



2025

OFFICE OF INSPECTOR GENERAL

ANNUAL REPORT

A report of the Office of Inspector General's activities and accomplishments.

Mark Kagy
Inspector General



MESSAGE FROM THE INSPECTOR GENERAL

On behalf of the Office of Inspector General (OIG) for Citizens Property Insurance Corporation (Citizens), I am honored to present this annual report, which outlines the OIG's principal activities and accomplishments for calendar year 2025.

The OIG's mission is to safeguard the integrity of Citizens, whose statutory purpose is to provide property insurance products and services to eligible Floridians. As an independent investigative entity administratively housed within Citizens, the OIG supports the organization in upholding accountability, integrity, and operational efficiency. We deliver on this mission through objective, fact-based analyses and the development of impartial reports that inform leadership decision-making.

As detailed in this report, the OIG devoted significant effort throughout the year to addressing complaints and responding to requests for assistance or investigation. While investigative projects remain central to our operations, we continue to emphasize proactive engagement to mitigate issues before they progress, often enabling a resolution before a formal investigation becomes necessary. Accordingly, we have made significant efforts to maintain a visible presence throughout Citizens, fostering constructive professional relationships with its various divisions and employees. We have further strengthened cross-divisional collaboration and conducted risk-based compliance reviews to identify improvement opportunities at the earliest possible stage.

I extend my appreciation to the Chair of Citizens' Board of Governors and to Florida's Chief Inspector General for their continued support of our operations. I am also grateful for the dedication and professionalism of the OIG staff, who form a dynamic and highly capable team. Their ongoing contributions are essential to our success. I look forward to the future and to the continued advancement of this office and Citizens.

Mark Kagy, MBA, CCEP, CFE, CIG
Inspector General



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EXECUTIVE SUMMARY

 Citizens' Office of Inspector General (OIG) was established to "provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency." The OIG has assembled this Annual Report highlighting the accomplishments and activities of the office.

 Section 627.351(6), Florida Statutes, establishes Citizens Property Insurance Corporation (Citizens) as a government entity that is an integral part of the state. Citizens is responsible for providing insurance protection to Florida policyholders who are entitled to but are unable to obtain insurance in the private market. Citizens operates pursuant to a plan of operation approved by order of the Financial Services Commission.

IN 2025, THE OIG:

Received 175 Correspondences

This resulted in:

- **13 Cases/Substantive Projects** (six Investigations, four Investigative Inquiries, two Compliance Reviews and one Audit)
- **162 Administrative Projects** (Consultations, Referrals, Records Requests and Administrative Closures)

 The OIG collaborated with multiple business units to refine the complaint submission process, resulting in a reduction in correspondence received by the OIG that were intended for other business units.

Closed 171 Administrative Projects

Closed 14 Cases

 Continued efforts to increase awareness of the OIG and the Tell Citizens complaint-reporting hotline.

 Conducted formal and informal outreach efforts to Citizens' managers, employees, and stakeholders to exchange information regarding OIG and business unit roles, responsibilities, and expectations.

 Assisted in leading Citizens training activities, events, and seminars aimed at identifying and enhancing leadership qualities within the corporation.

CORPORATE BACKGROUND



A Purpose-Driven Mission

Citizens Property Insurance Corporation plays a crucial role in Florida's property insurance marketplace by providing property insurance protection to people who are in good faith entitled to obtain coverage through the private market but are unable to do so. As one of Florida's leading insurers of Florida homes and businesses, we strive to ensure that our customers receive service that is comparable to private-market standards.

Citizens is a not-for-profit company whose employees are driven first and foremost by our mission of service to the people of Florida. In addition to providing a quality product and service, we strive to be good stewards of the premium funds entrusted to us and are committed to modeling the highest level of ethical behavior.

Our purpose-driven mission informs every action and decision we make, and we are proud of the valuable service we provide to our customers and the Florida marketplace.

About Citizens

Citizens was created by the Florida Legislature in August 2002 as a not-for-profit, tax-exempt, government entity to provide property insurance to eligible Florida property owners unable to find insurance coverage in the private market. Citizens is funded by policyholder premiums; however, Florida law also requires that Citizens levy assessments on most Florida policyholders if it experiences a deficit in the wake of a particularly devastating storm or series of storms.

Citizens operates according to statutory requirements established by the Florida Legislature and is governed by a board of governors. The board administers a Plan of Operation approved by the Florida Financial Services Commission, an oversight panel made up of the Governor, Chief Financial Officer, Attorney General and Commissioner of Agriculture.

