inquired whether it was possible to verify whether a valid social security number or tax identification number was provided with each application in our sample. Based on communication with ORCP, we were advised that grantees' Social Security numbers or tax identification numbers are not visible to employees that review HRR Grant Program applications. For electronic applications, our review determined that ORCP employees could not view applicants' Social Security numbers or tax identification numbers; however, for paper applications, Social Security numbers and tax identification numbers were visible on the application. Additionally, we found instances in which applicants did not provide their Social Security or tax identification number in their electronic applications, and ORCP employees contacted the applicants to obtain it. Our review also noted that whether or not the Social Security or tax identification numbers were visible, Department employees had no method of determining whether it was valid.

3) *Proof the eligible applicant resides at the address to which a check is asked to be mailed, if different than the eligible residential property address…* as identified below:

    - *For individuals listed on the recorded deed for the eligible residential property, checks will be issued in the name of all individuals on the deed. If the mailing address for payment is different than the eligible residential property, the applicant must provide the driver's license or other documented address for at least one* *person on the recorded deed.* Our review identified one application in our sample in which the recorded deed listed two property owners. Based on our review, we found that the reimbursement check was made payable to only one of the individuals named on the recorded deed.

- *For trusts listed on the recorded deed for the eligible residential property, checks will be issued in the name of the trustee for the trust. The applicant must provide documentation identifying the trustee of the trust and, if the mailing address for payment is different than the eligible residential property, the applicant must additionally provide the driver's license or other documented address for the trustee*. Our review identified one application in our sample in which a trust was listed as the owner on the recorded deed; however, the reimbursement check was not issued to the trust, and the applicant did not provide documentation identifying the trustee of the trust, as required.

- *For corporations listed on the recorded deed for the eligible residential property, checks will be issued in the name of the corporation at the mailing address as registered with the Department of State.* Our review found that the reimbursement checks for two applicants in our sample were mailed to a different address than the address registered with the Department of State. Based on an interview with ORCP staff, we found the HRR Grant Program was verifying whether the mailing address listed on the application matches the property address, instead of confirming whether the corporation's mailing address provided on the application matches the mailing address registered with the Department of State.

4) *A copy of the permit issued under chapter 161, F.S., prior to the commencement of work for which a grant is sought, or applicable statutory exemption or other authorization:* Based on our review, a copy of the permit issued under Chapter 161, F.S., was provided for all applicable sample applications and the permit was issued prior to the commencement of work.

5) *Documentation of eligible project expenses.* The emergency rules provide examples of documentation that is acceptable to support documentation of eligible project expenses. According to each version of the emergency rule, grantees may provide photographs of the completed work for completed projects; however, for projects that are not yet fully complete, grantees may submit design and engineering plans or comparable evidence demonstrating that work has been performed. Our review found that all applicants included in our sample provided documentation of eligible project expenses.

6) *Paid invoices and associated documentation showing work conducted for the eligible project, dates of work, and proof of payment*:

   - <u>Paid Invoices</u>: Our review found four applicants in our sample received cost-reimbursements, although the corresponding invoices did not reflect that the applicant paid the outstanding balances, and a copy of a check was the only payment documentation provided.

- Proof of Payment: Based on our review, we found three applicants in our sample received reimbursements without providing acceptable proof of payment. Two of the three applications identified were from the same property owner. The property owner originally received 50% reimbursement then subsequently filed a secondary application to receive the remaining 50% once sand placement projects were eligible to be reimbursed at 100%. However, proof of payment for part of the reimbursement was a copy of a check for $3,000 made payable to an individual that did not match the name on the supporting invoice. Additionally, the invoice description was for *Equipment on Beach* and stated that sand placement could not occur due to truck delivery not being able to deliver. The invoice was issued by the same individual previously mentioned that reported to have assisted several property owners with submitting their HRR Grant Program applications. As previously discussed, the individual submitted a document stating she had personally paid $50,162.13 and divided the total amount by parcel, issuing invoices to the property owners. However, we found that the individual did not submit any payment documentation to verify that she had made the payments for the work that she claimed to have personally funded.

