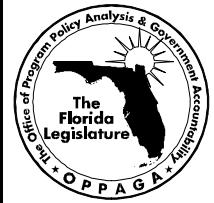




# Office of Program Policy Analysis And Government Accountability



John W. Turcotte, Director

February 19, 1997

## Follow-Up Report on the Division of Economic Crime Within the Department of Legal Affairs

### Report Abstract

- The Department of Legal Affairs has not yet implemented our recommendations to establish goals, performance measures, baselines and benchmarks for the Division of Economic Crime. However, the Department has begun the performance-based program budgeting process, which will include developing performance measures.
- The Division relies on informal processes to assure that all information is considered in the review and approval of proposed settlements.
- The Division of Economic Crime's annual reports are of limited use to the Legislature or the public.

### Purpose of Review

In accordance with s. 11.45(7), F.S., this follow-up report informs the Legislature of actions taken by the Department of Legal Affairs in response to our Report No. 94-05, which we issued on September 27, 1994. This report presents our assessment of the extent to which the Department has addressed the findings and recommendations included in our report.

### Background

The Attorney General is head of the Department of Legal Affairs (also known as the Office of the Attorney General). The Department's Division of Economic Crime is responsible for prosecuting illegal activities related to economic crime. At the time of our review, the Division was responsible for enforcing three types of economic crime laws: antitrust or restraint of trade; organized crime (Racketeer Influenced and Corrupt Organization, or RICO Act); deceptive and unfair trade practices (consumer protection). The responsibility for enforcing Medicaid fraud laws was transferred to the Division in 1994 subsequent to our review.

### Prior Findings

Our prior report stated these conclusions:

- While the Department included goals and objectives for the Division of Economic Crime in its Agency Strategic Plan, the goals were general and vague and the objectives were not measurable. The Division had not developed performance measures to provide accountability for its efforts or benchmarks to measure accomplishments over time.
- The Division's settlement agreement process did not provide documentation to ensure that all information was considered during negotiations or that the information presented to the Attorney General was complete.

- The Division did not report data on its activities to interested parties such as the Legislature. As a result, neither the Legislature nor the general public had information regarding the effectiveness of the Division in prosecuting economic crime in Florida.

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## Current Status

The Department has taken some actions to address the concerns raised in our report. In addition, the Department is developing measures for its programs as a part of the performance-based program budgeting process, as required by law. As of this review, however, neither the Legislature nor the public has good information for determining the Division's effectiveness in prosecuting economic crime in Florida.

### Actions Taken by the Department

To improve its procedures for documenting that all relevant information has been considered in reaching negotiated settlements, the Division created a checklist that is used when the Attorney General approves a settlement agreement. However, for most cases, the Division relies on the professional judgments of attorneys and their supervisors rather than standardized procedures.

The Division implemented our recommendation to produce an annual report, but the reports compiled by the Division for the 1994-95 and 1995-96 fiscal years are of limited use to the Legislature or the public. Although the reports include a substantial amount of information, the information is not summarized or highlighted to present a clear picture of the Division's accomplishments. Furthermore, the reports are not distributed to the Legislature or the public. Thus, the reports do not communicate in a way that permits the Legislature or the

public to assess the Division's effectiveness in prosecuting economic crime in Florida.

The Department also produces an annual Performance Report on the status of its implementation of the Agency Strategic Plan. This report describes some of the Division's accomplishments, but does not contain enough information to assess the effectiveness of the Division's efforts.

### Actions Not Taken by the Department

The Attorney General reports that none of the recommendations regarding the establishment of goals, performance measures, baselines and benchmarks has been implemented. Without goals, performance measures, and benchmarks, it is difficult to evaluate the extent to which the Division is identifying and selecting the most appropriate cases, prosecuting cases efficiently, obtaining satisfactory outcomes for consumers, and applying appropriate penalties.

The Department has begun the performance-based program budgeting process, and the Office of the Governor approved their program list on November 12, 1996. The Department is required to submit a performance-based program budget for the 1998-99 fiscal year by September 1, 1997. The Attorney General stated that the Department will continue to explore the possibility of developing accurate and meaningful performance measures in connection with the submission of its performance-based program budget for the 1998-99 fiscal year. The Attorney General mentioned total recoveries and remedial actions as the most reliable indicators of positive impact of the Division's efforts, but cites the length and complexity of some Division cases as obstacles to meaningful performance measures.

This project was conducted in accordance with applicable evaluation standards. Copies of this report may be obtained by telephone (904/488-1023 or 800/531-2477), by FAX (904/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302). Web site: <http://www.state.fl.us/oppaga/>

Project Supervised by:

Katherine McGuire (487-9224)

Project Conducted by:

D. Byron Brown (487-9215)