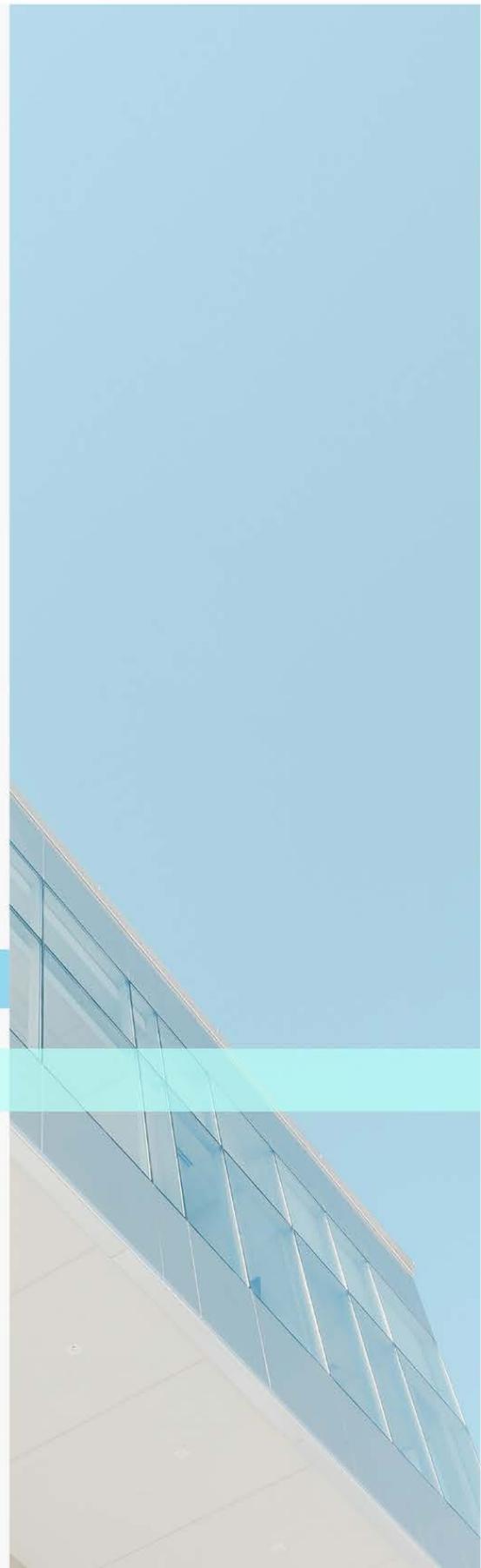
CREATION OF THE OIG

On May 29, 2013, Senate Bill 1770 was signed into law, modifying section 627.351(6)(gg), Florida Statutes. The bill required several modifications to Citizens' structure and operations. Most notably, for purposes here, the bill established the Office of Inspector General (OIG) to "provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency."

Citizens' Inspector General is appointed by the Financial Services Commission and may be removed from office only by the commission. The Inspector General reports to, and is under the supervision of, the Chair of Citizens' Board of Governors.

PURPOSE & MISSION

The OIG is an integral part of Citizens. The OIG is authorized by Section 627.351(6)(gg), Florida Statutes. The office's mission is to promote accountability, transparency, integrity, and efficiency in Citizens' operations through independent and objective oversight.

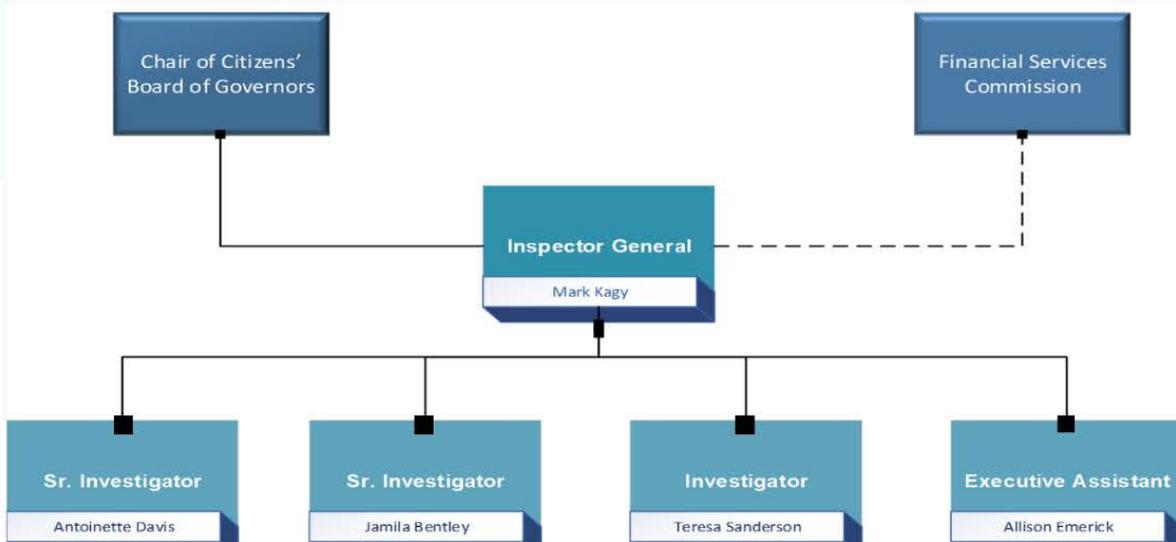


OUR TEAM

The OIG staff functions as a team with each member contributing through their unique background, professional experiences, education, knowledge, and skills. OIG staff members hold the following specialty certifications and credentials:

Certified Inspector General 1	Certified Inspector General Investigators 3	Certified Compliance & Ethics Professional 1
Certified Fraud Examiners 2	Certified EEOC Investigators 4	Notaries 3
Bachelor's degrees 4	Contract Manager 1	Graduate Degrees 2

ORGANIZATIONAL CHART



CITIZENS' OIG RESPONSIBILITIES

In accordance with Section 627.351(6)(gg)2, Florida Statutes, the inspector general shall initiate, direct, coordinate, participate in, and perform audits, reviews, evaluations, studies, and investigations designed to assess management practices; compliance with laws, rules, and policies; and program effectiveness and efficiency.