Confidential Information

As noted above, applicants are required to submit a valid Social Security or tax identification number. Pursuant to Chapter 119 F.S., Social Security numbers, personal information contained within a motor vehicle record, and bank account information are classified as confidential information. For electronic applications, our review determined that ORCP employees could not view applicant Social Security numbers or tax identification numbers; however, for paper applications, Social Security numbers and tax identification numbers were visible to ORCP employees. Additionally, we found instances in which an applicant did not provide their Social Security number or tax identification number in their electronic applications, and HRR Grant Program employees contacted the applicants to obtain it. HRR Grant Program employees also had access to driver's licenses and bank account information in some instances. According to DEP 422, positions of special trust are *Positions that have access to information required by law to be kept confidential or exempt as identified in Chapter 119 and other provisions in Florida statutes*. Of the 89 sample applications we reviewed, we found that 4 paper applications contained unredacted Social Security numbers, 33 contained unredacted driver's licenses, and 41 applications contained unredacted bank account information. Based on our review, we found that ten employees that have had access to the confidential information contained within the HRR Grant Program applications were not designated as positions of special trust, as required by DEP 422.

Additional Requirements

Written Acceptance of Deliverables

Each emergency rule established that by making application, the applicant agrees to enter into a grant agreement with the Department and agrees to the Grant Terms and Conditions form that was created for each version of the emergency rule. The Grant Terms and Conditions form for each emergency rule specified that deliverables must be approved and accepted in writing by the Department prior to payment. Based on documentation provided by ORCP, we confirmed that the online system used to submit applications sends an automatic email to grantees that contains the written acceptance of deliverables after the Department approves each reimbursement.

Licensed Professional or Contractor

Chapter 2022-272, L.O.F., established that, at a minimum, property owners must submit the following to be eligible for reimbursement:

1. *If applicable, the permit issued under chapter 161, F.S. or applicable statute, and evidence that the project complies with all permitting requirements.*
2. *All invoices and payment receipts for eligible projects.*
3. *If applicable, documentation that the eligible project was completed by a licensed professional or contractor.*

Our review found that each emergency rule required applicants to provide a copy of the permit issued under Chapter 161, F.S., for all applicable projects, and requires applicants to provide invoices and proof of payment for the project to be eligible to receive reimbursement. Based on communication with ORCP, the HRR Grant Program relies on the documentation submitted during the permitting process and local inspections to ensure compliance with applicable building codes and regulations. However, they have not reviewed whether the project was completed by a licensed professional or contractor.

During our review, we found nine applications that included invoices submitted from the same construction management company for work performed on two neighboring properties. In total, the two property owners were reimbursed approximately $328,246.70, based on invoices issued in the name of the construction management company. The invoices listed a Pennsylvania address for the construction management company; however, we were unable to find the company listed as a registered business in Pennsylvania or in Florida. A search on the Florida Department of State's website did not show a registered business or license for the company. A search on the Pennsylvania Department of State's website did not reveal any professional licenses for the company; however, there was a domestic business corporation registration for a company with a similar name with the same address as the construction management company listed on the invoice. Additionally, we noted the officers listed on the Pennsylvania corporation registration were the same names as one of the property owners that submitted the applications for payment. Supporting documentation provided by the property owner included copies of the front of checks, made payable to the company owned by the property owner and not the similar named construction management company.

The invoices contained several itemized charges including Project Management fees, material costs, equipment rental, and *Cost Plus 10% Management*, and no supporting documentation or other invoices were submitted to justify the costs listed on the invoices. The invoices also included line items for work completed by other companies (which were licensed to do business in the State of Florida) but did not include the invoice, supporting documentation, or proof of payment for the other companies.