THIS INCLUDES:

- a. Conducting internal examinations; investigating allegations of fraud, waste, abuse, malfeasance, mismanagement, employee misconduct, or violations of corporation policies; and conducting any other investigations as directed by the Financial Services Commission or as independently determined
- b. Evaluating and recommending actions regarding security, the ethical behavior of personnel and vendors, and compliance with rules, laws, policies, and personnel matters; and rendering ethics opinions
- c. Evaluating personnel and administrative policy compliance, management and operational matters, and human resources-related matters
- d. Evaluating the application of a corporation code of ethics, providing reviews and recommendations on the design and content of ethics-related policy training courses, educating employees on the code and on appropriate conduct, and checking for compliance
- e. Evaluating the activities of the senior management team and management's compliance with recommended solutions
- f. Cooperating and coordinating activities with the chief of internal audit
- g. Maintaining records of investigations and discipline in accordance with established policies, or as otherwise required
- h. Supervising and directing the tasks and assignments of the staff assigned to assist with the inspector general's projects, including regular review and feedback regarding work in progress and providing recommendations regarding relevant training and staff development activities
- i. Directing, planning, preparing, and presenting interim and final reports and oral briefings which communicate the results of studies, reviews, and investigations
- j. Providing the executive director with independent and objective assessments of programs and activities
- k. Completing special projects, assignments, and other duties as requested by the Financial Services Commission
- l. Reporting expeditiously to the Department of Law Enforcement or other law enforcement agencies, as appropriate, whenever the inspector general has reasonable grounds to believe there has been a violation of criminal law



OIG PROCESSES



OIG Investigations Procedure Manual

The OIG has developed a comprehensive internal investigations manual which outlines standard operating procedures and provides the OIG staff with guidance to ensure activities are conducted in a consistent, fair, thorough, transparent, and objective manner. Procedures include detailed and specific standards and expectations.

Complaint Triage Process

Citizens' Inspector General convenes meetings to triage complaints received through Citizens' complaint reporting hotline, Tell Citizens (or other mechanisms), to discuss the merits of the complaint and collaboratively assign the complaint for handling as appropriate. Significant complaints received are retained by the OIG for investigative projects. However, complaints involving performance issues, grievance matters, and the like, are generally referred to Human Resources (HR) or the appropriate business unit for handling. Offices in receipt of a referral have 30 days to provide a written response to the OIG of actions taken to address the complaint.

Prior to any triage, the Inspector General reviews complaints to determine if the complaint could meet Florida's Whistle-blower Act requirements.

Complaints that may qualify under Florida's Whistle-blower Act, as well as investigations requested by designated leadership or initiated by the Inspector General, are not triaged. The Chief of Internal Audit is notified of these matters.

The triage team may include any persons who are in a position that adds value to the triage process. Typically, the triage team consists of the:

-  **Inspector General**
-  **Chief of Internal Audit**
-  **Ethics Officer**
-  **Human Resources Representative**

OIG PROCESSES



Claims-Based Complaints

On occasion, Citizens' policyholders will contact the OIG to resolve a claim or dispute an indemnity. Likewise, on occasion, claims-related matters are referred to the OIG by external parties, such as the Office of the Chief Inspector General for the Governor, or the Inspector General for the Office of Insurance Regulation. Again, these referrals usually arise from policyholders seeking to resolve claim disputes.

The OIG does not serve in a claims dispute resolution or mediation role. However, Citizens maintains a statutorily required office dedicated to this function. Consequently, upon receipt of claim-focused complaints or referrals, the OIG generally will refer such matters to Citizens' Customer Correspondence Team. The Customer Correspondence Team will review the matter and provide the OIG with an update on its findings and related documentation within 30 days. The OIG will track and monitor all referrals to the Customer Correspondence Team to ensure matters are addressed and customer concerns are reviewed and resolved promptly and objectively.

Professional Education and Training

To ensure staff remain up-to-date on ever-changing investigative practices, the OIG investigative staff are required to obtain 40 hours of continuing education at least every two years and maintain professional competence. Investigative members of the OIG annually attend the Equal Employment Opportunity Commission (EEOC) training to maintain their EEOC Investigators certification.

Compliance Program Oversight

Citizens uses a Compliance Program Framework to ensure adherence to federal and state requirements. In 2025, the OIG completed a risk-based Compliance Review and a Process Review in addition to an Audit to provide added assurance that processes and staff meet legal obligations, working in coordination with Compliance and Internal Audit.

OIG PROCESSES



Independent Legal Services

On occasion, the Office of Inspector General (OIG) encounters situations, investigative matters, or complex issues that require support from independent, external legal counsel. As an independent office within Citizens, there are times when seeking guidance outside the organization is the most appropriate and prudent course of action to ensure objectivity and legal accuracy. While Citizens' Office of the General Counsel remains a valuable resource and has consistently provided helpful assistance when requested and appropriate, certain matters benefit from the additional neutrality and specialized expertise that external counsel can provide.

As part of its standard operating procedures, the OIG routinely engages outside counsel for all investigations involving allegations of discrimination, harassment, or whistle-blower activity, given the sensitivity, legal implications, and statutory requirements associated with such cases. Beyond these routine matters, the OIG may also seek the support of external legal counsel when handling particularly complex issues where the potential consequences of error are significant and warrant heightened legal precision. This approach helps ensure that the OIG's work is conducted with the highest level of diligence, independence, and professional rigor.



OIG OUTREACH AND ENGAGEMENT

Education & Outreach Efforts

Offices of inspectors general have existed in most state executive branch organizations for decades; however, the inspector general concept is relatively new to Citizens. Many staff with private sector insurance backgrounds are unfamiliar with the role of the inspector general and related functions. A primary and ongoing goal of the OIG is to increase awareness and knowledge through formal and informal meetings rather than when contact and interaction becomes necessary during an active investigation.

The OIG works to raise awareness of the office with activities such as writing Leaders Corner Articles, updating mandatory employee training with OIG and Tell Citizens information, reviewing and updating the OIG page on Citizens' internal and external websites, and providing Tell Citizens informational cards with all employee ID badges. The IG and OIG staff participate in workshops, committees and seminars as a way to meet and interact with Citizens staff.

The OIG is accessible to external parties through the Inspector General page on Citizens' external site which provides an overview of the office, information on how to file a complaint, and general contact information. A contact card for the Inspector General that includes a link to the Tell Citizens site can be found under the "Contact Us" page on Citizens' external site. In addition, an Office of Inspector General contact web form can be completed under the "Governance" page so external parties can reach the OIG.

OIG OUTREACH AND ENGAGEMENT

Executive Leaders

Citizens' Executive Leadership Team (ELT) consists of the top leaders within the corporation and is led by Citizens' President/CEO and Executive Director. Inspector General Mark Kagy continues to be a member of Citizens' ELT where he provides perspective and information from his role as the Inspector General.

Fraud Awareness Week

Every year Citizens plans a Fraud Awareness Week Campaign for employees. During this week, which often coincides with International Fraud Awareness week, there are activities and articles that discuss the effects of fraud and what Citizens does to combat fraud. OIG staff participate in planning the content and activities surrounding this annual event.

Lead 365

Lead 365 is a program developed to guide future leaders. Program topics include leadership and teambuilding, managerial foundations, and mentoring. Rising leaders within Citizens' ranks were identified and participated in this six-month program. Inspector General Mark Kagy met with the graduates to answer questions regarding the OIG and to provide leadership guidance.

Workshop & Seminar Participation

Inspector General Mark Kagy directly participated in multiple Citizens training activities, events, and/or seminars. These events provided an opportunity for Citizens' staff and managers to meet formally and interact with the IG.

Risk Steering Committee

Citizens' Risk Steering Committee (RSC) is responsible for overseeing the risk management processes for the corporation. Inspector General Mark Kagy participates in these meetings and assists the RSC in its responsibilities to provide leadership through the alignment of risk mitigation activities, prioritizing risk exposures, ensuring optimal risk management, and facilitating open communication across functional units.

Safety and Security Committee

Inspector General Mark Kagy is a member of Citizens' Safety and Security Committee. Kagy participates in the meetings and provides advice to the committee's chair as needed. The committee is responsible for promoting a safe and secure working environment. The committee meets regularly and identifies potential unsafe or unsecure work practices and conditions, provides recommendations for resolution, and analyzes historical trends. The committee also assists in the development of safety and security awareness programs, as well as loss prevention and loss control programs, and promotion of a culture of safety and security. Kagy takes a lead role in several matters related to the safety and security of Citizens' operations. This year, he was consulted or took a leadership role in resolving three matters. As a result, there were no known negative impacts to Citizens' staff, vendors, policyholders, or operations. The OIG continually monitors threats to Citizens' safety and security and takes immediate actions to resolve any threats.

OIG OUTREACH AND ENGAGEMENT

Leadership Summit

Inspector General Mark Kagy participated in corporate-wide leadership summits involving the top leaders at Citizens. This forum provides participants with Citizens' strategic and division-specific priorities and is concluded with a comprehensive question and answer session for Executive Leadership Team members.

OIG OUTREACH AND ENGAGEMENT

Florida Chapter of AIG Board of Directors

The Florida Chapter of the Association of Inspectors General (FCAIG) is a civic, educational, charitable, and benevolent organization for the exchange of ideas, information, education, knowledge, and training among municipal, local, state, national, and international inspectors general. The FCAIG fosters and promotes public accountability and integrity in the general areas of the prevention, examination, investigation, audit, detection, elimination, and prosecution of fraud, waste, and abuse through policy research and analysis; standardization of practices, policies, conduct and ethics; and encouragement of professional development by providing and sponsoring educational programs. The FCAIG serves approximately 600 OIG personnel and Inspector General Mark Kagy is honored to be serving his second term on the FCAIG Executive Board.