CONCLUSION

During the audit, we reviewed a sample of HRR Grant Program applications along with the supporting documentation for each. The Emergency Rules set forth definitions that established the criteria necessary to qualify as an eligible grantee, eligible residential property, eligible cost, and an eligible project under the HRR Grant Program. Our review of the HRR Grant Program payments was conducted in alignment with these requirements to determine whether HRR Grant Program payments were made in accordance with the criteria outlined in each emergency rule, and to evaluate management oversight and internal controls over the HRR Grant Program. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Ineligible Costs and Required Documentation: Some applicants received payment for costs not eligible for reimbursement, some reimbursement amounts exceeded the allowable cost-share thresholds, and some applicants did not provide required reimbursement documentation prior to receiving payment.

The emergency rules established that eligible costs are *construction costs associated with execution of an eligible project that have been incurred and for which the grantee has evidence of payment. Construction costs may include design, engineering, construction-related monitoring required by permit or contract, surveys, materials, labor, contractors, and construction oversight. Eligible costs do not include permit fees or repair of residential structures.* Additionally, grantees must provide *Paid invoices and associated documentation showing work conducted for the eligible project, dates of work, and proof of payment.*

Based on our review, we found one applicant in our sample whose reimbursement included permit fees, which are deemed as ineligible costs under each version of the emergency rule. Additionally, reimbursement of armoring projects may be no greater than 50 percent of the total cost incurred for construction. Within our sample, we identified two armoring project reimbursements that exceeded the 50 percent cost-share threshold permitted for armoring projects under each version of the emergency rule. Our review also found four applicants in our sample received cost-reimbursements, although the corresponding invoices did not reflect that the applicant paid the outstanding balances, and a copy of a check was the only payment documentation provided.

Our review found a total of eight applications, which included invoices issued by an individual who stated they were the *Acting Agent Coordinating.* This individual reported to have assisted several property owners with submitting their HRR Grant Program applications. The individual submitted a document stating they had personally paid $50,162.13 and divided the total amount by parcel, issuing invoices to the property owners. Most of the invoices were for the same amount of $5573.57 for *Total Cost for Dune Nourishment Project* and listed the property address. Documentation provided by the individual listed dates/times of sand orders and included $32,588.59 for *Total Sand Amount;* $4,073.54 for *Extra machine to Pull out Trucks + Drone Photos & Lunches, Drinks;* and $13,500 for *Total Labor* for a grand total of $50,162.13. However, there was no supporting documentation provided for the reported costs incurred or evidence of payment to the vendors listed. Additionally, *Lunches* and *Drinks* are not eligible expenses under the HRR Grant Program.

In addition to the eight applications discussed above, three applicants in our sample received reimbursements without providing acceptable proof of payment. Two of the three applications identified were from the same property owner. The property owner originally received 50% reimbursement then subsequently filed a secondary application to receive the remaining 50% once sand placement projects were eligible to be reimbursed at 100%. However, proof of payment for part of the reimbursement was a copy of a check for $3,000 made payable to an individual that did not match the name on the supporting invoice. Additionally, the invoice description was for *Equipment on Beach* and stated that sand placement could not occur due to truck delivery not being able to deliver.

Recommendations:
We recommend ORCP strengthen internal controls over the review and verification procedures to ensure that ineligible costs are excluded from reimbursement, reimbursement amounts do not exceed the maximum amounts established, and sufficient documentation has been received prior to the approval of payment. We also recommend ORCP review payments issued under the HRR Grant Program and seek reimbursement for any payments made for ineligible costs or where required supporting documentation was not provided.

Management's Response:
The Office of Resilience and Coastal Protection (ORCP) agrees with the Office of Inspector General's (OIG) finding. To address these issues, comply with the OIG's recommendations, and strengthen our internal controls, ORCP is implementing the following corrective action plan.