OIG PROJECTS OVERVIEW

The OIG is responsible for receiving information and acting in a manner that promotes “accountability, integrity, and efficiency.” Information is received in a multitude of ways, often in the form of a complaint.

OIG PROJECT/ACTIVITY TYPES



Cases

- Investigations
- Investigative Inquiries



Substantive Projects

- Process Reviews
- Compliance Reviews
- Audits



Administrative Projects

- Consultation Services
- Referrals
- Administrative Closures
- Records Requests

BY THE NUMBERS

175	CORRESPONDENCES
149	COMPLAINTS
13	CASES/SUBSTANTIVE PROJECTS
162	ADMINISTRATIVE PROJECTS

CORRESPONDENCES

Most OIG activities begin as a correspondence. Correspondences are inbound communications by any individual or entity to the OIG, all correspondences are entered into and tracked by OIG’s Case Management and Tracking System. Correspondences include complaints, referrals, requests for investigation or review, or any other tracked communication. However, not all correspondences result in cases or substantive projects.

OIG PROJECTS OVERVIEW

In addition to investigating allegations of fraud, waste, abuse, malfeasance, mismanagement, employee misconduct, and policy violations, the OIG also manages several other case types and substantive projects.

CASES

An **Investigation** is the OIG's highest level of review, used for matters requiring a comprehensive assessment. It involves interviews and detailed analysis of documents, data, and communications, typically addressing serious misconduct. Outcomes can include discipline, termination, or referral for criminal prosecution.

An **Investigative Inquiry** is a lower level of review conducted by the OIG when circumstances dictate that an alternative to a full investigation is prudent. The purpose of an Investigative Inquiry is to provide an appropriate level of review in situations where a full, detailed analysis and conclusion, typically associated with an investigation, is unwarranted or impractical.

SUBSTANTIVE PROJECTS

A **Compliance Review** attempts to determine if a specific Citizens business unit, function, action, or process is compliant with applicable laws, rules, policies, and procedures.

A **Process Review** analyzes a particular Citizens business unit's processes and attempts to determine if the actual or outlined processes are effective and efficient, or in need of improvement.

An **Audit** provides an independent, structured review of processes, controls, and records to ensure accuracy, compliance, and effective operations.



ADMINISTRATIVE PROJECTS

Correspondence received not resulting in a case or substantive project are tracked as administrative projects

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CONSULTATION SERVICES

Consultation Services are provided to any Citizens individual or business unit upon request. This is an OIG engagement whereby leading practices, appropriate responses, or necessary actions to ongoing corporate issues are discussed and analyzed. Care is taken to ensure that any OIG input is provided in a discretionary, advisory manner, so as not to impair OIG independence.

1

RECORDS REQUESTS

Records Request for OIG documents are handled in accordance with Public Records Law and Citizens' Records Management and Records Request Policy.

REFERRALS

Referrals are directed to internal Citizens business units or to external entities. A referral constitutes a formal request from the OIG for the receiving party to review the matter, take appropriate action, and provide the OIG with a description of the intended response prior to closure of the case. Referrals involving job performance concerns or employee grievance matters are typically forwarded to Human Resources for resolution and customer complaints are referred to the Customer Correspondence Team. Internal Citizens business units are allotted 30 days to submit a documented response to the OIG.

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ADMINISTRATIVE CLOSURES

Administrative Closures are issued when no further investigative action is warranted or when the matter falls outside the jurisdiction of the OIG. In these instances, the OIG documents the basis for the closure to ensure transparency and maintain a clear record of the evaluation.

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2025 CLOSED PROJECT SUMMARIES

In 2025, the OIG closed 14 projects:

- Seven Investigations
- Four Investigative Inquiries
- One Compliance Review
- One Audit
- One Process Review

24-12 PROCESS REVIEW HUMAN RESOURCE LICENSING

The OIG previously conducted Process Review 22-15 regarding Citizens' policies related to placing staff insurance licenses and appointments in an inactive status. In the review, the OIG identified opportunities for process improvements and provided Citizens' leadership a list of recommendations to consider. The OIG opened this process review to document management's response to those recommendations. Human Resources provided updates regarding the implementation of the recommendations which included revisions to the new hire orientation training, the "Acknowledgement of Code of Ethics" form, and the Annual Conflicts of Interest training.

24-14 COMPLIANCE REVIEW NOTIFICATION OF PUBLIC MEETINGS

The OIG reviewed Citizens' Public Meeting procedures for compliance with Florida Statute.

Section 286.011, Florida Statutes requires:

- All meetings of the Board to be open to the public at all times;
- Reasonable notice of all Board and committee meetings;
- The minutes of a meeting be promptly recorded and open to public inspection.

The OIG reviewed Citizens' processes, public meeting notices, and documentation. The OIG determined Citizens has demonstrated compliance with statute.