Corrective Action Plan:

1. Updates to the HRR Application Review SOP- ORCP is updating the Standard Operating Procedure (SOP) for application review to ensure stricter verification of costs and documentation:

- Invoice and Proof of Payment Review: Reviewers will now be explicitly required to verify that the payee on the proof of payment (e.g., the name on a check) exactly matches the vendor named on the supporting invoice.
- "Acting Agent" Invoices: We are implementing stricter scrutiny for invoices submitted by "acting agents" or coordinators. Reviewers will not accept consolidated invoices dividing costs among multiple parcels without verifiable proof of payment demonstrating that the underlying vendors and laborers were actually paid.
- Reimbursement Reconciliation Instructions: Instructions for completing the H.R.R. Reimbursement Reconciliation Excel Workbook are being updated to explicitly state that unallowable expenses identified by the audit, such as permit fees, lunches, and drinks, must be manually subtracted and excluded from the "Eligible Sand Invoice Amount" and "Eligible Armoring Invoice Amount".

2. Revisions to the HRRGP Application Review Checklist To prevent future oversight, the following items on the Reviewer Checklist will be amended:

- Item K (Proof of Payment): Amended to require the reviewer to explicitly confirm that the submitted proof of payment matches the vendor name on the corresponding invoice.
- Item L (Permit Fees): Updated to state clearly that *all* permit fees are unallowable, removing any ambiguity that might imply filing costs are eligible.
- Item N (Cost Association): Expanded to specify that personal expenses (such as lunches and drinks) and costs for undelivered equipment are not considered eligible project execution costs.
- Item T (Cost Thresholds): Expanded to require the reviewer to confirm that armoring reimbursements do not exceed the allowable 50% cost-share threshold of the total construction costs, in addition to checking against the overall maximum parcel caps.

3. Remediation of Past Errors In accordance with the OIG's recommendation, ORCP will conduct a comprehensive review of previously issued payments under the HRR Grant Program. We will actively seek reimbursement from applicants for any funds that were disbursed for ineligible costs or where the required supporting documentation was not provided prior to payment.

Finding 2: Proof of Residence: Some reimbursements were paid to applicants that did not provide adequate proof the applicant resides at the address to which the check was mailed, as required by the emergency rules.

The emergency rules establish requirements for proof the eligible applicant resides at the address to which a check is asked to be mailed, if different than the eligible residential property address. Based on those requirements, we noted the following*:*

- *For individuals listed on the recorded deed for the eligible residential property, checks will be issued in the name of all individuals on the deed.* Our review identified one application in our sample in which the recorded deed listed two property owners; however, the reimbursement check was made payable to only one of the individuals named on the recorded deed.

- *For trusts listed on the recorded deed for the eligible residential property, checks will be issued in the name of the trustee for the trust.* Our review identified one application in our sample in which a trust was listed as the owner on the recorded deed; however, the reimbursement check was not issued to the trust, and the applicant did not provide documentation identifying the trustee of the trust, as required.

- *For corporations listed on the recorded deed for the eligible residential property, checks will be issued in the name of the corporation at the mailing address as registered with the Department of State.* Our review found that the reimbursement checks for two applicants in our sample were mailed to a different address than the address registered to the Department of State.

Recommendation:
We recommend ORCP strengthen internal controls to ensure that proof the eligible applicant resides at the address to which a check is mailed is provided, as required by the emergency rules, for individuals, trusts, and corporations.

Management's Response:
The Office of Resilience and Coastal Protection (ORCP) agrees with the Office of Inspector General's (OIG) finding. To address these issues and comply with the OIG's recommendations, ORCP is implementing the following corrective action plan to strengthen internal controls for verifying the residency and identity of individuals, trusts, and corporations.