24-18 INVESTIGATIVE INQUIRY PROCUREMENT REVIEW

The OIG received a complaint alleging a procurement was intentionally split into separate contracts to avoid Board approval. OIG identified information to refute this allegation. OIG determined the single-year purchase was the most beneficial option for Citizens' business needs. Specific rationale included the need to closely monitor spending due to Citizens' shrinking policy count as well as no significant discount for a multi-year contract. Although the procurements met legal requirements, a failure to fully complete internal administrative documents was found. Changes in responsibilities for the Single Source procurement process have been implemented.

24-20 INVESTIGATION COMMERCIAL FIELD ADJUSTER OVER-SCOPED ESTIMATES

A Claims manager reported concerns that an independent field adjuster (FA) improperly submitted fraudulent documentation and/or over-scoped repair estimates. Claims management provided a file audit of all 14 claims assigned to the FA which showed he submitted duplicate photos for multiple locations on three of the 14 claims he adjusted. Additionally, the estimates he submitted for four of the 14 claims were significantly higher than the reinspection estimates submitted by independent experts. The FA refused to make corrections, was removed from Citizens' services, and terminated from his firm as a result. The OIG found that the FA's actions would have resulted in significantly higher payments to his firm and to himself. These actions would have cost Citizens \$7,430,971.97 in ineligible claims payouts resulting in the firm receiving over \$109,033.26 in additional fees, of which the FA would have personally received additional fees totaling \$70,871.62. Based on the information obtained, the allegation that the FA submitted fraudulent documentation and/or over-scoped repair estimates for four of his 14 commercial claims was **Supported**. The OIG reported these findings to Florida's Department of Financial Services, Criminal Investigations Division as there are reasonable grounds to believe a violation of criminal law has occurred. Additionally, the OIG referred these findings to the Division of Insurance Agent & Agency Services, Bureau of Investigation, for consideration of any licensing or administrative action deemed appropriate.

24-21 INVESTIGATIVE INQUIRY NO INVOICES FOR ESTIMATES

The OIG received an anonymous complaint alleging an Independent Adjuster's (IA) wife, who is also an IA, is responsible for assigning the IA's field work and the IA had "presented estimates with non-existent invoices in files." Citizens' contract manager stated Citizens does not regulate vendors' file assignment process and there is no contract provision that addresses or prohibits a vendor employee from assigning files to a relative. A review of the IA's file showed the IA's wife assigned one file to the IA and had no other access to her husband's assigned files during the review period. The OIG requested a Quality Assurance (QA) audit of the IA's files which revealed all required invoices were included in the case files, the IA's wife was not involved in any of the vendor's QA reviews, and the estimated claim amounts did not indicate a pattern of fraud. Based on the information obtained, no further action by the OIG was warranted.

25-01 INVESTIGATION MISCONDUCT

The OIG received a concern of potential misconduct by a Field Adjuster (FA) with a vendor firm. It was alleged the FA improperly released proprietary work documents to a policyholder and their agent. The policyholder's agent was in possession of a privileged property inspection report that had not been approved by the vendor or by Citizens and had not been uploaded to Citizens' data systems. The privileged property inspection report estimated damages at \$8,774.72; however, the final corrected adjustment resulted in total claims payments of \$122,166.33. The release of the report by the FA created confusion for the policyholder and Citizens' claims process. The OIG interviewed the FA who admitted releasing the report at the request of the policyholder's agent. Based on the information obtained, the allegation that the Field Adjuster improperly released proprietary and privileged work documents to a policyholder and her representative was **Supported**. Upon discovery of her actions, Citizens marked the FA as no longer eligible for Citizens assignments.

25-02 INVESTIGATION WORK ENVIRONMENT BEHAVIOR

Citizens' Human Resources Office (HR) referred a complaint to the OIG with allegations of workplace misconduct including mistreatment of co-workers, creating a disruptive work environment, and making derogatory racial comments. Witnesses described the employee as disruptive in meetings, intimidating towards employees and inappropriately using profanity and the N-word. Coworkers stated the behavior caused contention and disruption and created a tense and uncomfortable work environment. Management confirmed the employee was instructed to refrain from her unprofessional conduct; however, the behavior continued. Three allegations of discourteous treatment, intimidation, making derogatory racial comments, and failure to follow the directive of her supervisor after being told to refrain from her unprofessional workplace behavior were **Supported**. The employee was terminated due to the report findings.

25-03 AUDIT PROCUREMENT RISK

Section 287.136(2), Florida Statutes, requires Citizens' OIG to conduct a three-year, risk-based compliance audit, intended to identify any trends in vendor preference. No trends in vendor preference were identified and minor inconsistencies in documentation practices were immediately addressed.

25-04 INVESTIGATIVE INQUIRY MISMANAGEMENT

The OIG received information regarding a temporary check processing procedure implemented during the Covid-19 pandemic. At that time, policy counts were significantly increasing and staff shortages were lengthy due to extended illnesses. In response, the remittance processing manager permitted staff to remove premium payment checks from the Citizens office for processing. This decision was not approved by senior leaders and the manager did not provide leaders an opportunity to identify alternative solutions. The OIG accounted for all checks and verified payments were appropriately processed. Since the pandemic, Citizens' procedures related to check processing have significantly changed, largely due to combining accounts, and the manual processes staff were conducting remotely are no longer needed. Senior leaders are continuing to refine best practices that safeguard Citizens' assets without compromising customer service standards.