Corrective Action Plan:

1. Updates to the HRR Application Review SOP: ORCP is updating the Standard Operating Procedure (SOP) for application review to ensure strict compliance with payee and address requirements:

- Individuals on Recorded Deeds: The SOP will be updated to explicitly require reviewers to verify that checks are issued in the name of *all* individuals listed on the recorded deed, preventing instances where a check is made payable to only one of multiple owners.
- Trusts: The SOP will mandate that when a trust is listed on the recorded deed, reviewers must obtain documentation identifying the trustee. Furthermore, reviewers must ensure the reimbursement check is issued in the name of the trustee, not the trust itself.
- Corporations: Reviewers will be instructed to stop verifying a corporate applicant's mailing address solely against the eligible property address. Instead, the SOP will explicitly require reviewers to verify that the corporation's mailing address exactly matches the address currently registered with the Department of State.

2. Revisions to the HRRGP Application Review Checklist: To ensure reviewers consistently apply these controls, Part 4 of the Application Review Checklist ("Required Submittals for Reimbursement") will be revised to include specific prompts:

- Item Q (Mailing Address/Payee Verification): Expanded to include sub-items requiring the reviewer to confirm that:
  - For individual owners, the check is structured to pay *all* individuals on the deed.
  - For trusts, trustee documentation is attached and the check is made to the trustee.
  - For corporations, the mailing address has been independently verified against the Florida Department of State (Sunbiz) registry.

Finding 3: Confidential Information: Confidential information included with HRR Grant Program applications was not always redacted and was sometimes accessible by employees that were not designated in a Position of Special Trust, as required by Administrative Directive DEP 422.

Applicants are required to submit a valid Social Security or tax identification number. Pursuant to Chapter 119 F.S., Social Security numbers, personal information contained within a motor vehicle record, and bank account information are classified as confidential information. For electronic applications, our review determined that ORCP employees could not view applicant Social Security numbers or tax identification numbers; however, for paper applications, Social Security numbers and tax identification numbers were visible to ORCP employees. Additionally, we found instances in which an applicant did not provide their Social Security number or tax identification number in their electronic applications, and HRR Grant Program employees contacted the applicants to obtain it. ORCP employees also had access to driver's licenses and bank account information in some instances.

According to DEP 422, positions of special trust are *Positions that have access to information required by law to be kept confidential or exempt as identified in Chapter 119 and other provisions in Florida statutes*. Of the 89 sample applications we reviewed, we found that 4 paper applications contained unredacted Social Security numbers, 33 contained unredacted driver's licenses, and 41 applications contained unredacted bank account information. Based on our review, we found that ten employees that have had access to the confidential information contained within the HRR Grant Program applications were not designated as positions of special trust, as required by DEP 422.

Recommendation:
We recommend ORCP review employees with access to HRR Grant Program applications to ensure that all employees are designated in a Position of Special Trust in accordance with DEP 422, and that confidential information is redacted as appropriate.

Management's Response:
The Office of Resilience and Coastal Protection (ORCP) agrees with the Office of Inspector General's (OIG) finding. ORCP takes the protection of personal information seriously and is implementing the following corrective action plan to strictly comply with Administrative Directive DEP 422 and Chapter 119, Florida Statutes.

Corrective Action Plan:

1. Employee Security Designations (Positions of Special Trust): In accordance with the OIG's recommendation, ORCP will immediately conduct an access review for all employees and contractors who utilize the HRR Grant Program portal and Salesforce system. ORCP will ensure that every individual requiring access to these applications is officially designated in a Position of Special Trust, per DEP 422, prior to viewing any documents.

2. Updates to the HRR Application Review SOP: While the current HRR Application Review SOP already instructs reviewers to redact bank account and credit card numbers, the instructions will be expanded. The SOP will be updated to explicitly mandate the

redaction of all confidential information, specifically naming Social Security numbers, tax identification numbers, and personal information contained on driver's licenses.

All staff will be re-trained on the strict redaction workflow, which requires reviewers to:

- Download the file and apply redactions over the sensitive data using Adobe or Kofax.
- Re-upload the document ensuring the word "Redacted" auto-populates in the new file name.
- Change the file category of the original, unredacted document to "Archived" so it is secured and no longer visible in the standard application file view.