25-05 INVESTIGATION MISCONDUCT

Citizens' HR referred a complaint received from a Citizens vendor to the OIG alleging a Citizens employee used derogatory and vulgar language during a telephone call with the vendor staff. The vendor provided an audio recording of the call. The employee admitted using derogatory and vulgar language during the call with vendor employees. Additionally, Citizens' Management and HR had documented communication and performance concerns regarding the employee including a note to file for an interaction with a co-worker. There was one other reported instance where the employee refused to communicate with a vendor due to their accent. The allegation that the employee behaved inappropriately by using derogatory and vulgar language during a telephone call with vendor employees was **Supported**. The employee was terminated due to the report findings.

25-07 INVESTIGATION EMPLOYEE MISCONDUCT

The OIG received information regarding a work place disturbance. An employee was having a discussion in her cubicle with a coworker. The employee became agitated and accused the coworker of attempting to take her job. The coworker attempted to explain her position and the employee responded with a loud verbal outburst demanding to be left alone. The coworker began to leave the area but returned in an attempt to calm the employee and again explain her position on the matter. The coworker leaned down in an attempt to discuss the matter quietly and the employee responded with a louder outburst. During this outburst, the employee placed her hand on the coworker's shoulder and pushed her. The disturbance ended and the coworker dismissed the push by stating it was reactionary and non-threatening. Although the employee's actions were not characterized as violent or threatening, her negative actions created an unacceptable workplace disturbance. The allegation that the employee pushed her coworker and made multiple loud verbal outbursts disrupting others was **Supported**. The employee resigned prior to the conclusion of the investigation.

25-08 INVESTIGATION VENDOR STAFF MISCONDUCT

An employee reported that a vendor’s janitorial staff member made “physical contact by patting me on the hip” as she passed by. The employee stated she did not have a familiar relationship with the janitorial staff member, had not given permission to make physical contact with her, and she felt the conduct was inappropriate. The incident was observed by multiple witnesses who provided the OIG with a corroborating account of the employee’s complaint. The janitorial staff member stated she did not recall making any physical contact with the employee and added that if it had occurred, it was unintentional in passing. Additionally, the OIG learned of prior conduct concerns involving the janitorial staff member. Based on the information obtained, the allegation was **Supported**. As a result of these findings, the janitorial staff member no longer provides services to Citizens.

25-10 INVESTIGATIVE INQUIRY PROTECTED INFORMATION

An employee discovered an electronic profile in PolicyCenter containing his name and residential address. The employee never held a Citizens policy nor shopped for one, which is the typical process for profile creation. The OIG reviewed a data entry audit report and determined an agent created the profile; however, the employee indicated he had no relationship with the agent. The OIG contacted the agent, who is no longer affiliated with Citizens nor the insurance industry, but she could not recall a business relationship with the employee. Citizens management indicated agents will sometimes send unsolicited marketing information and enter prospective client information as a profile in PolicyCenter. The information entered into the profile was the employee’s name and residential address, both found to be publicly available. Based on the information obtained, no further action by the OIG was warranted.

25-12 INVESTIGATION RETALIATION

An employee filed a complaint alleging her manager and director were retaliating against her for using leave associated with the Americans with Disabilities Act and the Family and Medical Leave Act. The employee stated the retaliation began immediately upon returning from leave. The manager provided the complainant with a “Development Needed” rating on a mid-year performance rating; however, the OIG confirmed through HR the assessment was fair and based on documented performance concerns. The OIG determined the manager’s actions were not retaliatory and the allegation was **Not Supported**. During the investigation, HR notified the OIG that the director expressed a desire to terminate the employee due to excessive use of leave. The director stated she was frustrated about the employee’s attendance and her lack of communication. The director acknowledged to the OIG wanting to terminate the employee based on use of leave and admitted to poor judgment with respect to the protections afforded. While the director’s request to terminate the employee was denied, attempting to terminate an employee associated with a protected activity constitutes a form of retaliation; therefore, the allegation was **Supported**. The manager received a written warning based on the report findings.

2025 INVESTIGATIVE FINDINGS SUMMARY

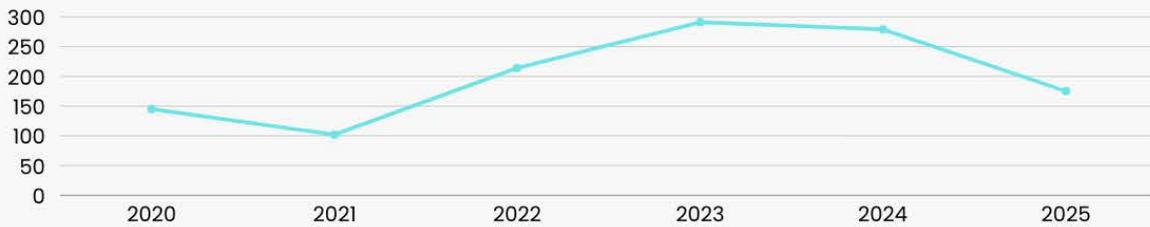
In 2025, seven Investigations (excluding Investigative Inquiries) were closed, encompassing ten allegations—nine **Supported** and one **Not Supported**.