3. Remediation of Existing Records: ORCP will perform a retroactive review of previously submitted applications, including the instances identified in the audit sample, to ensure that any exposed Social Security numbers, driver's licenses, and bank account details are properly redacted and the original files are archived.

Finding 4: Licensed Professional or Contractor: Verification that eligible projects were completed by a licensed professional or contractor was not conducted.

Chapter 2022-272, L.O.F., established that, at a minimum, property owners must submit the following to be eligible for reimbursement:

1. *If applicable, the permit issued under chapter 161, F.S. or applicable statute, and evidence that the project complies with all permitting requirements.*
2. *All invoices and payment receipts for eligible projects.*
3. *If applicable, documentation that the eligible project was completed by a licensed professional or contractor.*

While ORCP staff reviewed permits issued, they did not verify eligible projects were completed by a licensed professional or contractor. During our review, we found nine applications that included invoices submitted from the same construction management company for work performed on two neighboring properties. In total, the two property owners were reimbursed approximately $328,246.70, based on invoices issued in the name of the construction management company. The invoices listed a Pennsylvania address for the construction management company; however, we were unable to find the company listed as a registered business in Pennsylvania or in Florida. However, there was a Pennsylvania domestic business corporation registration for a company with a similar name with the same address as the construction management company. Additionally, we noted the officers listed on the Pennsylvania corporation registration were the same names as one of the property owners that submitted the applications for payment. Supporting documentation provided by the property owner included copies of the front of checks, made payable to the company owned by the property owner and not the similarly named construction management company.

The invoices contained several itemized charges including Project Management fees, material costs, equipment rental, and *Cost Plus 10% Management*, and no supporting documentation or other invoices were submitted to justify the costs listed on the invoices.

The invoices also included line items for work completed by other companies (which were licensed to do business in the State of Florida) but did not include the invoices, supporting documentation, or proof of payment for the other companies.

Recommendation:
We recommend ORCP require applicants for the HRR Grant Program to provide documentation that applicable eligible projects were completed by a licensed professional or contractor as required by Chapter 2022-272, L.O.F.

Management's Response:
The Office of Resilience and Coastal Protection agrees with the Office of Inspector General finding. ORCP acknowledges that the establishing legislation requires applicants to provide documentation that eligible projects were completed by a licensed professional or contractor. While the program relied on documentation submitted during the permitting process and local inspections to ensure compliance with building codes, ORCP recognizes this did not fulfill the specific statutory requirement to verify licenses. The lack of administrative funding provided for program implementation restricted the operational capacity and contributed to the program's reliance on secondary verification.

Corrective Action Plan:

1. Updates to the Application Review Standard Operating Procedure: Staff will update the Standard Operating Procedure to explicitly require application reviewers to verify that the contractor or professional listed on the submitted invoices holds a valid license. Reviewers will be instructed to search the Florida Department of State registry to confirm the business registration and professional license status.

2. Revisions to the Application Review Checklist Staff will add a new item to the reviewer checklist requiring staff to explicitly confirm and document that the eligible project was completed by a licensed professional or contractor before approving any payments.

3. Review of the Identified Applications Staff will conduct a thorough review of the specific applications identified in the audit. We will require these property owners to provide verifiable proof of the contractor licenses and actual payment documentation for the underlying companies that performed the work.

STATEMENT OF ACCORDANCE

Statement of Accordance

The Mission of the OIG is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

This audit was conducted pursuant to Section 20.055, F.S., and in accordance with *Government Auditing Standards*, as published by the United States Government Accountability Office, and *Principles and Standards for Offices of Inspectors General,* as published by the Association of Inspectors General. The audit was conducted by Phylea Daugherty and supervised by Susan Cureton.

We conducted this performance audit 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 report and other reports prepared by the OIG can be obtained through the Department's website at https://floridadep.gov/oig or by contacting:

Office of Ombudsman and Public Services
public.services@floridadep.gov
(850) 245-2118

Candie M. Fuller,
Inspector General