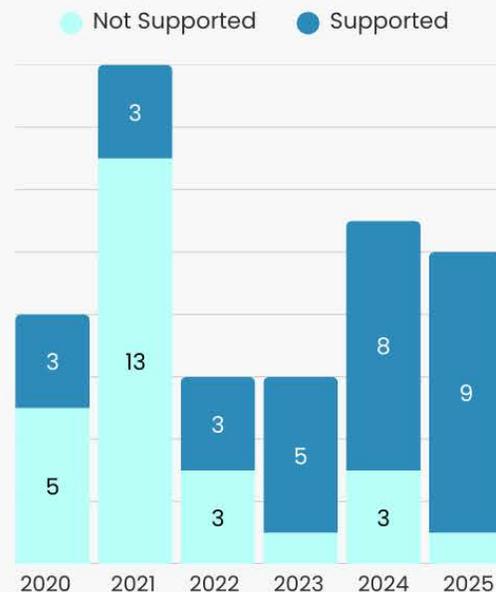
2020-2025 TRENDS



The OIG demonstrated measurable progress in improving the accuracy of complaint submissions and ensuring that matters were properly routed to the appropriate departments. Through continued outreach, clearer guidance, and enhancements to reporting mechanisms, the OIG significantly reduced the number of misdirected correspondences submitted to the office but intended for other internal departments or external entities. These efforts resulted in a 37% decrease in referrals, indicating a notable improvement in organizational awareness of proper reporting channels and reinforcing the effectiveness of the OIG’s ongoing initiatives to streamline intake processes and support efficient case management.



In 2025, the OIG investigated a total of ten allegations, exclusive of Investigative Inquiries. Following the completion of these Investigations, nine of the ten allegations were determined to be **Supported**. This outcome reflects both the substantiated nature of the matters presented and the OIG’s continued commitment to conducting thorough, objective, and well-documented investigations.



2020-2025 TRENDS



Between 2020 and 2025, the OIG received correspondences by various means of contact.

	2020	2021	2022	2023	2024	2025
Contact Us – External Site	17	34	50	101	137	85
Email	24	37	37	35	37	18
In Person	4	1	1	1	5	11
Mail	2	2	2	5	1	2
Referral	3	1	4	12	3	4
OIG Initiated	Not previously captured				7	9
Other	63	1	2	1	1	0
Telephone	9	4	7	9	7	6
<i>Tell Citizens</i>	23	22	111	127	81	40
Total	145	102	214	291	279	175

Between 2020 and 2025 the OIG has received correspondences categorized under the following primary issues/allegations

	2020	2021	2022	2023	2024	2025
Discrimination/ Harassment	4	3	4	5	13	10
Ethics	2	3	7	3	8	7
Misconduct	18	10	27	15	26	28
OIG Project	-	-	-	-	8	6
Mismanagement	9	4	4	9	11	9
Arrest/Disposition	59 ⁴	2	1	1	1	4
Other	47	4	15	27	3	1
Records Request	-	-	4	3	4	1
Customer Inquiry/Complaints ⁶	-	76	145	224	195	108
Vendor Improprieties	6	-	7	4	3	1
Total	145	102	214	291	279	175

¹ Captured under 'Other' prior to 2024.

² The post-hire background screening project led to an increase in the number of correspondences for the "arrest/disposition" category. These 59 correspondences represent interactions with staff and the vendor and do not represent individual arrests or convictions.

³ Not tracked prior to 2022.

⁴ Captured under 'Other' in 2020.

REPORT ON IMPAIRMENT TO INDEPENDENCE

OIG BUDGET

The OIG is funded through Citizens' general budget but operates independently as required by statute. Its annually proposed budget is supported by Citizens' financial staff and approved by the Board of Governors. Despite potential concerns, Citizens has consistently fully funded the OIG, which remains committed to independence and fiscal responsibility.

INDEPENDENCE IMPAIRMENTS

As required by law and as instituted by best professional practices for offices of inspectors general, the inspector general, staff, and projects must be protected from any actual or perceived impairments to independence. In all matters, the OIG and each individual staff member should be free both in fact and appearance from personal, external, and organizational impairments to independence. The OIG is committed to reporting any internal or external effort to negatively impact, reduce, or infringe upon OIG independence.

OIG Policy 1.05 requires all OIG staff members to complete an Annual Independence and Objectivity Statement form certifying their independence from any personal, organizational, and/or external impairments. The policy also requires, upon recognition of any impairment or perceived impairment, the staff member immediately notify the Inspector General.

The purpose of this section is to:

- Identify any instances of possible impairments to OIG independence from internal or external sources.
- Report on any events whereby the independence of the OIG was possibly jeopardized.
- List any mitigation efforts by the OIG to resolve any actual or perceived infringement on OIG independence.

The Inspector General is pleased to report that at no time during the reporting period did the OIG observe any effort which could be perceived to have negatively impacted our independence.

CONTACT US



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